

By: Toth

H.B. No. 3098

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem taxation.

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

SECTION 1. The heading to Subchapter A, Chapter 6, Tax Code, is amended to read as follows:

SUBCHAPTER A. APPRAISAL OFFICES ~~[DISTRICTS]~~

SECTION 2. Section 6.01, Tax Code, is amended to read as follows:

Sec. 6.01. APPRAISAL OFFICES ~~[DISTRICTS]~~ ESTABLISHED. (a) An appraisal office ~~[district]~~ is established in each county.

(b) The office ~~[district]~~ is responsible for appraising property in the county for which the office is established ~~[district]~~ for ad valorem tax purposes of each taxing unit that imposes ad valorem taxes on property in the county ~~[district]~~.

(c) An appraisal office ~~[district]~~ is governed by the assessor-collector of the county for which the office is established and is an administrative office of the county assessor-collector ~~[a political subdivision of the state]~~.

(d) For purposes of this title, each taxing unit with territory in the county is considered to participate in the appraisal office established for the county.

(e) A reference in this title or other law to:

(1) an appraisal district means an appraisal office;

(2) the territory of an appraisal district means the

1 county for which an appraisal office is established; and

2 (3) the board of directors of an appraisal district
3 means the assessor-collector of the county for which an appraisal
4 office is established.

5 SECTION 3. Section 6.02, Tax Code, is amended to read as
6 follows:

7 Sec. 6.02. APPRAISAL OFFICE AUTHORITY WITHIN COUNTY
8 [DISTRICT BOUNDARIES]. (a) An [The] appraisal office has
9 authority under this title in the territory included within
10 [district's boundaries are the same as] the county's boundaries.

11 (b) This section does not preclude the county
12 assessor-collectors who govern [board of directors of] two or more
13 adjoining appraisal offices [districts] from providing for the
14 operation of a consolidated appraisal office [district] by
15 interlocal contract.

16 SECTION 4. The heading to Section 6.035, Tax Code, is
17 amended to read as follows:

18 Sec. 6.035. RESTRICTIONS ON ELIGIBILITY AND CONDUCT OF
19 COUNTY ASSESSOR-COLLECTORS [BOARD MEMBERS] AND CHIEF APPRAISERS
20 AND THEIR RELATIVES.

21 SECTION 5. Sections 6.035(a), (b), and (d), Tax Code, are
22 amended to read as follows:

23 (a) An individual is [ineligible to serve on an appraisal
24 district board of directors and is] disqualified from employment as
25 chief appraiser if the individual:

26 (1) is related within the second degree by
27 consanguinity or affinity, as determined under Chapter 573,

1 Government Code, to an individual who is engaged in the business of
2 appraising property for compensation for use in proceedings under
3 this title or of representing property owners for compensation in
4 proceedings under this title in the appraisal office [~~district~~]; or

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

8 (A) the delinquent taxes and any penalties and
9 interest are being paid under an installment payment agreement
10 under Section 33.02; or

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

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

25 (d) An appraisal performed by a chief appraiser in a private
26 capacity or by an individual related within the second degree by
27 consanguinity or affinity, as determined under Chapter 573,

1 Government Code, to the chief appraiser may not be used as evidence
2 in a protest or challenge under Chapter 41 or an appeal under
3 Chapter 42 concerning property that is taxable in the county for
4 which the appraisal office that employs [~~district in which~~] the
5 chief appraiser is established [~~employed~~].

6 SECTION 6. Sections 6.036(b), (c), and (f), Tax Code, are
7 amended to read as follows:

8 (b) An appraisal office [~~district~~] may not enter into a
9 contract with the county assessor-collector who governs [~~a member~~
10 ~~of the board of directors of~~] the appraisal office [~~district~~] or
11 with a business entity in which the county assessor-collector [~~a~~
12 ~~member of the board~~] has a substantial interest.

13 (c) A taxing unit may not enter into a contract relating to
14 the performance of an activity governed by this title with a
15 business entity in which the county assessor-collector who governs
16 [~~a member of the board of directors of~~] an appraisal office
17 [~~district~~] in which the taxing unit participates [~~or with a~~
18 ~~business entity in which a member of the board~~] has a substantial
19 interest.

20 (f) This section does not limit the application of any other
21 law, including the common law relating to conflicts of interest, to
22 a county assessor-collector [~~an appraisal district director~~].

23 SECTION 7. Section 6.05, Tax Code, is amended to read as
24 follows:

25 Sec. 6.05. APPRAISAL OFFICE; CHIEF APPRAISER AND OTHER
26 EMPLOYEES. (a) Except as authorized by Subsection (b) [~~of this~~
27 ~~section~~], each county assessor-collector [~~appraisal district~~]

1 shall establish an appraisal office. The appraisal office must be
2 located in the county for which the office [~~district~~] is
3 established. An appraisal office [~~district~~] may establish branch
4 appraisal offices outside the county for which the office
5 [~~district~~] is established.

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

11 (c) The county assessor-collector may serve as the chief
12 appraiser for the appraisal office or may appoint another person to
13 serve as the chief appraiser.

14 (d) A county assessor-collector who appoints another person
15 to serve as the chief appraiser shall notify the comptroller and
16 each taxing unit that participates in the appraisal office of that
17 appointment.

18 (e) An appointed [~~The~~] chief appraiser [~~is the chief~~
19 ~~administrator of the appraisal office. Except as provided by~~
20 ~~Section 6.0501, the chief appraiser is appointed by and~~] serves at
21 the pleasure of the county assessor-collector and acts on behalf of
22 the county assessor-collector on all matters delegated to the
23 appointed chief appraiser by the county assessor-collector
24 [~~appraisal district board of directors. If a taxing unit performs~~
25 ~~the duties of the appraisal office pursuant to a contract, the~~
26 ~~assessor for the unit is the chief appraiser~~]. To be eligible to be
27 appointed [~~or serve~~] as a chief appraiser or to serve as an

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

24 (f) An appointed [~~(d) Except as provided by Section~~
25 ~~6.0501, the~~] chief appraiser is entitled to compensation as
26 provided by the budget adopted by the county assessor-collector who
27 governs the appraisal office for performing duties delegated to the

1 appointed chief appraiser by the county assessor-collector [~~board~~
2 ~~of directors~~]. The chief appraiser's compensation may not be
3 directly or indirectly linked to an increase in the total market,
4 appraised, or taxable value of property in the county for which the
5 appraisal office is established [~~district~~]. The county
6 assessor-collector [~~Except as provided by Section 6.0501, the chief~~
7 ~~appraiser~~] may employ and compensate professional, clerical, and
8 other personnel as provided by the budget[, ~~with the exception of a~~
9 ~~general counsel to the appraisal district~~].

10 (g) [(e)] The county assessor-collector may not appoint a
11 person to serve as the chief appraiser if the person is related to
12 the county assessor-collector within the second degree by affinity
13 or within the third degree by consanguinity, as determined under
14 Chapter 573, Government Code. [~~chief appraiser may delegate~~
15 ~~authority to his employees.~~

16 [~~(f) The chief appraiser may not employ any individual~~
17 ~~related to a member of the board of directors within the second~~
18 ~~degree by affinity or within the third degree by consanguinity, as~~
19 ~~determined under Chapter 573, Government Code.~~] A person commits
20 an offense if the person intentionally or knowingly violates this
21 subsection. An offense under this subsection is a misdemeanor
22 punishable by a fine of not less than \$100 or more than \$1,000.

23 (h) [(g)] The chief appraiser is an officer of the appraisal
24 office [~~district~~] for purposes of the nepotism law, Chapter 573,
25 Government Code. An appraisal office [~~district~~] may not employ or
26 contract with an individual or the spouse of an individual who is
27 related to the chief appraiser within the first degree by

1 consanguinity or affinity, as determined under Chapter 573,
2 Government Code.

3 (i) A county assessor-collector who appoints another person
4 to serve as the chief appraiser [~~(h) The board of directors of an~~
5 ~~appraisal district by resolution~~] may prescribe that specified
6 actions of the chief appraiser relating to the finances or
7 administration of the appraisal office [~~district~~] are subject to
8 the approval of the county assessor-collector [~~board~~].

9 [~~(i) To ensure adherence with generally accepted appraisal~~
10 ~~practices, the board of directors of an appraisal district shall~~
11 ~~develop biennially a written plan for the periodic reappraisal of~~
12 ~~all property within the boundaries of the district according to the~~
13 ~~requirements of Section 25.18 and shall hold a public hearing to~~
14 ~~consider the proposed plan. Not later than the 10th day before the~~
15 ~~date of the hearing, the secretary of the board shall deliver to the~~
16 ~~presiding officer of the governing body of each taxing unit~~
17 ~~participating in the district a written notice of the date, time,~~
18 ~~and place for the hearing. Not later than September 15 of each~~
19 ~~even-numbered year, the board shall complete its hearings, make any~~
20 ~~amendments, and by resolution finally approve the plan. Copies of~~
21 ~~the approved plan shall be distributed to the presiding officer of~~
22 ~~the governing body of each taxing unit participating in the~~
23 ~~district and to the comptroller within 60 days of the approval~~
24 ~~date.~~]

25 (j) The county assessor-collector who governs [~~board of~~
26 ~~directors of~~] an appraisal office [~~district~~] may employ a general
27 counsel to the office [~~district~~] to serve at the will of the county

1 assessor-collector [~~board~~]. The general counsel shall provide
2 counsel directly to the county assessor-collector [~~board~~] and
3 perform other duties and responsibilities as determined by the
4 county assessor-collector [~~board~~]. The general counsel is entitled
5 to compensation as provided by the budget adopted by the county
6 assessor-collector [~~board~~].

7 SECTION 8. Section 6.052, Tax Code, is amended to read as
8 follows:

9 Sec. 6.052. TAXPAYER LIAISON OFFICER. (a) The county
10 assessor-collector who governs [~~board of directors for~~] an
11 appraisal office [~~district~~] created for a county with a population
12 of more than 120,000 shall appoint a taxpayer liaison officer who
13 shall serve at the pleasure of the county assessor-collector
14 [~~board~~]. The taxpayer liaison officer [~~shall administer the public~~
15 ~~access functions required by Sections 6.04(d), (e), and (f), and~~]
16 is responsible for resolving disputes not involving matters that
17 may be protested under Section 41.41. In addition, the taxpayer
18 liaison officer is responsible for receiving, and compiling a list
19 of, comments and suggestions filed by the chief appraiser, a
20 property owner, or a property owner's agent concerning the matters
21 listed in Section 5.103(b) or any other matter related to the
22 fairness and efficiency of the appraisal review board established
23 for the appraisal office [~~district~~]. The taxpayer liaison officer
24 shall forward to the comptroller comments and suggestions filed
25 under this subsection in the form and manner prescribed by the
26 comptroller.

27 (b) The taxpayer liaison officer shall provide to the public

1 information and materials designed to assist property owners in
2 understanding the appraisal process, protest procedures, the
3 procedure for filing comments and suggestions under Subsection (a)
4 ~~[of this section or a complaint under Section 6.04(g)]~~, and other
5 matters. Information concerning the process for submitting
6 comments and suggestions to the comptroller concerning an appraisal
7 review board shall be provided at each protest hearing.

8 (c) The taxpayer liaison officer shall report to the county
9 assessor-collector ~~[board at each meeting]~~ on the status of all
10 comments and suggestions filed with the officer under Subsection
11 (a) ~~[of this section and all complaints filed with the board under~~
12 ~~Section 6.04(g)]~~.

13 (d) The taxpayer liaison officer is entitled to
14 compensation as provided by the budget adopted by the county
15 assessor-collector ~~[board of directors]~~.

16 (e) The chief appraiser or any other person who performs
17 appraisal or legal services for the appraisal office ~~[district]~~ for
18 compensation is not eligible to be the taxpayer liaison officer.

19 (f) The taxpayer liaison officer for an appraisal office
20 ~~[district described by Section 6.41(d-1)]~~ is responsible for
21 providing clerical assistance to the pertinent state senators and
22 state representatives ~~[local administrative district judge]~~ in the
23 selection of appraisal review board members. The officer shall
24 deliver to the state senators and state representatives ~~[local~~
25 ~~administrative district judge]~~ any applications to serve on the
26 board that are submitted to the officer and shall perform other
27 duties as requested by the state senators and state representatives

1 ~~[local administrative district judge]~~. The officer may not
2 influence the process for selecting appraisal review board members.

3 SECTION 9. The heading to Section 6.06, Tax Code, is amended
4 to read as follows:

5 Sec. 6.06. APPRAISAL OFFICE ~~[DISTRICT]~~ BUDGET AND
6 FINANCING.

7 SECTION 10. Sections 6.06(a), (b), (c), (d), (f), (g), (h),
8 (i), (j), and (k), Tax Code, are amended to read as follows:

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

23 (b) The county assessor-collector ~~[board of directors]~~
24 shall hold a public hearing to consider the budget. The chief
25 appraiser ~~[secretary of the board]~~ shall deliver to the presiding
26 officer of the governing body of each taxing unit participating in
27 the appraisal office ~~[district]~~ not later than the 10th day before

1 the date of the hearing a written notice of the date, time, and
2 place fixed for the hearing. The county assessor-collector [~~board~~]
3 shall complete the [~~its~~] hearings, make any amendments to the
4 proposed budget [~~it desires~~], and finally approve a budget before
5 September 15. If the governing bodies of a majority of the taxing
6 units participating in the appraisal office [~~entitled to vote on~~
7 ~~the appointment of board members~~] adopt resolutions disapproving a
8 budget and file them with the county assessor-collector [~~secretary~~
9 ~~of the board~~] within 30 days after its adoption, the budget does not
10 take effect, and the county assessor-collector [~~board~~] shall adopt
11 a new budget within 30 days of the disapproval.

12 (c) The county assessor-collector [~~board~~] may amend the
13 approved budget at any time[~~r~~] but [~~the secretary of the board~~] must
14 deliver a written copy of a proposed amendment to the presiding
15 officer of the governing body of each taxing unit participating in
16 the appraisal office [~~district~~] not later than the 30th day before
17 the date the county assessor-collector [~~board~~] acts on it.

18 (d) Each taxing unit participating in the appraisal office
19 [~~district~~] is allocated a portion of the amount of the budget equal
20 to the proportion that the total dollar amount of property taxes
21 imposed in the county for which the office is established
22 [~~district~~] by the taxing unit for the tax year in which the budget
23 proposal is prepared bears to the sum of the total dollar amount of
24 property taxes imposed in the county [~~district~~] by each
25 participating taxing unit for that year. If a taxing unit
26 participates in two or more appraisal offices [~~districts~~], only the
27 taxes imposed in the appropriate county [~~a district~~] are used to

1 calculate the taxing unit's cost allocations in that office
2 [~~district~~]. If the number of real property parcels in a taxing unit
3 is less than 5 percent of the total number of real property parcels
4 in the county [~~district~~] and the taxing unit imposes in excess of 25
5 percent of the total amount of the property taxes imposed in the
6 county [~~district~~] by all of the participating taxing units for a
7 year, the taxing unit's allocation may not exceed a percentage of
8 the appraisal office's [~~district's~~] budget equal to three times the
9 taxing unit's percentage of the total number of real property
10 parcels appraised by the office [~~district~~].

11 (f) Payments shall be made to a depository designated by the
12 county assessor-collector [~~district board of directors~~]. The
13 appraisal office's [~~district's~~] funds may be disbursed only by a
14 written check, draft, or order signed by the county
15 assessor-collector [~~chairman and secretary of the board~~] or, if
16 authorized by [~~resolution of~~] the county assessor-collector
17 [~~board~~], by the chief appraiser.

18 (g) If a taxing unit decides not to impose taxes for any tax
19 year, the taxing unit is not liable for any of the costs of
20 operating the appraisal office [~~district~~] in that year, and those
21 costs are allocated among the other taxing units as if that taxing
22 unit had not imposed taxes in the year used to calculate
23 allocations. However, if that taxing unit has made any payments, it
24 is not entitled to a refund.

25 (h) If a newly formed taxing unit or a taxing unit that did
26 not impose taxes in the preceding year imposes taxes in any tax
27 year, that taxing unit is allocated a portion of the amount budgeted

1 to operate the appraisal office [~~district~~] as if it had imposed
2 taxes in the preceding year, except that the amount of taxes the
3 taxing unit imposes in the current year is used to calculate its
4 allocation. Before the amount of taxes to be imposed for the
5 current year is known, the allocation may be based on an estimate to
6 which the county assessor-collector who governs the appraisal
7 office [~~district board of directors~~] and the governing body of the
8 taxing unit agree, and the payments made after that amount is known
9 shall be adjusted to reflect the amount imposed. The payments of a
10 newly formed taxing unit that has no source of funds are postponed
11 until the taxing unit has received adequate tax or other revenues.

12 (i) The fiscal year of an appraisal office [~~district~~] is the
13 calendar year unless the governing bodies of three-fourths of the
14 taxing units that participate in the office [~~entitled to vote on the~~
15 ~~appointment of board members~~] adopt resolutions proposing a
16 different fiscal year and file them with the county
17 assessor-collector who governs the office [~~secretary of the board~~]
18 not more than 12 and not less than eight months before the first day
19 of the fiscal year proposed by the resolutions. If the fiscal year
20 of an appraisal office [~~district~~] is changed under this subsection,
21 the county assessor-collector, with the assistance of the chief
22 appraiser, shall prepare a proposed budget for the fiscal year as
23 provided by Subsection (a) [~~of this section~~] before the 15th day of
24 the seventh month preceding the first day of the fiscal year
25 established by the change, and the county assessor-collector [~~board~~
26 ~~of directors~~] shall adopt a budget for the fiscal year as provided
27 by Subsection (b) [~~of this section~~] before the 15th day of the

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

17 (j) If the total amount of the payments made or due to be
18 made by the taxing units participating in an appraisal office
19 [~~district~~] exceeds the amount actually spent or obligated to be
20 spent during the fiscal year for which the payments were made, the
21 chief appraiser shall credit the excess amount against each taxing
22 unit's allocated payments for the following year in proportion to
23 the amount of each taxing unit's budget allocation for the fiscal
24 year for which the payments were made. If a taxing unit that paid
25 its allocated amount is not allocated a portion of the appraisal
26 office's [~~district's~~] budget for the following fiscal year, the
27 chief appraiser shall refund to the taxing unit its proportionate

1 share of the excess funds not later than the 150th day after the end
2 of the fiscal year for which the payments were made.

3 (k) For good cause shown, the county assessor-collector who
4 governs an appraisal office [~~board of directors~~] may waive the
5 penalty and interest on a delinquent payment under Subsection (e).

6 SECTION 11. Sections 6.062(a) and (c), Tax Code, are
7 amended to read as follows:

8 (a) Not later than the 10th day before the date of the public
9 hearing at which the county assessor-collector who governs an
10 appraisal office [~~board of directors~~] considers the appraisal
11 office [~~district~~] budget, the chief appraiser shall give notice of
12 the public hearing by publishing the notice in a newspaper having
13 general circulation in the county for which the appraisal office
14 [~~district~~] is established. The notice may not be smaller than
15 one-quarter page of a standard-size or tabloid-size newspaper and
16 may not be published in the part of the paper in which legal notices
17 and classified advertisements appear.

18 (c) The notice must state that the appraisal office
19 [~~district~~] is supported solely by payments from the local taxing
20 units served by the appraisal office [~~district~~]. The notice must
21 also contain the following statement: "If approved by the county
22 assessor-collector who governs the appraisal office [~~district~~
23 ~~board of directors~~] at the public hearing, this proposed budget
24 will take effect automatically unless disapproved by the governing
25 bodies of the taxing units [~~county, school districts, cities, and~~
26 ~~towns~~] served by the appraisal office [~~district~~]. A copy of the
27 proposed budget is available for public inspection in the office of

1 each of those governing bodies."

2 SECTION 12. Section 6.063, Tax Code, is amended to read as
3 follows:

4 Sec. 6.063. FINANCIAL AUDIT. (a) At least once each year,
5 the county assessor-collector who governs [~~board of directors of~~
6 an appraisal office [~~district~~] shall have prepared an audit of its
7 affairs by an independent certified public accountant or a firm of
8 independent certified public accountants.

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

15 SECTION 13. The heading to Section 6.09, Tax Code, is
16 amended to read as follows:

17 Sec. 6.09. DESIGNATION OF APPRAISAL OFFICE [~~DISTRICT~~]
18 DEPOSITORY.

19 SECTION 14. Sections 6.09(a), (b), and (c), Tax Code, are
20 amended to read as follows:

21 (a) The appraisal office [~~district~~] depository must be a
22 banking corporation incorporated under the laws of this state or
23 the United States or a savings and loan association in this state
24 whose deposits are insured by the Federal Deposit [~~Savings and~~
25 ~~Loan~~] Insurance Corporation.

26 (b) The county assessor-collector who governs the appraisal
27 office [~~district board of directors~~] shall designate as the office

1 ~~[district]~~ depository the financial institution or institutions
2 that offer the most favorable terms and conditions for the handling
3 of the office's ~~[district's]~~ funds.

4 (c) The county assessor-collector ~~[board]~~ shall solicit
5 bids to be designated as depository for the appraisal office
6 ~~[district]~~. The depository when designated shall serve for a term
7 of two years and until its successor is designated and has
8 qualified. The county assessor-collector ~~[board]~~ and the
9 depository may agree to extend a depository contract for one
10 additional two-year period.

11 SECTION 15. Section 6.11, Tax Code, is amended to read as
12 follows:

13 Sec. 6.11. PURCHASING AND CONTRACTING AUTHORITY. (a) An
14 appraisal office ~~[district]~~ is subject to the same requirements and
15 has the same purchasing and contracting authority as a municipality
16 under Chapter 252, Local Government Code.

17 (b) For purposes of this section, all the provisions of
18 Chapter 252, Local Government Code, applicable to a municipality or
19 to purchases and contracts by a municipality apply to an appraisal
20 office ~~[district]~~ and to purchases and contracts by an appraisal
21 office ~~[district]~~ to the extent they can be made applicable, and all
22 references to the municipality in that chapter mean the appraisal
23 office ~~[district]~~. For purposes of applying Section 252.061, Local
24 Government Code, to an appraisal office ~~[district]~~, any resident of
25 the county for which the appraisal office is established ~~[district]~~
26 may seek an injunction under that section. Sections 252.062 and
27 252.063, Local Government Code, apply to an officer or employee of

1 an appraisal office [~~district~~] in the same manner as those sections
2 apply to a municipal officer or employee.

3 SECTION 16. Sections 6.12(a), (b), (c), and (e), Tax Code,
4 are amended to read as follows:

5 (a) The state senators and state representatives whose
6 districts contain any part of the territory included in the county
7 for which an [~~chief appraiser of each~~] appraisal office is
8 established [~~district~~] shall by majority vote appoint, with the
9 advice [~~and consent~~] of and in the manner provided by the county
10 assessor-collector who governs the office [~~board of directors~~], an
11 agricultural advisory board composed of three or more members as
12 determined by the county assessor-collector [~~board~~]. Each state
13 senator and state representative is entitled to one vote for a
14 candidate for each position to be filled on the board.

15 (b) The agricultural advisory board members must be
16 landowners of the county for which the appraisal office is
17 established [~~district~~] whose land qualifies for appraisal under
18 Subchapter C, D, E, or H, Chapter 23, and who have been residents of
19 the county [~~district~~] for at least five years.

20 (c) Members of the board serve for [~~staggered~~] terms of two
21 years. The county assessor-collector who governs the appraisal
22 office shall provide for staggered terms, so that the terms of as
23 close to one-half of the members as possible expire each year [~~In~~
24 ~~making the initial appointments of members of the agricultural~~
25 ~~advisory board the chief appraiser shall appoint for a term of one~~
26 ~~year one-half of the members, or if the number of members is an odd~~
27 ~~number, one fewer than a majority of the membership]~~].

1 (e) An employee or officer of an appraisal office [~~district~~]
2 may not be appointed and may not serve as a member of the
3 agricultural advisory board.

4 SECTION 17. Section 6.13, Tax Code, is amended to read as
5 follows:

6 Sec. 6.13. APPRAISAL OFFICE [~~DISTRICT~~] RECORDS. The
7 preservation, microfilming, destruction, or other disposition of
8 the records of each appraisal office [~~district~~] is subject to the
9 requirements of Subtitle C, Title 6, Local Government Code, and
10 rules adopted under that subtitle.

11 SECTION 18. Sections 6.14(a) and (b), Tax Code, are amended
12 to read as follows:

13 (a) On the written request of the Texas Legislative Council,
14 an appraisal office [~~district~~] that maintains its appraisal records
15 in electronic format shall provide a copy of the information or data
16 maintained in the office's [~~district's~~] appraisal records to the
17 council without charge.

18 (b) The appraisal office [~~district~~] shall provide the
19 requested information or data to the council as soon as practicable
20 but not later than the 30th day after the date the request is
21 received by the office [~~district~~].

22 SECTION 19. Sections 6.24(a) and (b), Tax Code, are amended
23 to read as follows:

24 (a) The governing body of a taxing unit other than a county
25 may contract as provided by Chapter 791, Government Code, [~~the~~
26 ~~Interlocal Cooperation Act~~] with the governing body of another
27 taxing unit or with the county assessor-collector who governs

1 ~~[board of directors of]~~ an appraisal office ~~[district]~~ for the
2 other taxing unit or the office ~~[district]~~ to perform duties
3 relating to the assessment or collection of taxes.

4 (b) The commissioners court of a county with the approval of
5 the county assessor-collector may contract as provided by Chapter
6 791, Government Code, ~~[the Interlocal Cooperation Act]~~ with the
7 governing body of another taxing unit in the county ~~[or with the~~
8 ~~board of directors of the appraisal district]~~ for the other taxing
9 unit ~~[or the district]~~ to perform duties relating to the assessment
10 or collection of taxes for the county. The commissioners court may
11 contract as provided by Chapter 791, Government Code, with the
12 county assessor-collector for the appraisal office established for
13 the county to perform duties relating to the assessment or
14 collection of taxes for the county. If a county contracts to have
15 its taxes assessed and collected by another taxing unit or by the
16 appraisal office ~~[district, except as provided by Subsection (c)],~~
17 the contract shall require the other taxing unit or the office
18 ~~[district]~~ to assess and collect all taxes the county is required to
19 assess and collect.

20 SECTION 20. Sections 6.26(a), (b), (c), (e), (f), and (j),
21 Tax Code, are amended to read as follows:

22 (a) The qualified voters residing in the county for which an
23 appraisal office is established ~~[district]~~ by petition submitted to
24 the county clerk of the county ~~[principally served by the appraisal~~
25 ~~district]~~ may require that an election be held to determine whether
26 or not to require the appraisal office ~~[district]~~, the county
27 assessor-collector, or a specified taxing unit within the county

1 ~~[appraisal district]~~ to assess, collect, or assess and collect
2 property taxes on property appraised by the office ~~[district]~~ for
3 all taxing units.

4 (b) The qualified voters of a taxing unit that assesses,
5 collects, or assesses and collects its own property taxes by
6 petition submitted to the governing body of the taxing unit may
7 require that an election be held to determine whether or not to
8 require the appraisal office ~~[district]~~, the county
9 assessor-collector, or another taxing unit that is assessing and
10 collecting property taxes to assess, collect, or assess and collect
11 the taxing unit's property taxes.

12 (c) A petition is valid if:

13 (1) it states that it is intended to require an
14 election in the county for which the appraisal office is
15 established ~~[district]~~ or in the taxing unit on the question of
16 consolidation of assessing or collecting functions or both;

17 (2) it states the functions to be consolidated and
18 identifies the entity or office that will be required to perform the
19 functions; and

20 (3) it is signed by a number of qualified voters equal
21 to at least 10 percent of the number of qualified voters, according
22 to the most recent official list of qualified voters, residing in
23 the county for which the appraisal office is established
24 ~~[district]~~, if the petition is authorized by Subsection (a) ~~[of~~
25 ~~this section]~~, or in the taxing unit, if the petition is authorized
26 by Subsection (b) ~~[of this section]~~, or by 10,000 qualified voters,
27 whichever number is less.

1 (e) If the commissioners court or the governing body finds
 2 that the petition is valid, it shall order that an election be held
 3 in the county for which the appraisal office is established
 4 [~~district~~] or in the taxing unit on the next uniform election date
 5 prescribed by the [~~Texas~~] Election Code that is more than 60 days
 6 after the last day on which it could have acted to approve or
 7 disapprove the petition. At the election, the ballots shall be
 8 prepared to permit voting for or against the proposition:
 9 "Requiring the (name of entity or office) to (assess, collect, or
 10 assess and collect, as applicable) property taxes for (all taxing
 11 units in [~~the appraisal district for~~] _____ County [~~county~~]
 12 or name of taxing unit or taxing units, as applicable)."

13 (f) If a majority of the qualified voters voting on the
 14 question in the election favor the proposition, the entity or
 15 office named by the ballot shall perform the functions named by the
 16 ballot beginning with the next time property taxes are assessed or
 17 collected, as applicable, that is more than 90 days after the date
 18 of the election. If the governing bodies, [~~+~~]and the county
 19 assessor-collector who governs the appraisal office [~~district~~
 20 ~~board of directors~~] when the office [~~district~~] is involved, [~~+~~]
 21 agree, a function may be consolidated when performance of the
 22 function begins in less than 90 days after the date of the election.

23 (j) An appraisal office [~~district~~] may not be required by an
 24 election to assess, collect, or assess and collect taxes on
 25 property outside the [~~district's~~] boundaries of the county for
 26 which the office is established. A taxing unit may not be required
 27 by an election to assess, collect, or assess and collect taxes on

1 property outside the boundaries of the county for which the
2 appraisal office [~~district~~] that appraises property for the taxing
3 unit is established.

4 SECTION 21. Section 6.29(b), Tax Code, is amended to read as
5 follows:

6 (b) A taxing unit whose taxes are collected by the collector
7 for another taxing unit, by an officer or employee of another taxing
8 unit or of an appraisal office [~~district~~], or by any other person
9 other than the taxing unit's own collector may require that
10 collector, officer, employee, or other person to give bond
11 conditioned on the faithful performance of that person's [~~his~~]
12 duties. To be effective, the bond must be made payable to and must
13 be approved by and paid for by the governing body of the taxing unit
14 requiring bond in an amount determined by the governing body. The
15 governing body may prescribe additional requirements for the bond.

16 SECTION 22. Section 6.41, Tax Code, is amended to read as
17 follows:

18 Sec. 6.41. APPRAISAL REVIEW BOARD. (a) The appraisal
19 review board is established for each appraisal office [~~district~~].

20 (b) The board consists of three members. However, the
21 county assessor-collector who governs the appraisal office
22 [~~district board of directors by resolution of a majority of its~~
23 ~~members~~] may increase the size of the appraisal review board to the
24 number of members the county assessor-collector [~~board of~~
25 ~~directors~~] considers appropriate.

26 (c) To be eligible to serve on the board, an individual must
27 be a resident of the county for which the appraisal office is

1 established [~~district~~] and must have resided in the county
2 [~~district~~] for at least two years.

3 (d) Members [~~Except as provided by Subsection (d-1),~~
4 ~~members~~] of the board are appointed by majority vote of the state
5 senators and state representatives whose districts contain any part
6 of the territory included in the county for which [~~resolution of a~~
7 ~~majority of~~] the appraisal office is established in the manner
8 provided by the county assessor-collector who governs the office
9 [~~district board of directors~~]. Each state senator and state
10 representative is entitled to one vote for a candidate for each
11 position to be filled on the board. A vacancy on the board is filled
12 in the same manner for the unexpired portion of the term.

13 (e) [~~(d-1) In a county with a population of 120,000 or more~~
14 ~~the members of the board are appointed by the local administrative~~
15 ~~district judge under Subchapter D, Chapter 74, Government Code, in~~
16 ~~the county in which the appraisal district is established.~~] All
17 applications submitted to the appraisal office [~~district~~] or to the
18 [~~appraisal review~~] board from persons seeking appointment as a
19 member of the [~~appraisal review~~] board shall be delivered to the
20 pertinent state senators and state representatives [~~local~~
21 ~~administrative district judge~~]. The appraisal office [~~district~~]
22 may provide the state senators and state representatives [~~local~~
23 ~~administrative district judge~~] with information regarding whether
24 an applicant for appointment to or a member of the board owes any
25 delinquent ad valorem taxes to a taxing unit participating in the
26 appraisal office [~~district~~].

27 (f) [~~(d-2) A local administrative district judge making~~

1 ~~appointments under Subsection (d-1) may make such appointments~~
2 ~~directly or may, by written order, appoint from three to five~~
3 ~~persons to perform the duties of appraisal review board~~
4 ~~commissioner. If the local administrative district judge chooses~~
5 ~~to appoint appraisal review board commissioners, each commissioner~~
6 ~~shall possess the same qualifications as those required of an~~
7 ~~appraisal review board member.~~

8 ~~[(d-3)]~~ The appraisal office ~~[local administrative judge~~
9 ~~making appointments under Subsection (d-1)]~~ shall ~~[cause the proper~~
10 ~~officer to]~~ notify the persons appointed to the board of their ~~[such~~
11 ~~appointees of such]~~ appointment~~[,]~~ and when and where they are to
12 appear.

13 (g) ~~[(d-4) If appraisal review board commissioners are~~
14 ~~appointed under Subsection (d-2), they shall meet as directed by~~
15 ~~the local administrative district judge in order to complete their~~
16 ~~duties.~~

17 ~~[(d-5)]~~ The appraisal office ~~[district of the county]~~ shall
18 provide to the pertinent state senators and state representatives
19 ~~[local administrative district judge, or to the appraisal review~~
20 ~~board commissioners, as the case may be,]~~ the number of ~~[appraisal~~
21 ~~review]~~ board positions that require appointment and shall provide
22 whatever reasonable assistance is requested by the state senators
23 and state representatives to make the appointments ~~[local~~
24 ~~administrative district judge or the commissioners]~~.

25 (h) ~~[(d-6) An appraisal review board commissioner is not~~
26 ~~disqualified from serving as a member of the appraisal review~~
27 ~~board.~~

1 ~~[(d-7) If appraisal review board commissioners are~~
2 ~~appointed under this section, the commissioners shall return a list~~
3 ~~of proposed appraisal review board members to the local~~
4 ~~administrative district judge at a time directed by such local~~
5 ~~administrative judge, but in no event later than January 1 of each~~
6 ~~year. Such list shall be composed of no less than five (5) names in~~
7 ~~excess of the number of appraisal review board positions to be~~
8 ~~filled by the local administrative district judge. The local~~
9 ~~administrative judge may accept the proposed names, or reject the~~
10 ~~proposed list and return the proposed list to the commissioners~~
11 ~~upon which the commissioners shall propose a revised list until the~~
12 ~~local administrative judge accepts the list.~~

13 ~~[(d-8) Any appraisal review board commissioners appointed~~
14 ~~pursuant to this section shall hold office for a term of one year~~
15 ~~beginning January 1. A commissioner may be appointed to successive~~
16 ~~terms at the discretion of the local administrative district judge.~~

17 ~~[(d-9) Upon selection of the individuals who are to serve as~~
18 ~~members of the appraisal review board, the local administrative~~
19 ~~district judge shall enter an appropriate order designating such~~
20 ~~members and setting each member's respective term of office, as~~
21 ~~provided elsewhere in this section.~~

22 ~~[(e)]~~ Members of the board hold office for terms of two
23 years beginning January 1. The county assessor-collector who
24 governs the appraisal office ~~[district board of directors by~~
25 ~~resolution]~~ shall provide for staggered terms, so that the terms of
26 as close to one-half of the members as possible expire each year.
27 ~~[In making the initial or subsequent appointments, the board of~~

1 ~~directors or the local administrative district judge or the judge's~~
2 ~~designee shall designate those members who serve terms of one year~~
3 ~~as needed to comply with this subsection.]~~

4 (i) [~~(f)~~] A member of the board may be removed from the
5 board by a majority vote of the state senators and state
6 representatives [~~appraisal district board of directors, or by the~~
7 ~~local administrative district judge or the judge's designee, as~~
8 ~~applicable,~~] that appointed the member. Grounds for removal are:

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

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 the county assessor-collector who governs [~~a majority~~
14 ~~of]~~ the appraisal office [~~district board of directors~~]; or

15 (3) clear and convincing evidence of repeated bias or
16 misconduct.

17 (j) [~~(g)~~] Subsection (a) does not preclude the county
18 assessor-collectors who govern the appraisal offices established
19 for [~~boards of directors of]~~ two or more adjoining counties
20 [~~appraisal districts~~] from providing for the operation of a
21 consolidated appraisal review board by interlocal contract.

22 (k) [~~(h)~~] When [~~adjoining~~] appraisal offices established
23 for two or more adjoining counties [~~districts~~] by interlocal
24 contract have provided for the operation of a consolidated
25 appraisal review board:

26 (1) a reference in this or another section of this code
27 to the appraisal office [~~district~~] means the [~~adjoining~~] appraisal

1 offices established for the adjoining counties [~~districts~~];

2 (2) a reference in this or another section of this code
3 to the county assessor-collector who governs the appraisal office
4 [~~district board of directors~~] means the county assessor-collectors
5 who govern [~~boards of directors of~~] the [~~adjoining~~] appraisal
6 offices established for the adjoining counties [~~districts~~];

7 (3) a provision of this code that applies to an
8 appraisal review board also applies to the consolidated appraisal
9 review board; and

10 (4) a reference in this code to the appraisal review
11 board shall be construed to also refer to the consolidated
12 appraisal review board.

13 (1) [~~(i) This subsection applies only to an appraisal~~
14 ~~district described by Subsection (d-1).~~] A chief appraiser or
15 another employee or agent of the appraisal office [~~district~~], a
16 member of the appraisal review board for the appraisal office
17 [~~district~~], the county assessor-collector who governs [~~a member of~~
18 ~~the board of directors of~~] the appraisal office [~~district~~], a
19 property tax consultant, or an agent of a property owner commits an
20 offense if the person communicates with a state senator or state
21 representative whose district contains any part of the territory
22 included in the county for which the appraisal office is
23 established [~~the local administrative district judge~~] regarding
24 the appointment of appraisal review board members. This subsection
25 does not apply to:

26 (1) a communication between a member of the appraisal
27 review board and a state senator or state representative [~~the local~~

1 ~~administrative district judge]~~ regarding the member's
2 reappointment to the board;

3 (2) a communication between the taxpayer liaison
4 officer for the appraisal office [~~district~~] and a state senator or
5 state representative [~~the local administrative district judge~~] in
6 the course of the performance of the officer's clerical duties so
7 long as the officer does not offer an opinion or comment regarding
8 the appointment of appraisal review board members;

9 (3) a communication between a chief appraiser or
10 another employee or agent of the appraisal office [~~district~~], a
11 member of the appraisal review board for the appraisal office
12 [~~district~~], or the county assessor-collector who governs [~~a member~~
13 ~~of the board of directors of~~] the appraisal office [~~district~~] and a
14 state senator or state representative [~~the local administrative~~
15 ~~district judge~~] regarding information relating to or described by
16 Subsection (e), (g), or (i) [~~(d-1), (d-5), or (f)~~] of this section
17 or Section 411.1296, Government Code; or

18 (4) a communication between a property tax consultant
19 or a property owner or an agent of the property owner and the
20 taxpayer liaison officer for the appraisal office [~~district~~]
21 regarding information relating to or described by Subsection (i)
22 [~~(f)~~].

23 (m) The taxpayer liaison officer for the appraisal office
24 [~~district~~] shall report the contents of the communication [~~relating~~
25 ~~to or~~] described by Subsection (1)(4) [~~(f)~~] to the pertinent state
26 senators and state representatives [~~local administrative district~~
27 ~~judge~~].

1 (n) [~~(j)~~] A chief appraiser or another employee or agent of
 2 an appraisal office [~~district~~] commits an offense if the person
 3 communicates with a member of the appraisal review board for the
 4 appraisal office [~~district~~], the county assessor-collector who
 5 governs [~~a member of the board of directors of~~] the appraisal office
 6 [~~district~~], or a state senator or state representative whose
 7 district contains any part of the territory included in the county
 8 for which [, ~~if~~] the appraisal office is established [~~district is an~~
 9 ~~appraisal district described by Subsection (d-1), the local~~
 10 ~~administrative district judge~~] regarding a ranking, scoring, or
 11 reporting of the percentage by which the appraisal review board or a
 12 panel of the board reduces the appraised value of property.

13 (o) [~~(k)~~] An offense under Subsection (l) or (n) [~~(i)~~ or
 14 ~~(j)~~] is a Class A misdemeanor.

15 SECTION 23. Sections 6.411(a), (b), and (c-1), Tax Code,
 16 are amended to read as follows:

17 (a) A member of an appraisal review board commits an offense
 18 if the member communicates with the chief appraiser or another
 19 employee or the county assessor-collector who governs [~~a member of~~
 20 ~~the board of directors of~~] the appraisal office [~~district~~] for
 21 which the appraisal review board is established in violation of
 22 Section 41.66(f).

23 (b) A chief appraiser or another employee of an appraisal
 24 office [~~district~~], the county assessor-collector who governs [~~a~~
 25 ~~member of a board of directors of~~] an appraisal office [~~district~~],
 26 or a property tax consultant or attorney representing a party to a
 27 proceeding before the appraisal review board commits an offense if

1 the person communicates with a member of the appraisal review board
2 established for the appraisal office [~~district~~] with the intent to
3 influence a decision by the member in the member's capacity as a
4 member of the appraisal review board.

5 (c-1) This section does not apply to communications with a
6 member of an appraisal review board by the chief appraiser or
7 another employee or the county assessor-collector who governs [~~a~~
8 ~~member of the board of directors of~~] an appraisal office [~~district~~]
9 or a property tax consultant or attorney representing a party to a
10 proceeding before the appraisal review board:

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

13 (2) that constitute social conversation;

14 (3) that are specifically limited to and involve
15 administrative, clerical, or logistical matters related to the
16 scheduling and operation of hearings, the processing of documents,
17 the issuance of orders, notices, and subpoenas, and the operation,
18 appointment, composition, or attendance at training of the
19 appraisal review board; or

20 (4) that are necessary and appropriate to enable the
21 county assessor-collector who governs [~~board of directors of~~] the
22 appraisal office or the pertinent state senators and state
23 representatives [~~district~~] to determine whether to appoint,
24 reappoint, or remove a person as a member or the chairman or
25 secretary of the appraisal review board.

26 SECTION 24. Sections 6.412(a), (b), (c), and (d), Tax Code,
27 are amended to read as follows:

1 (a) An individual is ineligible to serve on an appraisal
2 review board if the individual:

3 (1) is related within the second degree by
4 consanguinity or affinity, as determined under Chapter 573,
5 Government Code, to an individual who is engaged in the business of
6 appraising property for compensation for use in proceedings under
7 this title or of representing property owners for compensation in
8 proceedings under this title in the appraisal office [~~district~~] for
9 which the appraisal review board is established;

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

13 (A) the delinquent taxes and any penalties and
14 interest are being paid under an installment payment agreement
15 under Section 33.02; or

16 (B) a suit to collect the delinquent taxes is
17 deferred or abated under Section 33.06 or 33.065; or

18 (3) is related within the third degree by
19 consanguinity or within the second degree by affinity, as
20 determined under Chapter 573, Government Code, to the county
21 assessor-collector who governs [~~a member of~~] the appraisal office
22 [~~district's board of directors~~].

23 (b) A member of an appraisal review board commits an offense
24 if the board member continues to hold office knowing that an
25 individual related within the second degree by consanguinity or
26 affinity, as determined under Chapter 573, Government Code, to the
27 board member is engaged in the business of appraising property for

1 compensation for use in proceedings under this title or of
2 representing property owners for compensation in proceedings under
3 this title in the appraisal office [~~district~~] for which the
4 appraisal review board is established. An offense under this
5 subsection is a Class B misdemeanor.

6 (c) A person is ineligible to serve on the appraisal review
7 board if the person is the county assessor-collector who governs
8 the appraisal office [~~a member of the board of directors~~], an
9 officer[~~7~~] or employee of the appraisal office [~~district~~], an
10 employee of the comptroller, or a member of the governing body,
11 officer, or employee of a taxing unit.

12 (d) A person is ineligible to serve on the appraisal review
13 board of an appraisal office [~~district~~] established for a county
14 having a population of more than 100,000 if the person:

15 (1) is a former county assessor-collector who governed
16 the appraisal office or a [~~member of the board of directors~~,~~7~~] former
17 officer[~~7~~] or former employee of the appraisal office [~~district~~];

18 (2) served as a member of the governing body or officer
19 of a taxing unit for which the appraisal office [~~district~~]
20 appraises property, until the fourth anniversary of the date the
21 person ceased to be a member or officer; or

22 (3) appeared before the appraisal review board for
23 compensation during the two-year period preceding the date the
24 person is appointed.

25 SECTION 25. Sections 6.413(a), (b), and (c), Tax Code, are
26 amended to read as follows:

27 (a) An individual is not eligible to be appointed to or to

1 serve on the appraisal review board established for an appraisal
2 office [~~district~~] if the individual or a business entity in which
3 the individual has a substantial interest is a party to a contract
4 with the appraisal office [~~district~~] or with a taxing unit that
5 participates in the appraisal office [~~district~~].

6 (b) An appraisal office [~~district~~] may not enter into a
7 contract with a member of the appraisal review board established
8 for the appraisal office [~~district~~] or with a business entity in
9 which a member of the appraisal review board has a substantial
10 interest.

11 (c) A taxing unit may not enter into a contract with a member
12 of the appraisal review board established for an appraisal office
13 [~~district~~] in which the taxing unit participates or with a business
14 entity in which a member of the appraisal review board has a
15 substantial interest.

16 SECTION 26. Sections 6.414(a) and (f), Tax Code, are
17 amended to read as follows:

18 (a) The county assessor-collector who governs [~~board of~~
19 ~~directors of~~] an appraisal office [~~district by resolution of a~~
20 ~~majority of the members~~] may provide for a number of auxiliary
21 appraisal review board members that the county assessor-collector
22 [~~board~~] considers appropriate to hear taxpayer protests before the
23 appraisal review board and to assist the board in performing its
24 duties.

25 (f) An auxiliary board member is entitled to compensation as
26 provided by the appraisal office [~~district~~] budget and is not
27 entitled to a per diem or reimbursement of expenses under Section

1 6.42(c).

2 SECTION 27. Sections 6.42(a) and (c), Tax Code, are amended
3 to read as follows:

4 (a) A majority of the appraisal review board constitutes a
5 quorum. The county assessor-collector who governs [~~board of~~
6 ~~directors of~~] the appraisal office [~~district by resolution~~] shall
7 select a chairman and a secretary from among the members of the
8 appraisal review board. The county assessor-collector who governs
9 [~~board of directors of~~] the appraisal office [~~district~~] is
10 encouraged to select as chairman of the appraisal review board a
11 member of the appraisal review board, if any, who has a background
12 in law and property appraisal.

13 (c) Members of the board are entitled to per diem set by the
14 appraisal office [~~district~~] budget for each day the board meets and
15 to reimbursement for actual and necessary expenses incurred in the
16 performance of board functions as provided by the office [~~district~~]
17 budget.

18 SECTION 28. Sections 6.43(a), (b), (c), and (e), Tax Code,
19 are amended to read as follows:

20 (a) The appraisal review board may employ legal counsel as
21 provided by the appraisal office [~~district~~] budget or use the
22 services of the county attorney.

23 (b) Except as provided by Subsection (c), an attorney may
24 not serve as legal counsel for the appraisal review board if the
25 attorney or a member of the attorney's law firm has during the year
26 before the date of the appraisal review board's hiring of the
27 attorney represented a property owner who owns property in the

1 county for which the appraisal office is established [~~district~~], a
2 taxing unit that participates in the appraisal office [~~district~~],
3 or the appraisal office [~~district~~] in a matter addressed by Section
4 1.111 or 25.25 of this code, Subtitle F of this title, or Subchapter
5 Z, Chapter 2003, Government Code.

6 (c) The county attorney for the county in which the
7 appraisal office [~~district~~] is established may provide legal
8 services to the appraisal review board notwithstanding that the
9 county attorney or an assistant to the county attorney represents
10 or has represented the appraisal office [~~district~~] or a taxing unit
11 that participates in the appraisal office [~~district~~] in any matter.

12 (e) An appraisal office [~~district~~] may specify in its budget
13 whether the appraisal review board may employ legal counsel or must
14 use the services of the county attorney. If the budget authorizes
15 the board to employ legal counsel, the budget must provide for
16 reasonable compensation to be paid to the attorney serving as legal
17 counsel. An appraisal office [~~district~~] may not require the board
18 to employ a specific attorney as legal counsel.

19 SECTION 29. Section 11.01, Tax Code, is amended to read as
20 follows:

21 Sec. 11.01. REAL [~~AND TANGIBLE PERSONAL~~] PROPERTY. (a) All
22 real [~~and tangible personal~~] property that this state has
23 jurisdiction to tax is taxable unless exempt by law.

24 (b) This state has jurisdiction to tax real property if
25 located in this state.

26 (c) For a tax year that begins after December 31, 2021,
27 tangible personal property is not taxable.

1 (d) On and after January 1, 2022, a provision of this code or
2 another law that would otherwise apply to the taxation of tangible
3 personal property for a tax year that begins after December 31,
4 2021, has no effect for that tax year.

5 (e) Subsections (c) and (d) do not apply to personal
6 property taxable under Section 1(1), Article VIII, Texas
7 Constitution. ~~[This state has jurisdiction to tax tangible personal~~
8 ~~property if the property is:~~

9 ~~[(1) located in this state for longer than a temporary~~
10 ~~period;~~

11 ~~[(2) temporarily located outside this state and the~~
12 ~~owner resides in this state; or~~

13 ~~[(3) used continually, whether regularly or~~
14 ~~irregularly, in this state.~~

15 ~~[(d) Tangible personal property that is operated or located~~
16 ~~exclusively outside this state during the year preceding the tax~~
17 ~~year and on January 1 of the tax year is not taxable in this state.~~

18 ~~[(e) For purposes of Subsection (c)(3), property is~~
19 ~~considered to be used continually, whether regularly or~~
20 ~~irregularly, in this state if the property is used in this state~~
21 ~~three or more times on regular routes or for three or more completed~~
22 ~~assignments occurring in close succession throughout the year. For~~
23 ~~purposes of this subsection, a series of events are considered to~~
24 ~~occur in close succession throughout the year if they occur in~~
25 ~~sequence within a short period at intervals from the beginning to~~
26 ~~the end of the year.]~~

27 SECTION 30. Section 11.18(a), Tax Code, is amended to read

1 as follows:

2 (a) An organization that qualifies as a charitable
3 organization as provided by this section is entitled to an
4 exemption from taxation of:

5 (1) the buildings [~~and tangible personal property~~]
6 that:

7 (A) are owned by the charitable organization; and

8 (B) except as permitted by Subsection (b), are
9 used exclusively by qualified charitable organizations; and

10 (2) the real property owned by the charitable
11 organization consisting of:

12 (A) an incomplete improvement that:

13 (i) is under active construction or other
14 physical preparation; and

15 (ii) is designed and intended to be used
16 exclusively by qualified charitable organizations; and

17 (B) the land on which the incomplete improvement
18 is located that will be reasonably necessary for the use of the
19 improvement by qualified charitable organizations.

20 SECTION 31. Section [11.181](#)(c), Tax Code, is amended to read
21 as follows:

22 (c) An organization entitled to an exemption under
23 Subsection (a) is also entitled to an exemption from taxation of any
24 building [~~or tangible personal property~~] the organization owns and
25 uses in the administration of its acquisition, building, repair, or
26 sale of property. To qualify for an exemption under this
27 subsection, property must be used exclusively by the charitable

1 organization, except that another individual or organization may
2 use the property for activities incidental to the charitable
3 organization's use that benefit the beneficiaries of the charitable
4 organization.

5 SECTION 32. Section 11.182(f), Tax Code, is amended to read
6 as follows:

7 (f) An organization entitled to an exemption under
8 Subsection (b) is also entitled to an exemption from taxation of any
9 building [~~or tangible personal property~~] the organization owns and
10 uses in the administration of its acquisition, building, repair,
11 sale, or rental of property. To qualify for an exemption under this
12 subsection, property must be used exclusively by the organization,
13 except that another person may use the property for activities
14 incidental to the organization's use that benefit the beneficiaries
15 of the organization.

16 SECTION 33. Section 11.1827(d), Tax Code, is amended to
17 read as follows:

18 (d) A community land trust entitled to an exemption from
19 taxation by a taxing unit under Subsection (b) is also entitled to
20 an exemption from taxation by the taxing unit of any real [~~or~~
21 ~~tangible personal~~] property the trust owns and uses in the
22 administration of its acquisition, construction, repair, sale, or
23 leasing of property. To qualify for an exemption under this
24 subsection, property must be used exclusively by the trust, except
25 that another person may use the property for activities incidental
26 to the trust's use that benefit the beneficiaries of the trust.

27 SECTION 34. Section 11.184(c), Tax Code, is amended to read

1 as follows:

2 (c) A qualified charitable organization is entitled to an
3 exemption from taxation of:

4 (1) the buildings and other real property [~~and the~~
5 ~~tangible personal property~~] that:

6 (A) are owned by the organization; and

7 (B) except as permitted by Subsection (d), are
8 used exclusively by the organization and other organizations
9 eligible for an exemption from taxation under this section or
10 Section 11.18; and

11 (2) the real property owned by the organization
12 consisting of:

13 (A) an incomplete improvement that:

14 (i) is under active construction or other
15 physical preparation; and

16 (ii) is designed and intended to be used
17 exclusively by the organization and other organizations eligible
18 for an exemption from taxation under this section or Section 11.18;
19 and

20 (B) the land on which the incomplete improvement
21 is located that will be reasonably necessary for the use of the
22 improvement by the organization and other organizations eligible
23 for an exemption from taxation under this section or Section 11.18.

24 SECTION 35. Section 11.185(c), Tax Code, is amended to read
25 as follows:

26 (c) An organization entitled to an exemption under
27 Subsection (a) is also entitled to an exemption from taxation of any

1 building [~~or tangible personal property~~] the organization owns and
2 uses in the administration of its acquisition, building, repair, or
3 sale of property. To qualify for an exemption under this
4 subsection, property must be used exclusively by the charitable
5 organization, except that another individual or organization may
6 use the property for activities incidental to the charitable
7 organization's use that benefit the beneficiaries of the charitable
8 organization.

9 SECTION 36. Sections 11.20(a), (d), (f), (g), (h), (j), and
10 (k), Tax Code, are amended to read as follows:

11 (a) An organization that qualifies as a religious
12 organization as provided by Subsection (c) is entitled to an
13 exemption from taxation of:

14 (1) the real property that is owned by the religious
15 organization, is used primarily as a place of regular religious
16 worship, and is reasonably necessary for engaging in religious
17 worship;

18 (2) [~~the tangible personal property that is owned by~~
19 ~~the religious organization and is reasonably necessary for engaging~~
20 ~~in worship at the place of worship specified in Subdivision (1),~~

21 [~~3~~] the real property that is owned by the religious
22 organization and is reasonably necessary for use as a residence
23 (but not more than one acre of land for each residence) if the
24 property:

25 (A) is used exclusively as a residence for those
26 individuals whose principal occupation is to serve in the clergy of
27 the religious organization; and

1 (B) produces no revenue for the religious
2 organization;

3 (3) [~~(4)~~] ~~the tangible personal property that is owned~~
4 ~~by the religious organization and is reasonably necessary for use~~
5 ~~of the residence specified by Subdivision (3);~~

6 [~~(5)~~] the real property owned by the religious
7 organization consisting of:

8 (A) an incomplete improvement that is under
9 active construction or other physical preparation and that is
10 designed and intended to be used by the religious organization as a
11 place of regular religious worship when complete; and

12 (B) the land on which the incomplete improvement
13 is located that will be reasonably necessary for the religious
14 organization's use of the improvement as a place of regular
15 religious worship;

16 (4) [~~(6)~~] the land that the religious organization
17 owns for the purpose of expansion of the religious organization's
18 place of regular religious worship or construction of a new place of
19 regular religious worship if:

20 (A) the religious organization qualifies other
21 property, including a portion of the same tract or parcel of land,
22 owned by the organization for an exemption under Subdivision (1) or
23 (3) [~~(5)~~]; and

24 (B) the land produces no revenue for the
25 religious organization; and

26 (5) [~~(7)~~] the real property owned by the religious
27 organization that is leased to another person and used by that

1 person for the operation of a school that qualifies as a school
2 under Section 11.21(d).

3 (d) Use of property that qualifies for the exemption
4 prescribed by Subsection (a)(1) [~~or (2)~~] or by Subsection (h)(1)
5 for occasional secular purposes other than religious worship does
6 not result in loss of the exemption if the primary use of the
7 property is for religious worship and all income from the other use
8 is devoted exclusively to the maintenance and development of the
9 property as a place of religious worship.

10 (f) A property may not be exempted under Subsection (a)(3)
11 [~~(a)(5)~~] for more than three years.

12 (g) For purposes of Subsection (a)(3) [~~(a)(5)~~], an
13 incomplete improvement is under physical preparation if the
14 religious organization has engaged in architectural or engineering
15 work, soil testing, land clearing activities, or site improvement
16 work necessary for the construction of the improvement or has
17 conducted an environmental or land use study relating to the
18 construction of the improvement.

19 (h) Property owned by this state or a political subdivision
20 of this state, including a leasehold or other possessory interest
21 in the property, that is held or occupied by an organization that
22 qualifies as a religious organization as provided by Subsection (c)
23 is entitled to an exemption from taxation if the property:

24 (1) is used by the organization primarily as a place of
25 regular religious worship and is reasonably necessary for engaging
26 in religious worship; or

27 (2) meets the qualifications for an exemption under

1 Subsection (a)(3) [~~(a)(5)~~].

2 (j) A tract of land that is contiguous to the tract of land
3 on which the religious organization's place of regular religious
4 worship is located may not be exempted under Subsection (a)(4)
5 [~~(a)(6)~~] for more than six years. A tract of land that is not
6 contiguous to the tract of land on which the religious
7 organization's place of regular religious worship is located may
8 not be exempted under Subsection (a)(4) [~~(a)(6)~~] for more than
9 three years. For purposes of this subsection, a tract of land is
10 considered to be contiguous with another tract of land if the tracts
11 are divided only by a road, railroad track, river, or stream.

12 (k) For purposes of Subsection (a)(4) [~~(a)(6)~~], an
13 application or statement accompanying an application for the
14 exemption stating that the land is owned for the purposes described
15 by Subsection (a)(4) [~~(a)(6)~~] and signed by an authorized officer
16 of the organization is sufficient to establish that the land is
17 owned for those purposes.

18 SECTION 37. Sections 11.201(a) and (c), Tax Code, are
19 amended to read as follows:

20 (a) If land is sold or otherwise transferred to another
21 person in a year in which the land receives an exemption under
22 Section 11.20(a)(4) [~~11.20(a)(6)~~], an additional tax is imposed on
23 the land equal to the tax that would have been imposed on the land
24 had the land been taxed for each of the five years preceding the
25 year in which the sale or transfer occurs in which the land received
26 an exemption under that subsection, plus interest at an annual rate
27 of seven percent calculated from the dates on which the taxes would

1 have become due.

2 (c) If only part of a parcel of land that is exempted under
3 Section 11.20(a)(4) [~~11.20(a)(6)~~] is sold or transferred, the tax
4 applies only to that part of the parcel and equals the taxes that
5 would have been imposed had that part been taxed.

6 SECTION 38. Sections 11.21(a), (b), and (f), Tax Code, are
7 amended to read as follows:

8 (a) A person is entitled to an exemption from taxation of:

9 (1) the buildings [~~and tangible personal property~~]
10 that the person owns and that are used for a school that is
11 qualified as provided by Subsection (d) if:

12 (A) the school is operated exclusively by the
13 person owning the property;

14 (B) except as permitted by Subsection (b), the
15 buildings [~~and tangible personal property~~] are used exclusively for
16 educational functions; and

17 (C) the buildings [~~and tangible personal~~
18 ~~property~~] are reasonably necessary for the operation of the school;
19 and

20 (2) the real property owned by the person consisting
21 of:

22 (A) an incomplete improvement that:

23 (i) is under active construction or other
24 physical preparation; and

25 (ii) is designed and intended to be used for
26 a school that is qualified as provided by Subsection (d); and

27 (B) the land on which the incomplete improvement

1 is located that will be reasonably necessary for the use of the
2 improvement for a school that is qualified as provided by
3 Subsection (d).

4 (b) Use of exempt [~~tangible~~] property for functions other
5 than educational functions does not result in loss of an exemption
6 authorized by this section if those other functions are incidental
7 to use of the property for educational functions and benefit the
8 students or faculty of the school.

9 (f) Notwithstanding Subsection (a), a person is entitled to
10 an exemption from taxation of the buildings [~~and tangible personal~~
11 ~~property~~] the person acquires for use for a school that meets each
12 requirement of Subsection (d) if:

13 (1) the person authorizes the former owner to continue
14 to use the property pending the use of the property for a school;
15 and

16 (2) the former owner would be entitled to an exemption
17 from taxation of the property if the former owner continued to own
18 the property.

19 SECTION 39. Section 11.23(m), Tax Code, is amended to read
20 as follows:

21 (m) National Hispanic Institute. The National Hispanic
22 Institute is entitled to an exemption from taxation of the real [~~and~~
23 ~~tangible personal~~] property it owns as long as the organization is
24 exempt from federal income taxation under Section 501(a), Internal
25 Revenue Code of 1986, as an organization described by Section
26 501(c)(3) of that code.

27 SECTION 40. Section 11.231(b), Tax Code, is amended to read

1 as follows:

2 (b) An association that qualifies as a nonprofit community
3 business organization as provided by this section is entitled to an
4 exemption from taxation of:

5 (1) the buildings [~~and tangible personal property~~]
6 that:

7 (A) are owned by the nonprofit community business
8 organization; and

9 (B) except as permitted by Subsection (c), are
10 used exclusively by qualified nonprofit community business
11 organizations to perform their primary functions; and

12 (2) the real property owned by the nonprofit community
13 business organization consisting of:

14 (A) an incomplete improvement that:

15 (i) is under active construction or other
16 physical preparation; and

17 (ii) is designed and intended to be used
18 exclusively by qualified nonprofit community business
19 organizations; and

20 (B) the land on which the incomplete improvement
21 is located that will be reasonably necessary for the use of the
22 improvement by qualified nonprofit community business
23 organizations.

24 SECTION 41. Sections 11.43(a), (b), (c), and (e), Tax Code,
25 are amended to read as follows:

26 (a) To receive an exemption, a person claiming the
27 exemption, other than an exemption authorized by Section 11.11,

1 11.12, or [~~11.14, 11.145,~~] 11.146[, ~~11.15, 11.16, 11.161, or 11.25~~
2 ~~of this code~~], must apply for the exemption. To apply for an
3 exemption, a person must file an exemption application form with
4 the chief appraiser for the [~~each~~] appraisal office established for
5 each county [~~district~~] in which the property subject to the claimed
6 exemption has situs.

7 (b) Except as provided by Subsection (c) and by Section
8 [~~Sections~~] 11.184 [~~and 11.437~~], a person required to apply for an
9 exemption must apply each year the person claims entitlement to the
10 exemption.

11 (c) An exemption provided by Section 11.13, 11.131, 11.132,
12 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19,
13 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231,
14 [~~11.254,~~] 11.27, [~~11.271,~~] 11.29, 11.30, or 11.31, [~~or 11.315,~~]
15 once allowed, need not be claimed in subsequent years, and except as
16 otherwise provided by Subsection (e), the exemption applies to the
17 property until it changes ownership or the person's qualification
18 for the exemption changes. However, except as provided by
19 Subsection (r), the chief appraiser may require a person allowed
20 one of the exemptions in a prior year to file a new application to
21 confirm the person's current qualification for the exemption by
22 delivering a written notice that a new application is required,
23 accompanied by an appropriate application form, to the person
24 previously allowed the exemption. If the person previously allowed
25 the exemption is 65 years of age or older, the chief appraiser may
26 not cancel the exemption due to the person's failure to file the new
27 application unless the chief appraiser complies with the

1 requirements of Subsection (q), if applicable.

2 (e) Except as provided by Section 11.422, 11.431, 11.433,
3 11.434, 11.435, or 11.439, [~~or 11.4391,~~] if a person required to
4 apply for an exemption in a given year fails to file timely a
5 completed application form, the person may not receive the
6 exemption for that year.

7 SECTION 42. Section 21.06(a), Tax Code, is amended to read
8 as follows:

9 (a) Except as provided by Section 21.08 [~~Sections 21.07~~
10 ~~through 21.09 of this code~~], intangible property is taxable by a
11 taxing unit if the owner of the property resides in the unit on
12 January 1, unless the property normally is used in this state for
13 business purposes outside the unit. In that event, the intangible
14 property is taxable by each taxing unit in which the property
15 normally is used for business purposes.

16 SECTION 43. Sections 22.01(a), (b), (c), (c-2), (f), and
17 (g), Tax Code, are amended to read as follows:

18 (a) [~~Except as provided by Chapter 24, a person shall render~~
19 ~~for taxation all tangible personal property used for the production~~
20 ~~of income that the person owns or that the person manages and~~
21 ~~controls as a fiduciary on January 1.~~] A rendition statement shall
22 contain:

- 23 (1) the name and address of the property owner;
- 24 (2) a description of the property by type or category;
- 25 (3) [~~if the property is inventory, a description of~~
26 ~~each type of inventory and a general estimate of the quantity of~~
27 ~~each type of inventory,~~

1 ~~[(4)]~~ the physical location or taxable situs of the
2 property; and

3 (4) ~~[(5)]~~ the property owner's good faith estimate of
4 the market value of the property or, at the option of the property
5 owner, the historical cost when new and the year of acquisition of
6 the property.

7 (b) When required by the chief appraiser, a person shall
8 render for taxation any ~~[other]~~ taxable property that the person
9 ~~[he]~~ owns or that the person ~~[he]~~ manages and controls as a
10 fiduciary on January 1.

11 (c) A person may render for taxation any property that the
12 person ~~[he]~~ owns or that the person ~~[he]~~ manages and controls as a
13 fiduciary on January 1, although the person ~~[he]~~ is not required to
14 render it by Subsection ~~[(a) or] (b) [of this section]~~.

15 (c-2) With the consent of the property owner, a secured
16 party may render for taxation any property of the property owner in
17 which the secured party has a security interest on January 1,
18 although the secured party is not required to render the property by
19 Subsection ~~[(a) or] (b)~~. This subsection applies only to property
20 that has a historical cost when new of more than \$50,000.

21 (f) Notwithstanding Subsection ~~[Subsections]~~ (a) ~~[and (b)]~~,
22 a rendition statement of a person who owns ~~[tangible personal]~~
23 property ~~[used for the production of income]~~ located in the county
24 for which the appraisal office is established ~~[district]~~ that, in
25 the owner's opinion, has an aggregate value of less than \$20,000 is
26 required to contain only:

27 (1) the name and address of the property owner;

1 (2) a general description of the property by type or
2 category; and

3 (3) the physical location or taxable situs of the
4 property.

5 (g) A person's good faith estimate of the market value of
6 the property under Subsection (a)(4) [~~(a)(5)~~] is solely for the
7 purpose of compliance with any [~~the~~] requirement to render
8 [~~tangible personal~~] property and is inadmissible in any subsequent
9 protest, hearing, appeal, suit, or other proceeding under this
10 title involving the property, except for:

11 (1) a proceeding to determine whether the person
12 complied with this section;

13 (2) a proceeding under Section 22.29(b); or

14 (3) a protest under Section 41.41.

15 SECTION 44. Section 22.02, Tax Code, is amended to read as
16 follows:

17 Sec. 22.02. RENDITION OF PROPERTY LOSING EXEMPTION DURING
18 TAX YEAR [~~OR FOR WHICH EXEMPTION APPLICATION IS DENIED~~]. [~~(a)~~] If
19 an exemption applicable to a property on January 1 terminates
20 during the tax year, the person who owns or acquires the property on
21 the date applicability of the exemption terminates shall render the
22 property for taxation within 30 days after the date of termination.

23 ~~[(b) If the chief appraiser denies an application for an~~
24 ~~exemption for property described by Section 22.01(a), the person~~
25 ~~who owns the property on the date the application is denied shall~~
26 ~~render the property for taxation in the manner provided by Section~~
27 ~~22.01 within 30 days after the date of denial.]~~

1 SECTION 45. Section 22.05, Tax Code, is amended to read as
2 follows:

3 Sec. 22.05. RENDITION BY RAILROAD. (a) A [~~In addition to~~
4 ~~other reports required by Chapter 24 of this code, a~~] railroad
5 corporation shall render the real property the railroad corporation
6 owns or possesses as of January 1.

7 (b) The rendition shall:

8 (1) list all real property other than the property
9 covered by Subdivision (2) [~~of this subsection~~]; and

10 (2) list the number of miles of railroad together with
11 the market value per mile, which value shall include right-of-way,
12 roadbed, superstructure, and all buildings and improvements used in
13 the operation of the railroad[~~, and~~

14 [~~(3) list all personal property as required by Section~~
15 ~~22.01 of this code~~].

16 SECTION 46. The heading to Section 22.07, Tax Code, is
17 amended to read as follows:

18 Sec. 22.07. STATEMENT INDICATING HOW VALUE RENDERED
19 [~~INSPECTION OF PROPERTY~~].

20 SECTION 47. Section 22.07, Tax Code, is amended by amending
21 Subsection (c) and adding Subsection (c-1) to read as follows:

22 (c) The chief appraiser may request, either in writing or by
23 electronic means, that the property owner provide a statement
24 containing supporting information indicating how the value
25 rendered under Section 22.01(a)(4) [~~22.01(a)(5)~~] was determined.
26 The statement must:

27 (1) summarize information sufficient to identify the

1 property, including:

2 (A) the physical and economic characteristics
3 relevant to the opinion of value, if appropriate; and

4 (B) the source of the information used;

5 (2) state the effective date of the opinion of value;
6 and

7 (3) explain the basis of the value rendered.

8 (c-1) If the property owner is a business with 50 employees
9 or less, the property owner may base the estimate of value on the
10 depreciation schedules used for federal income tax purposes.

11 SECTION 48. Section 23.01(f), Tax Code, is amended to read
12 as follows:

13 (f) The selection of comparable properties and the
14 application of appropriate adjustments for the determination of an
15 appraised value of property by any person under Section 41.43(b)
16 [~~41.43(b)(3)~~] or 42.26(a) [~~42.26(a)(3)~~] must be based on the
17 application of generally accepted appraisal methods and
18 techniques. Adjustments must be based on recognized methods and
19 techniques that are necessary to produce a credible opinion.

20 SECTION 49. Section 23.0101, Tax Code, is amended to read as
21 follows:

22 Sec. 23.0101. CONSIDERATION OF ALTERNATE APPRAISAL
23 METHODS. (a) Except as provided by Subsections (b) and (c), in
24 [~~In~~] determining the market value of property, the chief appraiser
25 shall consider the cost, income, and market data comparison methods
26 of appraisal and use the most appropriate method.

27 (b) In determining the market value of residential real

1 property consisting of a single-family home, duplex, triplex, or
2 quadraplex constructed by or on behalf of the owner, the chief
3 appraiser shall use the cost method of appraisal.

4 (c) Except as otherwise provided by this title, in
5 determining the market value of real property other than a
6 single-family home, duplex, triplex, quadraplex, or tract of
7 unimproved land, the chief appraiser shall use the income method of
8 appraisal.

9 SECTION 50. Section 23.014, Tax Code, is amended to read as
10 follows:

11 Sec. 23.014. EXCLUSION OF PROPERTY AS REAL PROPERTY. In
12 ~~[Except as provided by Section 23.24(b), in]~~ determining the market
13 value of real property, the chief appraiser shall analyze the
14 effect on that value of, and exclude from that value the value of,
15 any:

16 (1) tangible personal property, including trade
17 fixtures;

18 (2) intangible personal property; or

19 (3) other property that is not subject to appraisal as
20 real property.

21 SECTION 51. Section 23.02, Tax Code, is amended to read as
22 follows:

23 Sec. 23.02. REAPPRAISAL OF PROPERTY DAMAGED IN DISASTER
24 AREA. (a) The chief appraiser of an appraisal office that
25 appraises property for ~~[governing body of]~~ a taxing unit that is
26 located partly or entirely inside an area declared to be a disaster
27 area by the governor shall reappraise ~~[may authorize reappraisal]~~

1 ~~of~~] all property damaged in the disaster at its market value
2 immediately after the disaster.

3 (b) The chief appraiser [~~If a taxing unit authorizes a~~
4 ~~reappraisal pursuant to this section, the appraisal office~~] shall
5 complete the reappraisal as soon as practicable. The chief
6 appraiser [~~appraisal office~~] shall include on the appraisal
7 records, in addition to other information required or authorized by
8 law:

9 (1) the date of the disaster; and

10 (2) the appraised value of the property after the
11 disaster [~~, and~~

12 [~~(3) if the reappraisal is not authorized by all~~
13 ~~taxing units in which the property is located, an indication of the~~
14 ~~taxing units to which the reappraisal applies~~].

15 (c) A taxing unit for which property is reappraised [~~that~~
16 ~~authorizes a reappraisal~~] under this section must pay the appraisal
17 office [~~district~~] all the costs of making the reappraisal. If
18 property in the same territory is reappraised for two or more taxing
19 units [~~provide for the reappraisal in the same territory~~], each
20 taxing unit shall share the costs of the reappraisal in that
21 territory in the proportion the total dollar amount of taxes each
22 taxing unit imposed in that territory in the preceding year bears to
23 the total dollar amount of taxes all taxing units [~~providing for~~
24 ~~reappraisal of that territory~~] imposed in that territory in the
25 preceding year.

26 (d) If property damaged in a disaster is reappraised for a
27 taxing unit as provided by this section, the governing body of the

1 taxing unit shall provide for prorating the taxes on the property
2 for the year in which the disaster occurred. The [~~If the taxes are~~]
3 prorated[~~7~~] taxes due on the property are determined as follows:
4 the taxes on the property based on its value on January 1 of that
5 year are multiplied by a fraction, the denominator of which is 365
6 and the numerator of which is the number of days before the date the
7 disaster occurred; the taxes on the property based on its
8 reappraised value are multiplied by a fraction, the denominator of
9 which is 365 and the numerator of which is the number of days,
10 including the date the disaster occurred, remaining in the year;
11 and the total of the two amounts is the amount of taxes on the
12 property for the year.

13 SECTION 52. Sections 23.12(a) and (f), Tax Code, are
14 amended to read as follows:

15 (a) The [~~Except as provided by Sections 23.121, 23.1241,~~
16 ~~23.124, and 23.127, the~~] market value of a real property [~~an~~]
17 inventory is the price for which it would sell as a unit to a
18 purchaser who would continue the business. A real property [~~An~~]
19 inventory includes [~~shall include~~] residential real property which
20 has never been occupied as a residence and is held for sale in the
21 ordinary course of a trade or business, provided that the
22 residential real property remains unoccupied, is not leased or
23 rented, and produces no income.

24 (f) The owner of an inventory [~~other than a dealer's motor~~
25 ~~vehicle inventory as that term is defined by Section 23.121, a~~
26 ~~dealer's heavy equipment inventory as that term is defined by~~
27 ~~Section 23.1241, or a dealer's vessel and outboard motor inventory~~

1 ~~as that term is defined by Section 23.124, or a retail manufactured~~
2 ~~housing inventory as that term is defined by Section 23.127]~~ may
3 elect to have the inventory appraised at its market value as of
4 September 1 of the year preceding the tax year to which the
5 appraisal applies by filing an application with the chief appraiser
6 requesting that the inventory be appraised as of September 1. The
7 application must clearly describe the inventory to which it applies
8 and be signed by the owner of the inventory. The application
9 applies to the appraisal of the inventory in each tax year that
10 begins after the next August 1 following the date the application is
11 filed with the chief appraiser unless the owner of the inventory by
12 written notice filed with the chief appraiser revokes the
13 application or the ownership of the inventory changes. A notice
14 revoking the application is effective for each tax year that begins
15 after the next September following the date the notice of
16 revocation is filed with the chief appraiser.

17 SECTION 53. Section 23.23(a), Tax Code, is amended to read
18 as follows:

19 (a) Regardless [~~Notwithstanding the requirements of Section~~
20 ~~25.18 and regardless~~] of whether the appraisal office has appraised
21 the property and determined the market value of the property for the
22 tax year, an appraisal office may increase the appraised value of a
23 residence homestead for a tax year to an amount not to exceed the
24 lesser of:

25 (1) the market value of the property for the most
26 recent tax year that the market value was determined by the
27 appraisal office; or

- 1 (2) the sum of:
- 2 (A) 10 percent of the appraised value of the
- 3 property for the preceding tax year;
- 4 (B) the appraised value of the property for the
- 5 preceding tax year; and
- 6 (C) the market value of all new improvements to
- 7 the property.

8 SECTION 54. Subchapter B, Chapter 23, Tax Code, is amended

9 by adding Section 23.231 to read as follows:

10 Sec. 23.231. LIMITATION ON APPRAISED VALUE OF CERTAIN REAL

11 PROPERTY. (a) This section applies only to residential real

12 property consisting of a single-family home, duplex, triplex, or

13 quadraplex or to a tract of unimproved land that the owner acquired

14 as a bona fide purchaser for value.

15 (b) This section applies to property only if the owner

16 discloses the purchase price the owner paid for the property to the

17 appraisal office.

18 (c) This section does not apply to property if:

19 (1) the purchase of the property was made:

20 (A) pursuant to a court order;

21 (B) from a trustee in bankruptcy;

22 (C) by one co-owner from one or more other

23 co-owners;

24 (D) from a spouse or a person or persons within

25 the first or second degree of lineal consanguinity of one or more of

26 the purchasers; or

27 (E) from a governmental entity; or

1 (2) the chief appraiser determines that the owner of
2 the property was not a bona fide purchaser for value under criteria
3 established by rules adopted by the comptroller for that purpose.

4 (d) Regardless of whether the appraisal office has
5 appraised the property and determined the market value of the
6 property for the tax year, the appraised value of property for a tax
7 year may not exceed the lesser of:

8 (1) the market value of the property; or

9 (2) the sum of:

10 (A) the purchase price paid by the property owner
11 for the property; and

12 (B) the market value of each new improvement to
13 the property as of January 1 of the first tax year in which the
14 improvement was added to the appraisal roll.

15 (e) When appraising property, the chief appraiser shall:

16 (1) appraise the property at its market value; and

17 (2) include in the appraisal records both the market
18 value of the property and the amount computed under Subsection
19 (d)(2).

20 (f) The limitation provided by Subsection (a) takes effect
21 as to property on January 1 of the first tax year the owner
22 qualifies the property for a limitation under this section. The
23 limitation expires on January 1 of the first tax year that neither
24 the owner of the property when the limitation took effect nor the
25 owner's spouse or surviving spouse qualifies for the limitation.

26 (g) This section does not apply to property appraised under
27 Subchapter C, D, E, F, or G.

1 (h) To receive a limitation on appraised value under this
2 section, the owner of the property must apply for the limitation.
3 To apply for the limitation, the owner must file an application with
4 the chief appraiser for each appraisal office in which the property
5 subject to the claimed limitation has situs. The application must
6 be filed not later than May 1 of the year after the year in which the
7 owner acquired the property. The comptroller by rule shall
8 prescribe the form for the application to ensure that the applicant
9 furnishes the information necessary to determine the applicant's
10 eligibility for the limitation, including the price for which the
11 applicant acquired the property.

12 (i) In this section, "new improvement" means an improvement
13 to property made since the owner acquired the property that
14 increases the market value of the property. The term does not
15 include repairs to or ordinary maintenance of an existing structure
16 or the grounds or another feature of the property.

17 (j) Notwithstanding Subsections (d) and (i) and except as
18 provided by Subdivision (2) of this subsection, an improvement to
19 property that would otherwise constitute a new improvement is not
20 treated as a new improvement if the improvement is a replacement
21 structure for a structure that was rendered uninhabitable or
22 unusable by a casualty or by wind or water damage. For purposes of
23 appraising the property under Subsection (d) in the tax year in
24 which the structure would have constituted a new improvement:

25 (1) the appraised value the property would have had in
26 the preceding tax year if the casualty or damage had not occurred is
27 considered to be the appraised value of the property for that year,

1 regardless of whether that appraised value exceeds the actual
2 appraised value of the property for that year as limited by
3 Subsection (d); and

4 (2) the replacement structure is considered to be a
5 new improvement only if:

6 (A) the square footage of the replacement
7 structure exceeds that of the replaced structure as that structure
8 existed before the casualty or damage occurred; or

9 (B) the exterior of the replacement structure is
10 of higher quality construction and composition than that of the
11 replaced structure.

12 (k) In this subsection, "disaster recovery program" means
13 the disaster recovery program administered by the General Land
14 Office that is funded with community development block grant
15 disaster recovery money authorized by the Consolidated Security,
16 Disaster Assistance, and Continuing Appropriations Act, 2009 (Pub.
17 L. No. 110-329), and the Consolidated and Further Continuing
18 Appropriations Act, 2012 (Pub. L. No. 112-55). Notwithstanding
19 Subsection (j)(2), and only to the extent necessary to satisfy the
20 requirements of the disaster recovery program, a replacement
21 structure described by that subdivision is not considered to be a
22 new improvement if to satisfy the requirements of the disaster
23 recovery program it was necessary that:

24 (1) the square footage of the replacement structure
25 exceed that of the replaced structure as that structure existed
26 before the casualty or damage occurred; or

27 (2) the exterior of the replacement structure be of

1 higher quality construction and composition than that of the
2 replaced structure.

3 (1) For purposes of Subsection (d)(2)(B), an improvement is
4 considered to be a new improvement in a tax year if the market value
5 of the improvement increased from the value of the improvement in
6 the preceding tax year because the improvement was not complete in
7 the preceding tax year.

8 SECTION 55. The heading to Section 25.18, Tax Code, is
9 amended to read as follows:

10 Sec. 25.18. REAPPRAISAL OF PROPERTY [PERIODIC
11 ~~REAPPRAISALS~~].

12 SECTION 56. Section 25.18(a), Tax Code, is amended to read
13 as follows:

14 (a) An [~~Each~~] appraisal office may reappraise [~~shall~~
15 ~~implement the plan for periodic reappraisal of~~] property if the
16 chief appraiser determines that conditions warrant the reappraisal
17 [~~approved by the board of directors under Section 6.05(i)~~].

18 SECTION 57. Section 25.19(b), Tax Code, is amended to read
19 as follows:

20 (b) The chief appraiser shall [~~separate real from personal~~
21 ~~property and~~] include in the notice for each property:

22 (1) a list of the taxing units in which the property is
23 taxable;

24 (2) the appraised value of the property in the
25 preceding year;

26 (3) the taxable value of the property in the preceding
27 year for each taxing unit taxing the property;

1 (4) the appraised value of the property for the
2 current year, the kind and amount of each exemption and partial
3 exemption, if any, approved for the property for the current year
4 and for the preceding year, and, if an exemption or partial
5 exemption that was approved for the preceding year was canceled or
6 reduced for the current year, the amount of the exemption or partial
7 exemption canceled or reduced;

8 (5) if the appraised value is greater than it was in
9 the preceding year, the amount of tax that would be imposed on the
10 property on the basis of the tax rate for the preceding year;

11 (6) in italic typeface, the following statement: "The
12 Texas Legislature does not set the amount of your local taxes. Your
13 property tax burden is decided by your locally elected officials,
14 and all inquiries concerning your taxes should be directed to those
15 officials";

16 (7) a detailed explanation of the time and procedure
17 for protesting the value;

18 (8) the date and place the appraisal review board will
19 begin hearing protests; and

20 (9) a brief explanation that the governing body of
21 each taxing unit decides whether or not taxes on the property will
22 increase and the appraisal office [~~district~~] only determines the
23 value of the property.

24 SECTION 58. Sections 26.012(6) and (15), Tax Code, are
25 amended to read as follows:

26 (6) "Current total value" means the total taxable
27 value of property listed on the appraisal roll for the current year,

1 including all appraisal roll supplements and corrections as of the
2 date of the calculation, less the taxable value of property
3 exempted for the current tax year for the first time under Section
4 11.31 [~~or 11.315~~], except that:

5 (A) the current total value for a school district
6 excludes:

7 (i) the total value of homesteads that
8 qualify for a tax limitation as provided by Section 11.26; and

9 (ii) new property value of property that is
10 subject to an agreement entered into under Chapter 313; and

11 (B) the current total value for a county,
12 municipality, or junior college district excludes the total value
13 of homesteads that qualify for a tax limitation provided by Section
14 11.261.

15 (15) "Lost property levy" means the amount of taxes
16 levied in the preceding year on property value that was taxable in
17 the preceding year but is not taxable in the current year because
18 the property is exempt in the current year under a provision of this
19 code [~~other than Section 11.251 or 11.253~~], the property has
20 qualified for special appraisal under Chapter 23 in the current
21 year, or the property is located in territory that has ceased to be
22 a part of the unit since the preceding year.

23 SECTION 59. Section 26.09(b), Tax Code, is amended to read
24 as follows:

25 (b) [~~The county assessor-collector shall add the properties
26 and their values certified to him as provided by Chapter 24 of this
27 code to the appraisal roll for county tax purposes.~~] The county

1 assessor-collector shall use the appraisal roll certified to the
2 county assessor-collector [him] as provided by Section 26.01 [~~with~~
3 ~~the added properties and values~~] to calculate county taxes.

4 SECTION 60. Section 31.032(a), Tax Code, is amended to read
5 as follows:

6 (a) This section applies only to:

7 (1) real property that:

8 (A) is:

9 (i) the residence homestead of the owner or
10 consists of property that is used for residential purposes and that
11 has fewer than five living units; or

12 (ii) owned or leased by a business entity
13 that had not more than the amount calculated as provided by
14 Subsection (h) in gross receipts in the entity's most recent
15 federal tax year or state franchise tax annual period, according to
16 the applicable federal income tax return or state franchise tax
17 report of the entity;

18 (B) is located in a disaster area; and

19 (C) has been damaged as a direct result of the
20 disaster; and

21 (2) [~~tangible personal property that is owned or~~
22 ~~leased by a business entity described by Subdivision (1)(A)(ii),~~
23 ~~and~~

24 [~~3~~] taxes that are imposed on the property by a
25 taxing unit before the first anniversary of the disaster.

26 SECTION 61. Section 41.43(b), Tax Code, is amended to read
27 as follows:

1 (b) A protest on the ground of unequal appraisal of property
2 shall be determined in favor of the protesting party unless the
3 appraisal office [~~district~~] establishes that[+]

4 [~~(1) the appraisal ratio of the property is equal to or~~
5 ~~less than the median level of appraisal of a reasonable and~~
6 ~~representative sample of other properties in the appraisal~~
7 ~~district;~~

8 [~~(2) the appraisal ratio of the property is equal to or~~
9 ~~less than the median level of appraisal of a sample of properties in~~
10 ~~the appraisal district consisting of a reasonable number of other~~
11 ~~properties similarly situated to, or of the same general kind or~~
12 ~~character as, the property subject to the protest; or~~

13 [~~(3)~~] the appraised value of the property is equal to
14 or less than the median appraised value of a reasonable number of
15 comparable properties appropriately adjusted.

16 SECTION 62. Section 41.44(a), Tax Code, is amended to read
17 as follows:

18 (a) Except as provided by Subsections (b), (c), (c-1), and
19 (c-2), to be entitled to a hearing and determination of a protest,
20 the property owner initiating the protest must file a written
21 notice of the protest with the appraisal review board having
22 authority to hear the matter protested:

23 (1) not later than May 15 or the 30th day after the
24 date that notice to the property owner was delivered to the property
25 owner as provided by Section 25.19, whichever is later;

26 (2) in the case of a protest of a change in the
27 appraisal records ordered as provided by Subchapter A of this

1 chapter or by Chapter 25, not later than the 30th day after the date
2 notice of the change is delivered to the property owner; or

3 (3) in the case of a determination that a change in the
4 use of land appraised under Subchapter C, D, E, or H, Chapter 23,
5 has occurred, not later than the 30th day after the date the notice
6 of the determination is delivered to the property owner [~~+~~ ~~or~~

7 [~~(4) in the case of a determination of eligibility for~~
8 ~~a refund under Section 23.1243, not later than the 30th day after~~
9 ~~the date the notice of the determination is delivered to the~~
10 ~~property owner].~~

11 SECTION 63. Section 42.01, Tax Code, is amended to read as
12 follows:

13 Sec. 42.01. RIGHT OF APPEAL BY PROPERTY OWNER. (a) A
14 property owner is entitled to appeal [~~+~~

15 [~~(1)~~] an order of the appraisal review board
16 determining:

17 (1) [~~(A)~~] a protest by the property owner as provided
18 by Subchapter C of Chapter 41;

19 (2) [~~(B)~~] a determination of an appraisal review board
20 on a motion filed under Section 25.25; or

21 (3) [~~(C)~~] a determination of an appraisal review board
22 that the property owner has forfeited the right to a final
23 determination of a motion filed under Section 25.25 or of a protest
24 under Section 41.411 for failing to comply with the prepayment
25 requirements of Section 25.26 or 41.4115, as applicable [~~+~~ ~~or~~

26 [~~(D) a determination of an appraisal review board~~
27 ~~of eligibility for a refund requested under Section 23.1243, or~~

1 ~~[(2) an order of the comptroller issued as provided by~~
2 ~~Subchapter B, Chapter 24, apportioning among the counties the~~
3 ~~appraised value of railroad rolling stock owned by the property~~
4 ~~owner].~~

5 (b) A property owner who establishes that the owner did not
6 forfeit the right to a final determination of a motion or of a
7 protest in an appeal under Subsection (a)(3) ~~[(a)(1)(C)]~~ is
8 entitled to a final determination of the court, as applicable:

9 (1) of the motion filed under Section 25.25; or

10 (2) of the protest under Section 41.411 of the failure
11 of the chief appraiser or appraisal review board to provide or
12 deliver a notice to which the property owner is entitled, and, if
13 failure to provide or deliver the notice is established, of a
14 protest made by the property owner on any other grounds of protest
15 authorized by this title relating to the property to which the
16 notice applies.

17 SECTION 64. Section 42.21(b), Tax Code, is amended to read
18 as follows:

19 (b) A petition for review brought under Section 42.02 must
20 be brought against the owner of the property involved in the appeal.
21 A petition for review brought under Section 42.031 must be brought
22 against the appraisal office ~~[district]~~ and against the owner of
23 the property involved in the appeal. ~~[A petition for review brought~~
24 ~~under Section 42.01(a)(2) or 42.03 must be brought against the~~
25 ~~comptroller.]~~ Any other petition for review under this chapter
26 must be brought against the appraisal office ~~[district]~~. A
27 petition for review may not be brought against the appraisal review

1 board. An appraisal office [~~district~~] may hire an attorney that
2 represents the office [~~district~~] to represent the appraisal review
3 board established for the office [~~district~~] to file an answer and
4 obtain a dismissal of a suit filed against the appraisal review
5 board in violation of this subsection.

6 SECTION 65. Section 42.22, Tax Code, as amended by Chapters
7 667 (S.B. 548) and 1033 (H.B. 301), Acts of the 73rd Legislature,
8 Regular Session, 1993, is reenacted and amended to read as follows:

9 Sec. 42.22. VENUE. (a) Except as provided by Subsection
10 [~~Subsections~~] (b) of this section [~~and (c)~~], and by Section 42.221,
11 venue is in the county in which the appraisal review board that
12 issued the order appealed is located.

13 (b) Venue of an action brought under Section 42.01(a)
14 [~~42.01(1)~~] is in the county in which the property is located or in
15 the county in which the appraisal review board that issued the order
16 is located.

17 [~~(c) Venue is in Travis County if the order appealed was~~
18 ~~issued by the comptroller.~~]

19 SECTION 66. Sections 42.23(f) and (i), Tax Code, are
20 amended to read as follows:

21 (f) For purposes of a no-evidence motion for summary
22 judgment filed by a party to an appeal under this chapter, the offer
23 of evidence, including an affidavit or testimony, by any person,
24 including the appraisal office [~~district~~], the property owner, or
25 the owner's agent, that was presented at the hearing on the protest
26 before the appraisal review board constitutes sufficient evidence
27 to deny the motion.

1 (i) If an appraisal office [~~district~~] employee testifies as
2 to the value of real property in an appeal under Section 42.25 or
3 42.26, the court may give preference to an employee who is a person
4 authorized to perform an appraisal of real estate under Section
5 1103.201, Occupations Code.

6 SECTION 67. Sections 42.26(a), (b), and (d), Tax Code, are
7 amended to read as follows:

8 (a) The district court shall grant relief on the ground that
9 a property is appraised unequally if~~+~~

10 ~~[(1) the appraisal ratio of the property exceeds by at~~
11 ~~least 10 percent the median level of appraisal of a reasonable and~~
12 ~~representative sample of other properties in the appraisal~~
13 ~~district;~~

14 ~~[(2) the appraisal ratio of the property exceeds by at~~
15 ~~least 10 percent the median level of appraisal of a sample of~~
16 ~~properties in the appraisal district consisting of a reasonable~~
17 ~~number of other properties similarly situated to, or of the same~~
18 ~~general kind or character as, the property subject to the appeal; or~~

19 ~~[(3)]~~ the appraised value of the property exceeds the
20 median appraised value of a reasonable number of comparable
21 properties appropriately adjusted.

22 (b) ~~[If a property owner is entitled to relief under~~
23 ~~Subsection (a)(1), the court shall order the property's appraised~~
24 ~~value changed to the value as calculated on the basis of the median~~
25 ~~level of appraisal according to Subsection (a)(1). If a property~~
26 ~~owner is entitled to relief under Subsection (a)(2), the court~~
27 ~~shall order the property's appraised value changed to the value~~

1 ~~calculated on the basis of the median level of appraisal according~~
 2 ~~to Subsection (a)(2).]~~ If a property owner is entitled to relief
 3 under Subsection (a) [~~Subsection (a)(3)~~], the court shall order the
 4 property's appraised value changed to the value calculated on the
 5 basis of the median appraised value according to that subsection
 6 [~~Subsection (a)(3). If a property owner is entitled to relief under~~
 7 ~~more than one subdivision of Subsection (a), the court shall order~~
 8 ~~the property's appraised value changed to the value that results in~~
 9 ~~the lowest appraised value]~~. The court shall determine the [~~each~~
 10 ~~applicable median level of appraisal or]~~ median appraised value
 11 according to law[~~7~~] and is not required to adopt the [~~median level~~
 12 ~~of appraisal or]~~ median appraised value proposed by a party to the
 13 appeal. [~~The court may not limit or deny relief to the property~~
 14 ~~owner entitled to relief under a subdivision of Subsection (a)~~
 15 ~~because the appraised value determined according to another~~
 16 ~~subdivision of Subsection (a) results in a higher appraised value.]~~

17 (d) For purposes of this section, the value of the property
 18 subject to the suit and the value of a comparable property [~~or~~
 19 ~~sample property]~~ that is used for comparison must be the market
 20 value determined by the appraisal office [~~district~~] when the
 21 property is [~~a residence homestead~~] subject to the limitation on
 22 appraised value imposed by Section 23.23 or 23.231.

23 SECTION 68. Sections 151.356(a) and (c), Tax Code, are
 24 amended to read as follows:

25 (a) In this section:

26 (1) "Environmental protection agency of the United
 27 States" includes:

1 (A) the United States Department of the Interior
2 and any agency, bureau, or other entity established in that
3 department, including the Bureau of Safety and Environmental
4 Enforcement and the Bureau of Ocean Energy Management; and

5 (B) any other department, agency, bureau, or
6 entity of the United States that prescribes rules or regulations
7 described by Subdivision (3)(A).

8 (2) "Offshore[, "offshore] spill response containment
9 property" means tangible personal property:

10 (A) used, constructed, acquired, stored, or
11 installed solely as part of, or used solely for the development,
12 improvement, storage, deployment, repair, maintenance, or testing
13 of, an offshore spill response containment system that is stored
14 while not in use in a county bordering on the Gulf of Mexico or on a
15 bay or other body of water immediately adjacent to the Gulf of
16 Mexico [~~(1) described by Section 11.271(c)~~];

17 (B) [~~(2)~~] owned or leased by an entity formed
18 primarily for the purpose of designing, developing, modifying,
19 enhancing, assembling, operating, deploying, and maintaining an
20 offshore spill response containment system [~~described by Section~~
21 11.271(f)]; and

22 (C) [~~(3)~~] used or intended to be used solely in
23 an offshore spill response containment system [~~as defined by~~
24 Section 11.271(a)].

25 (3) "Offshore spill response containment system"
26 means a marine or mobile containment system that:

27 (A) is designed and used or intended to be used

1 solely to implement a response plan that meets or exceeds rules or
2 regulations adopted by any environmental protection agency of the
3 United States, this state, or a political subdivision of this state
4 for the control, reduction, or monitoring of air, water, or land
5 pollution in the event of a blowout or loss of control of an
6 offshore well drilled or used for the exploration for or production
7 of oil or gas;

8 (B) has a design capability to respond to a
9 blowout or loss of control of an offshore well drilled or used for
10 the exploration for or production of oil or gas that is drilled in
11 more than 5,000 feet of water;

12 (C) is used or intended to be used solely to
13 respond to a blowout or loss of control of an offshore well drilled
14 or used for the exploration for or production of oil or gas without
15 regard to the depth of the water in which the well is drilled; and

16 (D) except for any monitoring function for which
17 the system may be used, is used or intended to be used as a temporary
18 measure to address fugitive oil, gas, sulfur, or other minerals
19 after a leak has occurred and is not used or intended to be used
20 after the leak has been contained as a continuing means of producing
21 oil, gas, sulfur, or other minerals.

22 (4) "Rules or regulations adopted by any environmental
23 protection agency of the United States" includes 30 C.F.R. Part 254
24 and any corresponding provision or provisions of succeeding,
25 similar, substitute, proposed, or final federal regulations.

26 (c) The sale, lease, rental, storage, use, or other
27 consumption by an entity described by Subsection (a)(2)(B) [~~Section~~

1 ~~11.271(f)]~~ of offshore spill response containment property used
2 solely for the purposes described by [~~Section 11.271(c) and~~] this
3 section is exempted from the taxes imposed by this chapter.

4 SECTION 69. Section 312.007(a), Tax Code, is amended to
5 read as follows:

6 (a) In this section, "abatement period" means the period
7 during which all or a portion of the value of real property [~~or~~
8 ~~tangible personal property]~~ that is the subject of a tax abatement
9 agreement is exempt from taxation.

10 SECTION 70. Sections 312.204(a), (e), and (g), Tax Code,
11 are amended to read as follows:

12 (a) The governing body of a municipality eligible to enter
13 into tax abatement agreements under Section 312.002 may agree in
14 writing with the owner of taxable real property that is located in a
15 reinvestment zone, but that is not in an improvement project
16 financed by tax increment bonds, to exempt from taxation a portion
17 of the value of the real property [~~or of tangible personal property~~
18 ~~located on the real property, or both,~~] for a period not to exceed
19 10 years, on the condition that the owner of the property make
20 specific improvements or repairs to the property. The governing
21 body of an eligible municipality may agree in writing with the owner
22 of a leasehold interest in tax-exempt real property that is located
23 in a reinvestment zone, but that is not in an improvement project
24 financed by tax increment bonds, to exempt a portion of the value of
25 property subject to ad valorem taxation, including the leasehold
26 interest or [~~7]~~ improvements [~~7~~ ~~or tangible personal property]~~
27 located on the real property, for a period not to exceed 10 years,

1 on the condition that the owner of the leasehold interest make
2 specific improvements or repairs to the real property. A tax
3 abatement agreement under this section is subject to the rights of
4 holders of outstanding bonds of the municipality. An agreement
5 exempting taxable real property or leasehold interests or
6 improvements on tax-exempt real property may provide for the
7 exemption of such taxable interests in each year covered by the
8 agreement only to the extent its value for that year exceeds its
9 value for the year in which the agreement is executed. [~~An~~
10 ~~agreement exempting tangible personal property located on taxable~~
11 ~~or tax-exempt real property may provide for the exemption of~~
12 ~~tangible personal property located on the real property in each~~
13 ~~year covered by the agreement other than tangible personal property~~
14 ~~that was located on the real property at any time before the period~~
15 ~~covered by the agreement with the municipality, including inventory~~
16 ~~and supplies.~~] In a municipality that has a comprehensive zoning
17 ordinance, an improvement, repair, development, or redevelopment
18 taking place under an agreement under this section must conform to
19 the comprehensive zoning ordinance.

20 (e) The governing body of a municipality eligible to enter
21 into tax abatement agreements under Section 312.002 may agree in
22 writing with the owner or lessee of real property that is located in
23 a reinvestment zone to exempt from taxation for a period not to
24 exceed 10 years a portion of the value of the real property [~~or of~~
25 ~~personal property, or both,~~] located within the zone and owned or
26 leased by a certificated air carrier, on the condition that the
27 certificated air carrier make specific real property improvements

1 or lease for a term of 10 years or more real property improvements
2 located within the reinvestment zone. An agreement may provide for
3 the exemption of the real property in each year covered by the
4 agreement to the extent its value for that year exceeds its value
5 for the year in which the agreement is executed. [~~An agreement may
6 provide for the exemption of the personal property owned or leased
7 by a certificated air carrier located within the reinvestment zone
8 in each year covered by the agreement other than specific personal
9 property that was located within the reinvestment zone at any time
10 before the period covered by the agreement with the municipality.~~]

11 (g) Notwithstanding the other provisions of this chapter,
12 the governing body of a municipality eligible to enter into tax
13 abatement agreements under Section 312.002 may agree in writing
14 with the owner of real property that is located in a reinvestment
15 zone to exempt from taxation for a period not to exceed five years a
16 portion of the value of the real property [~~or of tangible personal
17 property located on the real property, or both,~~] that is used to
18 provide housing for military personnel employed at a military
19 facility located in or near the municipality. An agreement may
20 provide for the exemption of the real property in each year covered
21 by the agreement only to the extent its value for that year exceeds
22 its value for the year in which the agreement is executed. [~~An
23 agreement may provide for the exemption of tangible personal
24 property located on the real property in each year covered by the
25 agreement other than tangible personal property that was located on
26 the real property at any time before the period covered by the
27 agreement with the municipality and other than inventory or~~]

1 ~~supplies.]~~ The governing body of the municipality may adopt
2 guidelines and criteria for tax abatement agreements entered into
3 under this subsection that are different from the guidelines and
4 criteria that apply to tax abatement agreements entered into under
5 another provision of this section. Tax abatement agreements
6 entered into under this subsection are not required to contain
7 identical terms for the portion of the value of the property that is
8 to be exempt or for the duration of the exemption as tax abatement
9 agreements entered into with the owners of property in the
10 reinvestment zone under another provision of this section.

11 SECTION 71. Section 312.210(b), Tax Code, is amended to
12 read as follows:

13 (b) A tax abatement agreement with the owner of real
14 property [~~or tangible personal property~~] that is located in the
15 reinvestment zone described by Subsection (a) and in a school
16 district that has a wealth per student that does not exceed the
17 equalized wealth level must exempt from taxation:

18 (1) the portion of the value of the property in the
19 amount specified in the joint agreement among the municipality,
20 county, and junior college district; and

21 (2) an amount equal to 10 percent of the maximum
22 portion of the value of the property that may under Section
23 312.204(a) be otherwise exempted from taxation.

24 SECTION 72. Section 312.211(a), Tax Code, is amended to
25 read as follows:

26 (a) This section applies only to [+]

27 [~~1~~] real property:

- 1 (1) [~~(A)~~] that is located in a reinvestment zone;
- 2 (2) [~~(B)~~] that is not in an improvement project
3 financed by tax increment bonds; and
- 4 (3) [~~(C)~~] that is the subject of a voluntary cleanup
5 agreement under Section 361.606, Health and Safety Code [~~and~~
6 ~~(2) tangible personal property located on the real~~
7 ~~property~~].

8 SECTION 73. Sections 312.402(a), (a-1), and (a-3), Tax
9 Code, are amended to read as follows:

10 (a) The commissioners court may execute a tax abatement
11 agreement with the owner of taxable real property located in a
12 reinvestment zone designated under this subchapter [~~or with the~~
13 ~~owner of tangible personal property located on real property in a~~
14 ~~reinvestment zone]~~ to exempt from taxation all or a portion of the
15 value of the real property [~~, all or a portion of the value of the~~
16 ~~tangible personal property located on the real property, or all or a~~
17 ~~portion of the value of both~~].

18 (a-1) The commissioners court may execute a tax abatement
19 agreement with the owner of a leasehold interest in tax-exempt real
20 property located in a reinvestment zone designated under this
21 subchapter to exempt all or a portion of the value of the leasehold
22 interest in the real property. The court may execute a tax
23 abatement agreement with the owner of [~~tangible personal property~~
24 ~~or~~] an improvement located on tax-exempt real property that is
25 located in a designated reinvestment zone to exempt all or a portion
26 of the value of the [~~tangible personal property or~~] improvement
27 located on the real property.

1 (a-3) The commissioners court may execute a tax abatement
2 agreement with a lessee of taxable real property located in a
3 reinvestment zone designated under this subchapter to exempt from
4 taxation all or a portion of the value of the fixtures,
5 improvements, or other real property owned by the lessee and
6 located on the property that is subject to the lease [~~, all or a~~
7 ~~portion of the value of tangible personal property owned by the~~
8 ~~lessee and located on the real property that is the subject of the~~
9 ~~lease, or all or a portion of the value of both the fixtures,~~
10 ~~improvements, or other real property and the tangible personal~~
11 ~~property described by this subsection].~~

12 SECTION 74. Section [313.021\(2\)](#), Tax Code, is amended to
13 read as follows:

14 (2) "Qualified property" means:

15 (A) land:

16 (i) that is located in an area designated as
17 a reinvestment zone under Chapter [311](#) or [312](#) or as an enterprise
18 zone under Chapter [2303](#), Government Code;

19 (ii) on which a person proposes to
20 construct a new building or erect or affix a new improvement that
21 does not exist before the date the person submits a complete
22 application for a limitation on appraised value under this
23 subchapter;

24 (iii) that is not subject to a tax abatement
25 agreement entered into by a school district under Chapter [312](#); and

26 (iv) on which, in connection with the new
27 building or new improvement described by Subparagraph (ii), the

1 owner or lessee of, or the holder of another possessory interest in,
2 the land proposes to:

3 (a) make a qualified investment in an
4 amount equal to at least the minimum amount required by Section
5 313.023; and

6 (b) create at least 25 new qualifying
7 jobs; and

8 (B) the new building or other new improvement
9 described by Paragraph (A)(ii) [~~and~~

10 [~~(C) tangible personal property:~~

11 [~~(i) that is not subject to a tax abatement~~
12 ~~agreement entered into by a school district under Chapter 312,~~

13 [~~(ii) for which a sales and use tax refund~~
14 ~~is not claimed under Section 151.3186, and~~

15 [~~(iii) except for new equipment described~~
16 ~~in Section 151.318(q) or (q-1), that is first placed in service in~~
17 ~~the new building, in the newly expanded building, or in or on the~~
18 ~~new improvement described by Paragraph (A)(ii), or on the land on~~
19 ~~which that new building or new improvement is located, if the~~
20 ~~personal property is ancillary and necessary to the business~~
21 ~~conducted in that new building or in or on that new improvement].~~

22 SECTION 75. Section 313.025(a), Tax Code, is amended to
23 read as follows:

24 (a) The owner or lessee of, or the holder of another
25 possessory interest in, any qualified property described by Section
26 313.021(2)(A) or [~~or~~] (B) [~~or (C)~~] may apply to the governing body of
27 the school district in which the property is located for a

1 limitation on the appraised value for school district maintenance
2 and operations ad valorem tax purposes of the person's qualified
3 property. An application must be made on the form prescribed by
4 the comptroller and include the information required by the
5 comptroller, and it must be accompanied by:

6 (1) the application fee established by the governing
7 body of the school district;

8 (2) information sufficient to show that the real [~~and~~
9 ~~personal~~] property identified in the application as qualified
10 property meets the applicable criteria established by Section
11 313.021(2); and

12 (3) any information required by the comptroller for
13 the purposes of Section 313.026.

14 SECTION 76. Section 71.041(5), Agriculture Code, is amended
15 to read as follows:

16 (5) "Nursery stock weather protection unit" means a
17 plant cover consisting of a series of removable, portable metal
18 hoops, covered by nonreusable plastic sheeting, shade cloth, or
19 other similar removable material, used exclusively for protecting
20 nursery products from weather elements. A nursery stock weather
21 protection unit is an implement of husbandry for all purposes[
22 ~~including Article VIII, Section 19a, of the Texas Constitution~~].

23 SECTION 77. Section 93.001(2), Business & Commerce Code, is
24 amended to read as follows:

25 (2) "Heavy equipment" means self-propelled,
26 self-powered, or pull-type equipment, including farm equipment or a
27 diesel engine, that weighs at least 1,500 pounds and is intended to

1 be used for agricultural, construction, industrial, maritime,
2 mining, or forestry uses. The term does not include a motor
3 vehicle that is required by:

4 (A) Chapter 501, Transportation Code, to be
5 titled; or

6 (B) Chapter 502, Transportation Code, to be
7 registered [~~has the meaning assigned by Section 23.1241, Tax Code~~].

8 SECTION 78. Sections 89.003(a) and (b), Finance Code, are
9 amended to read as follows:

10 (a) Each association and each federal association shall
11 render for ad valorem taxation all of its personal property, other
12 than tangible personal property [~~furniture, fixtures, equipment,~~
13 ~~and automobiles~~], as a whole at the value remaining after deducting
14 the following from the total value of its entire assets:

- 15 (1) all debts that it owes;
- 16 (2) all tax-free securities that it owns;
- 17 (3) its loss reserves and surplus;
- 18 (4) its savings liability; [~~and~~]
- 19 (5) the appraised value of its [~~furniture, fixtures,~~
20 ~~and~~] real property; and
- 21 (6) the value of its tangible personal property.

22 (b) The association or federal association shall render the
23 personal property, other than tangible personal property
24 [~~furniture, fixtures, equipment, and automobiles~~], to the chief
25 appraiser of the appraisal office [~~district~~] in the county in which
26 its principal office is located.

27 SECTION 79. Subchapter M, Chapter 403, Government Code, is

1 amended by adding Section 403.3001 to read as follows:

2 Sec. 403.3001. DETERMINATION OF SCHOOL DISTRICT PROPERTY
3 VALUES. A reference in law to the taxable value or total taxable
4 value of property in a school district as determined under this
5 subchapter means the total taxable value of that property as
6 determined by the assessor for the district under Section 26.04,
7 Tax Code.

8 SECTION 80. Chapter 245, Local Government Code, is amended
9 by adding Section 245.008 to read as follows:

10 Sec. 245.008. NOTIFICATION OF APPRAISAL OFFICE OF ISSUANCE
11 OF CERTAIN PERMITS. A political subdivision that issues a
12 real-property-related permit shall notify the appraisal office
13 established for the county in which the property is located of the
14 issuance of the permit.

15 SECTION 81. Section 1151.1015, Occupations Code, is amended
16 to read as follows:

17 Sec. 1151.1015. ASSISTANCE FROM COMPTROLLER. The
18 comptroller shall enter into a memorandum of understanding with the
19 department under which the comptroller shall provide:

20 (1) information on the educational needs of and
21 opportunities for tax professionals;

22 (2) review and approval of all required educational
23 courses, examinations, and continuing education programs for
24 registrants; and

25 (3) ~~[a copy of any report issued by the comptroller~~
26 ~~under Section 5.102, Tax Code, and if requested by the department a~~
27 ~~copy of any work papers or other documents collected or created in~~

1 ~~connection with a report issued under that section; and~~

2 ~~[(4)]~~ information and assistance regarding
3 administrative proceedings conducted under the commission's rules
4 or this chapter.

5 SECTION 82. Section 1151.204(c), Occupations Code, is
6 amended to read as follows:

7 (c) This section does not apply to:

8 (1) ~~[a matter referred to the department by the~~
9 ~~comptroller under Section 5.102, Tax Code, or a successor statute;~~

10 ~~[(2)]~~ a complaint concerning a registrant's failure to
11 comply with the registration and certification requirements of this
12 chapter; or

13 (2) ~~[(3)]~~ a complaint concerning a newly appointed
14 chief appraiser's failure to complete the training program
15 described by Section 1151.164.

16 SECTION 83. Section 503.038(a), Transportation Code, is
17 amended to read as follows:

18 (a) The department may cancel a dealer's general
19 distinguishing number if the dealer:

20 (1) falsifies or forges a title document, including an
21 affidavit making application for a certified copy of a title;

22 (2) files a false or forged tax document, including a
23 sales tax affidavit;

24 (3) fails to take assignment of any basic evidence of
25 ownership, including a certificate of title or manufacturer's
26 certificate, for a vehicle the dealer acquires;

27 (4) fails to assign any basic evidence of ownership,

1 including a certificate of title or manufacturer's certificate, for
2 a vehicle the dealer sells;

3 (5) uses or permits the use of a metal dealer's license
4 plate or a dealer's temporary tag on a vehicle that the dealer does
5 not own or control or that is not in stock and offered for sale;

6 (6) makes a material misrepresentation in an
7 application or other information filed with the department;

8 (7) fails to maintain the qualifications for a general
9 distinguishing number;

10 (8) fails to provide to the department within 30 days
11 after the date of demand by the department satisfactory and
12 reasonable evidence that the person is regularly and actively
13 engaged in business as a wholesale or retail dealer;

14 (9) has been licensed for at least 12 months and has
15 not assigned at least five vehicles during the previous 12-month
16 period;

17 (10) ~~[has failed to demonstrate compliance with~~
18 ~~Sections 23.12, 23.121, and 23.122, Tax Code,~~

19 ~~[(11)]~~ uses or allows the use of the dealer's general
20 distinguishing number or the location for which the general
21 distinguishing number is issued to avoid the requirements of this
22 chapter;

23 (11) ~~[(12)]~~ misuses or allows the misuse of a
24 temporary tag authorized under this chapter;

25 (12) ~~[(13)]~~ refuses to show on a buyer's temporary tag
26 the date of sale or other reasonable information required by the
27 department; or

1 (13) [~~(14)~~] otherwise violates this chapter or a rule
2 adopted under this chapter.

3 SECTION 84. (a) The following provisions of the Tax Code
4 are repealed:

- 5 (1) Section 1.12;
- 6 (2) Section 5.07(c);
- 7 (3) Section 5.10;
- 8 (4) Section 5.102;
- 9 (5) Section 5.12;
- 10 (6) Section 5.13;
- 11 (7) Section 5.16;
- 12 (8) Section 6.03;
- 13 (9) Section 6.031;
- 14 (10) Section 6.033;
- 15 (11) Section 6.034;
- 16 (12) Section 6.035(a-1);
- 17 (13) Section 6.036(a);
- 18 (14) Section 6.037;
- 19 (15) Section 6.04;
- 20 (16) Section 6.0501;
- 21 (17) Section 6.051;
- 22 (18) Section 6.061;
- 23 (19) Section 6.10;
- 24 (20) Section 6.15;
- 25 (21) Section 6.24(c);
- 26 (22) Section 11.11(h);
- 27 (23) Section 11.14;

- 1 (24) Section 11.145;
- 2 (25) Section 11.15;
- 3 (26) Section 11.16;
- 4 (27) Section 11.161;
- 5 (28) Section 11.23(f);
- 6 (29) Section 11.25;
- 7 (30) Section 11.251;
- 8 (31) Section 11.252;
- 9 (32) Section 11.253;
- 10 (33) Section 11.254;
- 11 (34) Section 11.271;
- 12 (35) Section 11.311;
- 13 (36) Section 11.315;
- 14 (37) Section 11.33;
- 15 (38) Section 11.437;
- 16 (39) Section 11.4391;
- 17 (40) Section 21.02;
- 18 (41) Section 21.021;
- 19 (42) Section 21.03;
- 20 (43) Section 21.031;
- 21 (44) Section 21.04;
- 22 (45) Section 21.05;
- 23 (46) Section 21.055;
- 24 (47) Section 21.07;
- 25 (48) Section 21.09;
- 26 (49) Section 21.10;
- 27 (50) Sections 22.01(e), (i), (j), (k), and (m);

- 1 (51) Sections 22.04(b), (c), and (d);
- 2 (52) Sections 22.07(a) and (b);
- 3 (53) Section 22.23(c);
- 4 (54) Section 23.121;
- 5 (55) Section 23.1211;
- 6 (56) Section 23.122;
- 7 (57) Section 23.123;
- 8 (58) Section 23.124;
- 9 (59) Section 23.1241;
- 10 (60) Section 23.1242;
- 11 (61) Section 23.1243;
- 12 (62) Section 23.125;
- 13 (63) Section 23.126;
- 14 (64) Section 23.127;
- 15 (65) Section 23.128;
- 16 (66) Section 23.129;
- 17 (67) Section 23.24;
- 18 (68) Chapter 24;
- 19 (69) Sections 25.18(b) and (c);
- 20 (70) Section 33.11;
- 21 (71) Subchapter B, Chapter 33;
- 22 (72) Section 41.413(a);
- 23 (73) Section 41.47(c-1);
- 24 (74) Section 42.03;
- 25 (75) Section 42.05; and
- 26 (76) Section 42.26(c).
- 27 (b) Section 25.12(c), Tax Code, as added by Chapter 450

1 (H.B. 1831), Acts of the 71st Legislature, Regular Session, 1989,
2 is repealed.

3 (c) Section 89.003(c), Finance Code, is repealed.

4 (d) The following provisions of the Government Code are
5 repealed:

6 (1) Section 403.301;

7 (2) Section 403.3011;

8 (3) Section 403.302;

9 (4) Section 403.303; and

10 (5) Section 403.304.

11 (e) Sections 379B.011(c), (d), and (e), Local Government
12 Code, are repealed.

13 SECTION 85. (a) On the effective date of this Act:

14 (1) each appraisal district and appraisal district
15 board of directors is abolished;

16 (2) an appraisal office is established for each
17 county;

18 (3) the county assessor-collector of each county
19 begins to govern the appraisal office established for that county;

20 (4) all personnel, property, records, and funds of an
21 appraisal district are transferred to the appraisal office for the
22 county for which the appraisal district was established;

23 (5) all unpaid debts incurred by an appraisal district
24 become debts of the appraisal office for the county for which the
25 appraisal district was established;

26 (6) the appraisal office for the county for which an
27 appraisal district was established is substituted for the appraisal

1 district in any pending action, including a protest or challenge
2 before an appraisal review board or an appeal or other action in a
3 court; and

4 (7) the appraisal review board of an appraisal office
5 established for a county is substituted for the appraisal review
6 board of the appraisal district established for the county in any
7 pending action, including a protest or challenge before the
8 appraisal review board or an appeal or other action in a court.

9 (b) A measure taken or adopted by the board of directors of
10 an appraisal district established for a county before the effective
11 date of this Act that is in effect on the effective date of this Act
12 continues in effect after the effective date of this Act until
13 superseded by a measure taken or adopted by the county
14 assessor-collector who governs the appraisal office established
15 for that county.

16 SECTION 86. As soon as practicable on or after January 1,
17 2022, the county assessor-collector who governs each appraisal
18 office shall dispose of the real property owned by the office. The
19 county assessor-collector may use the proceeds to pay the debts of
20 the appraisal office or to cover the cost of administration of the
21 office.

22 SECTION 87. (a) As soon as practicable on or after January
23 1, 2022, the state senators and state representatives whose
24 districts contain any part of the territory included in the county
25 for which an appraisal office is established, in the manner
26 provided by Section 6.12, Tax Code, as amended by this Act, shall
27 appoint the members of the agricultural advisory board for the

1 appraisal office. The county assessor-collector who governs the
2 appraisal office by resolution shall provide for staggered terms
3 for the members as necessary to comply with Section 6.12(c), Tax
4 Code.

5 (b) The changes made to Section 6.12, Tax Code, by this Act
6 apply only to the appointment of agricultural advisory board
7 members to terms beginning on or after January 1, 2022. This Act
8 does not affect the term of an agricultural advisory board member
9 serving on December 31, 2021, if the member was appointed before
10 January 1, 2022, to a term that began before December 31, 2021.

11 SECTION 88. (a) As soon as practicable on or after January
12 1, 2022, the state senators and state representatives whose
13 districts contain any part of the territory included in the county
14 for which an appraisal office is established, in the manner
15 provided by Section 6.41, Tax Code, as amended by this Act, shall
16 appoint the members of the appraisal review board for the appraisal
17 office. The county assessor-collector who governs the appraisal
18 office by resolution shall provide for staggered terms for the
19 members as necessary to comply with Section 6.41(h), Tax Code, as
20 amended by this Act.

21 (b) The changes made to Section 6.41, Tax Code, by this Act
22 apply only to the appointment of appraisal review board members to
23 terms beginning on or after January 1, 2022. This Act does not
24 affect the term of an appraisal review board member serving on
25 December 31, 2021, if the member was appointed before January 1,
26 2022, to a term that began before December 31, 2021, and expires
27 December 31, 2022.

1 SECTION 89. Sections 6.41 and 6.411, Tax Code, as amended by
2 this Act, apply only to an offense committed on or after the
3 effective date of this Act. An offense committed before the
4 effective date of this Act is governed by the law in effect on the
5 date the offense was committed, and the former law is continued in
6 effect for that purpose. For purposes of this section, an offense
7 was committed before the effective date of this Act if any element
8 of the offense occurred before that date.

9 SECTION 90. The change in law made by this Act to Section
10 23.02, Tax Code, applies only to the reappraisal of property
11 located in an area that is declared to be a disaster area by the
12 governor on or after the effective date of this Act. The
13 reappraisal of property located in an area that was declared to be a
14 disaster area by the governor before the effective date of this Act
15 is governed by the law as it existed immediately before the
16 effective date of this Act, and that law is continued in effect for
17 that purpose.

18 SECTION 91. Section 23.231, Tax Code, as added by this Act,
19 applies only to the appraisal of real property for ad valorem tax
20 purposes for a tax year that begins on or after the effective date
21 of this Act.

22 SECTION 92. As soon as practicable after the effective date
23 of this Act, the comptroller by rule shall adopt forms and
24 procedures necessary for the implementation of Section 23.231, Tax
25 Code, as added by this Act.

26 SECTION 93. (a) The changes in law made by this Act to
27 Subchapter M, Chapter 403, Government Code, apply only to the

1 determination of the total taxable value of property in a school
2 district for a tax year that begins after December 31, 2021. The
3 determination of the total taxable value of property in a school
4 district for a tax year that begins before that date is governed by
5 Subchapter M, Chapter 403, Government Code, as that subchapter
6 existed when the tax year began, and the former law is continued in
7 effect for that purpose.

8 (b) Notwithstanding the changes in law made by this Act to
9 the provisions of the Tax Code, Agriculture Code, Business &
10 Commerce Code, Finance Code, and Transportation Code amended by
11 this Act and the repeal by this Act of provisions of the Tax Code and
12 Finance Code, each of those provisions, as it existed immediately
13 before January 1, 2020, is continued in effect for the purpose of
14 the levy and collection of an ad valorem tax on tangible personal
15 property imposed:

16 (1) before January 1, 2020; or

17 (2) pursuant to Section 1(1), Article VIII, Texas
18 Constitution.

19 SECTION 94. (a) If the constitutional amendment proposed
20 by the 86th Legislature, Regular Session, 2019, authorizing the
21 legislature to provide for the appraisal of certain real property
22 for ad valorem tax purposes based on its purchase price, exempting
23 all tangible personal property in this state from ad valorem
24 taxation, and authorizing the legislature to permit legislators to
25 appoint members of the board of equalization for an appraisal
26 entity is approved by the voters, the Special Tax Code Board is
27 created to recommend amendments to the Tax Code and other law to

1 efficiently and effectively implement the amendment.

2 (b) The board consists of nine members appointed as follows:

3 (1) seven members appointed by the governor;

4 (2) one member appointed by the lieutenant governor;

5 and

6 (3) one member appointed by the speaker of the house of
7 representatives.

8 (c) The board shall make legislative recommendations on
9 amendments to the Tax Code and other law required to implement the
10 constitutional amendment and otherwise improve the system for
11 appraising property for ad valorem tax purposes, including
12 recommendations regarding:

13 (1) the abolition of appraisal districts and the
14 transfer of their functions to the county assessor-collectors'
15 offices;

16 (2) the procedure to be used in appraising real
17 property for ad valorem tax purposes, including the appraisal of
18 such property on the basis of the purchase price of the property;

19 (3) the reporting of information regarding sales of
20 real property to the appraisal office and the use of that
21 information by the appraisal office;

22 (4) the notification of an appraisal office by a
23 political subdivision regarding real-property-related permits
24 issued by the political subdivision; and

25 (5) the procedure for appointing appraisal review
26 board members.

27 (d) Not later than September 1, 2020, the board shall submit

1 a report to the governor, lieutenant governor, speaker of the house
2 of representatives, comptroller, Legislative Budget Board, and
3 legislature regarding the board's recommendations.

4 (e) This section expires September 1, 2021.

5 SECTION 95. To the extent of any conflict, this Act prevails
6 over another Act of the 86th Legislature, Regular Session, 2019,
7 relating to nonsubstantive additions to and corrections in enacted
8 codes.

9 SECTION 96. (a) Except as provided by Subsection (b) of
10 this section, this Act takes effect January 1, 2022, but only if the
11 constitutional amendment proposed by the 86th Legislature, Regular
12 Session, 2019, authorizing the legislature to provide for the
13 appraisal of certain real property for ad valorem tax purposes
14 based on its purchase price, exempting all tangible personal
15 property in this state from ad valorem taxation, and authorizing
16 the legislature to permit legislators to appoint members of the
17 board of equalization for an appraisal entity is approved by the
18 voters. If that amendment is not approved by the voters, this Act
19 has no effect.

20 (b) Subject to Subsection (a) of this section, the section
21 of this Act creating the Special Tax Code Board takes effect January
22 1, 2020.