

By: Stephenson

H.B. No. 281

A BILL TO BE ENTITLED

AN ACT

relating to the selection and administration of an appraisal review board; authorizing a fee.

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

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

(b) The model hearing procedures shall address:

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

1 required by Section 41.67(d);

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

4 (15) conflicts of interest; and

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

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

9 SECTION 2. Sections 6.41(a), (b), (c), (d), (e), (f), (j),
10 and (k), Tax Code, are amended to read as follows:

11 (a) An ~~[The]~~ appraisal review board is established for each
12 appraisal district.

13 (b) The ~~[Except as provided by Subsection (b-1) or (b-2),~~
14 ~~an]~~ appraisal review board consists of five ~~[three]~~ members elected
15 at the general election for state and county officers. One member
16 is elected from each of the four commissioners precincts in the
17 county in which the appraisal district is established and one
18 member is elected at large from the county. The members serve
19 two-year terms beginning on January 1 of odd-numbered years.

20 (c) To be eligible to serve on the board, an individual
21 must:

22 (1) be a resident of:

23 (A) the commissioners precinct from which the
24 member is elected, in the case of a member elected from a
25 commissioners precinct; or

26 (B) the county in which the appraisal district is
27 established, in the case of a member elected at large; [district]

1 and

2 (2) [must] have resided in the county [~~district~~] for
3 at least two years.

4 (d) [~~Except as provided by Subsection (d-1), members of the~~
5 ~~board are appointed by resolution of a majority of the appraisal~~
6 ~~district board of directors.~~] A vacancy on the board is filled by
7 appointment by the commissioners court of the county in which the
8 appraisal district is established [~~in the same manner~~] for the
9 unexpired portion of the term. An individual appointed to fill a
10 vacancy on the board must meet the qualifications of the vacated
11 position.

12 (e) If as a result of a change in the boundaries of a
13 commissioners precinct an individual serving as a member no longer
14 resides in the precinct from which the office is elected, the
15 individual is not for that reason disqualified from office during
16 the remainder of the term of office being served at the time the
17 boundary change takes effect. If as a result of a change in the
18 boundaries of a commissioners precinct an individual elected as a
19 member before the boundary change to a term that begins after the
20 boundary change no longer resides in the precinct from which
21 elected, the individual is not for that reason disqualified from
22 serving the term to which elected. [~~Members of the board hold~~
23 ~~office for terms of two years beginning January 1. The appraisal~~
24 ~~district board of directors by resolution shall provide for~~
25 ~~staggered terms, so that the terms of as close to one-half of the~~
26 ~~members as possible expire each year. In making the initial or~~
27 ~~subsequent appointments, the board of directors or the local~~

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

4 (f) For purposes of Chapter 87, Local Government Code,
5 grounds [~~A member of the board may be removed from the board by a~~
6 ~~majority vote of the appraisal district board of directors, or by~~
7 ~~the local administrative district judge or the judge's designee, as~~
8 ~~applicable, that appointed the member. Grounds]~~ for removal of a
9 member of an appraisal review board include [~~are~~]:

10 (1) a violation of Section 6.412, 6.413, 41.66(f), or
11 41.69;

12 (2) good cause relating to the attendance of members
13 at called meetings of the board as established by written policy
14 adopted by a majority of the appraisal district board of directors;
15 [~~or~~]

16 (3) evidence of repeated bias or misconduct; or

17 (4) failure to complete a course required by Section
18 5.041.

19 (j) A chief appraiser or another employee or agent of an
20 appraisal district commits an offense if the person communicates
21 with a member of the appraisal review board for the appraisal
22 district or [~~or~~] a member of the board of directors of the appraisal
23 district [~~or, if the appraisal district is an appraisal district~~
24 ~~described by Subsection (d-1), the local administrative district~~
25 ~~judge]~~ regarding a ranking, scoring, or reporting of the percentage
26 by which the appraisal review board or a panel of the board reduces
27 the appraised value of property.

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

3 SECTION 3. Subchapter C, Chapter 6, Tax Code, is amended by
4 adding Section 6.4101 to read as follows:

5 Sec. 6.4101. BALLOT PROCEDURES FOR APPRAISAL REVIEW BOARD
6 MEMBER; FILING FEE. (a) Except as provided by this section,
7 Chapter 144, Election Code, applies to a candidate for the office of
8 member of the appraisal review board of an appraisal district.

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

12 (1) \$1,250 for a county with a population of 200,000 or
13 more; or

14 (2) \$750 for a county with a population of less than
15 200,000.

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

19 SECTION 4. Section 6.411(c-1), Tax Code, is amended to read
20 as follows:

21 (c-1) This section does not apply to communications with a
22 member of an appraisal review board by the chief appraiser or
23 another employee or a member of the board of directors of an
24 appraisal district or a property tax consultant or attorney
25 representing a party to a proceeding before the appraisal review
26 board:

27 (1) during a hearing on a protest or other proceeding

1 before the appraisal review board;

2 (2) that constitute social conversation;

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

9 (4) that are necessary and appropriate to enable the
10 appraisal review board [~~of directors of the appraisal district~~] to
11 determine whether to appoint, reappoint, or remove a person as an
12 auxiliary board [~~a~~] member or as the chairman or secretary of the
13 appraisal review board.

14 SECTION 5. Section 6.412(d), Tax Code, is amended to read as
15 follows:

16 (d) A person is ineligible to serve on the appraisal review
17 board of an appraisal district established in [~~for~~] a county with a
18 population of 120,000 or more [~~described by Section 6.41(d-1)~~] if
19 the person:

20 (1) is a former member of the board of directors,
21 former officer, or former employee of the appraisal district;

22 (2) served as a member of the governing body or officer
23 of a taxing unit for which the appraisal district appraises
24 property, until the fourth anniversary of the date the person
25 ceased to be a member or officer;

26 (3) appeared before the appraisal review board for
27 compensation during the two-year period preceding the date the

1 person is elected or appointed; or

2 (4) served for all or part of three previous terms as a
3 board member or auxiliary board member on the appraisal review
4 board.

5 SECTION 6. Section 6.413(a), Tax Code, is amended to read as
6 follows:

7 (a) An individual is not eligible to be elected or appointed
8 to or to serve on the appraisal review board established for an
9 appraisal district if the individual or a business entity in which
10 the individual has a substantial interest is a party to a contract
11 with the appraisal district or with a taxing unit that participates
12 in the appraisal district.

13 SECTION 7. Section 6.414, Tax Code, is amended by amending
14 Subsections (a), (b), and (f) and adding Subsection (a-1) to read as
15 follows:

16 (a) An [~~The board of directors of an~~] appraisal review board
17 [~~district~~] by resolution of a majority of the members may provide
18 for a number of auxiliary appraisal review board members that the
19 board considers appropriate to hear taxpayer protests before the
20 appraisal review board and to assist the board in performing its
21 duties.

22 (a-1) This subsection applies only to the appraisal review
23 board of an appraisal district established in a county with a
24 population of one million or more. If the appraisal review board
25 appoints auxiliary board members under this section, the appraisal
26 review board shall appoint an adequate number of qualified
27 individuals as auxiliary board members to permit the chairman of

1 the appraisal review board to fill the positions on each special
2 panel established under Section 6.425.

3 (b) An auxiliary board member is appointed to a two-year
4 term by resolution of a majority of the [~~in the same manner and for~~
5 ~~the same term as an~~] appraisal review board members. An auxiliary
6 board member [~~under Section 6.41 and~~] is subject to the same
7 eligibility requirements and restrictions as a board member under
8 Sections 6.41, 6.411, 6.412, and 6.413. A vacancy among the
9 auxiliary board members is filled in the same manner as the original
10 appointment to the appraisal review board.

11 (f) An auxiliary board member is entitled to compensation
12 and [~~as provided by the appraisal district budget and is not~~
13 ~~entitled to a per diem or~~] reimbursement of expenses as provided by
14 [~~under~~] Section 6.42(c).

15 SECTION 8. Section 6.42(a), Tax Code, is amended to read as
16 follows:

17 (a) A majority of the appraisal review board constitutes a
18 quorum. The board by resolution [~~local administrative district~~
19 ~~judge under Subchapter D, Chapter 74, Government Code, in the~~
20 ~~county in which the appraisal district is established~~] shall select
21 a chairman and a secretary from among the board's members [~~of the~~
22 ~~appraisal review board~~]. The board [~~judge~~] is encouraged to select
23 as chairman a member of the [~~appraisal review~~] board, if any, who
24 has a background in law and property appraisal.

25 SECTION 9. Sections 6.425(a) and (e), Tax Code, are amended
26 to read as follows:

27 (a) This section applies only to the appraisal review board

1 for an appraisal district established in a county with a population
2 of one million or more [~~described by Section 6.41(b-2)~~].

3 (e) Notwithstanding Subsection (d), the chairman of the
4 appraisal review board may appoint to a special panel described by
5 this section a member of the appraisal review board who does not
6 meet the qualifications prescribed by that subsection if:

7 (1) the number of board members [~~persons appointed to~~
8 ~~the board by the local administrative district judge~~] who meet
9 those qualifications is not sufficient to fill the positions on
10 each special panel; and

11 (2) the board member being appointed to the panel
12 holds a bachelor's degree in any field.

13 SECTION 10. Section 25.19(b-3), Tax Code, is amended to
14 read as follows:

15 (b-3) This subsection applies only to an appraisal district
16 established in a county with a population of one million or more
17 [~~described by Section 6.41(b-2)~~]. In addition to the information
18 required by Subsection (b), the chief appraiser shall state in a
19 notice of appraised value of property described by Section 6.425(b)
20 that the property owner has the right to have a protest relating to
21 the property heard by a special panel of the appraisal review board.

22 SECTION 11. Section 41.45(d), Tax Code, is amended to read
23 as follows:

24 (d) This subsection does not apply to a special panel
25 established under Section 6.425. An appraisal review board
26 [~~consisting of more than three members~~] may sit in panels of not
27 fewer than three members to conduct protest hearings. If the

1 recommendation of a panel is not accepted by the board, the board
2 may refer the matter for rehearing to a panel composed of members
3 who did not hear the original protest or, if there are not at least
4 three members who did not hear the original protest, the board may
5 determine the protest.

6 SECTION 12. Section 41.66(g), Tax Code, is amended to read
7 as follows:

8 (g) At the beginning of a hearing on a protest, each member
9 of the appraisal review board hearing the protest must sign an
10 affidavit stating that the board member has not communicated with
11 another person in violation of Subsection (f). If a board member
12 has communicated with another person in violation of Subsection
13 (f), the member must be recused from the proceeding and may not
14 hear, deliberate on, or vote on the determination of the protest.
15 The appraisal review board [~~of directors of the appraisal district~~]
16 shall adopt and implement a policy concerning the temporary
17 replacement of an appraisal review board member who has
18 communicated with another person in violation of Subsection (f).

19 SECTION 13. The following provisions of the Tax Code are
20 repealed:

- 21 (1) Section 6.052(f); and
22 (2) Sections 6.41(b-1), (b-2), (d-1), (d-2), (d-3),
23 (d-4), (d-5), (d-6), (d-7), (d-8), (d-9), (d-10), and (i).

24 SECTION 14. (a) Appraisal review board members shall be
25 elected under Section 6.41, Tax Code, as amended by this Act,
26 beginning with the general election conducted in 2022. Members
27 then elected take office January 1, 2023.

1 (b) The change in the manner of selection of appraisal
2 review board members made by Section 6.41, Tax Code, as amended by
3 this Act, does not affect the selection of members who serve on the
4 board before January 1, 2023.

5 (c) The term of an appraisal review board member serving on
6 December 31, 2022, expires on January 1, 2023.

7 (d) Auxiliary members may be appointed under Section 6.414,
8 Tax Code, as amended by this Act, by the elected appraisal review
9 board members on or after January 1, 2023.

10 (e) The change in the manner of selection of auxiliary
11 members made by Section 6.414, Tax Code, as amended by this Act,
12 does not affect the selection of auxiliary members who serve before
13 January 1, 2023.

14 (f) The term of an auxiliary member serving on December 31,
15 2022, expires on January 1, 2023.

16 SECTION 15. The repeal by this Act of Section 6.41(i), Tax
17 Code, and the change in law made by this Act to Section 6.41(j), Tax
18 Code, do not apply to an offense committed under either of those
19 subsections before January 1, 2023. An offense committed before
20 January 1, 2023, is governed by the applicable subsection as it
21 existed on the date the offense was committed, and the former law is
22 continued in effect for that purpose. For purposes of this section,
23 an offense was committed before January 1, 2023, if any element of
24 the offense occurred before that date.

25 SECTION 16. (a) Except as otherwise provided by this
26 section, this Act takes effect January 1, 2023.

27 (b) This section and Sections 3 and 14 of this Act take

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1 effect September 1, 2021.