

By: Middleton

H.B. No. 1395

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

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

(e-1) In addition to the course established under Subsection (a), the comptroller shall approve curricula and provide materials for use in a continuing education course for members of an appraisal review board. The course must provide at least four hours of classroom training and education. The curricula and materials must include information regarding:

(1) the cost, income, and market data comparison

1 methods of appraising property;

2 (2) [~~the appraisal of business personal property,~~

3 [~~(3)~~] the determination of capitalization rates for
4 property appraisal purposes;

5 (3) [~~(4)~~] the duties of an appraisal review board;

6 (4) [~~(5)~~] the requirements regarding the independence
7 of an appraisal review board from the county assessor-collector who
8 governs the appraisal office [~~board of directors~~] and the chief
9 appraiser and other employees of the appraisal office [~~district~~];

10 (5) [~~(6)~~] the prohibitions against ex parte
11 communications applicable to appraisal review board members;

12 (6) [~~(7)~~] the Uniform Standards of Professional
13 Appraisal Practice;

14 (7) [~~(8)~~] the duty of the appraisal office [~~district~~]
15 to substantiate the office's [~~district's~~] determination of the
16 value of property;

17 (8) [~~(9)~~] the requirements regarding the equal and
18 uniform appraisal of property;

19 (9) [~~(10)~~] the right of a property owner to protest
20 the appraisal of the property as provided by Chapter 41; and

21 (10) [~~(11)~~] a detailed explanation of each of the
22 actions described by Sections 25.25, 41.41(a), 41.411, 41.412,
23 41.413, 41.42, and 41.43 so that members are fully aware of each of
24 the grounds on which a property appraisal can be appealed.

25 (e-3) The comptroller may contract with service providers
26 to assist with the duties imposed under Subsection (e-1), but the
27 course required by that subsection may not be provided by an

1 appraisal office [~~district~~], the chief appraiser or another
2 employee of an appraisal office [~~district~~], the county
3 assessor-collector who governs [~~a member of the board of directors~~
4 ~~of~~] an appraisal office [~~district~~], a member of an appraisal review
5 board, or a taxing unit. The comptroller may assess a fee to
6 recover a portion of the costs incurred for the continuing
7 education course, but the fee may not exceed \$50 for each person
8 trained. If the training is provided to an individual other than a
9 member of an appraisal review board, the comptroller may assess a
10 fee not to exceed \$50 for each person trained.

11 (g) Except during a hearing or other appraisal review board
12 proceeding and as provided by Subsection (h) and Section
13 6.411(c-1), the following persons may not communicate with a member
14 of an appraisal review board about a course provided under this
15 section or any matter presented or discussed during the course:

16 (1) the chief appraiser of the appraisal office
17 [~~district~~] for which the appraisal review board is established;

18 (2) another employee of the appraisal office
19 [~~district~~] for which the appraisal review board is established;

20 (3) the county assessor-collector who governs [~~a~~
21 ~~member of the board of directors of~~] the appraisal office
22 [~~district~~] for which the appraisal review board is established;

23 (4) an officer or employee of a taxing unit that
24 participates in the appraisal office [~~district~~] for which the
25 appraisal review board is established; and

26 (5) an attorney who represents or whose law firm
27 represents the appraisal office [~~district~~] or a taxing unit that

1 participates in the appraisal office [~~district~~] for which the
2 appraisal review board is established.

3 SECTION 2. The heading to Subchapter A, Chapter 6, Tax Code,
4 is amended to read as follows:

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

6 SECTION 3. Section 6.01, Tax Code, is amended to read as
7 follows:

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

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

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

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

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

22 (1) an appraisal district means an appraisal office;

23 (2) the territory of an appraisal district means the
24 county for which an appraisal office is established; and

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

1 SECTION 4. Section 6.02, Tax Code, is amended to read as
2 follows:

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

7 (b) This section does not preclude the county assessor-
8 collectors who govern ~~[board of directors of]~~ two or more adjoining
9 appraisal offices ~~[districts]~~ from providing for the operation of a
10 consolidated appraisal office ~~[district]~~ by interlocal contract.

11 SECTION 5. The heading to Section 6.035, Tax Code, is
12 amended to read as follows:

13 Sec. 6.035. RESTRICTIONS ON ELIGIBILITY AND CONDUCT OF
14 COUNTY ASSESSOR-COLLECTORS ~~[BOARD MEMBERS]~~ AND CHIEF APPRAISERS
15 AND THEIR RELATIVES.

16 SECTION 6. Sections 6.035(a), (b), and (d), Tax Code, are
17 amended to read as follows:

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

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

27 (2) owns property on which delinquent taxes have been

1 owed to a taxing unit for more than 60 days after the date the
2 individual knew or should have known of the delinquency unless:

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

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

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

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

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

3 (b) An appraisal office [~~district~~] may not enter into a
4 contract with the county assessor-collector who governs [~~a member~~
5 ~~of the board of directors of~~] the appraisal office [~~district~~] or
6 with a business entity in which the county assessor-collector [~~a~~
7 ~~member of the board~~] has a substantial interest.

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

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

18 SECTION 8. Section 6.05, Tax Code, is amended to read as
19 follows:

20 Sec. 6.05. APPRAISAL OFFICE; CHIEF APPRAISER AND OTHER
21 EMPLOYEES. (a) Except as authorized by Subsection (b) [~~of this~~
22 ~~section~~], each county assessor-collector [~~appraisal district~~]
23 shall establish an appraisal office. The appraisal office must be
24 located in the county for which the office [~~district~~] is
25 established. An appraisal office [~~district~~] may establish branch
26 appraisal offices outside the county for which the office
27 [~~district~~] is established.

1 (b) The county assessor-collector who governs [~~board of~~
2 ~~directors of~~] an appraisal office [~~district~~] may contract with an
3 appraisal office in another county [~~district or with a taxing unit~~
4 ~~in the district~~] to perform the duties of the appraisal office for
5 the county [~~district~~].

6 (c) The county assessor-collector may serve as the chief
7 appraiser for the appraisal office or may appoint another person to
8 serve as the chief appraiser.

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

13 (e) An appointed [~~The~~] chief appraiser [~~is the chief~~
14 ~~administrator of the appraisal office. Except as provided by~~
15 ~~Section 6.0501, the chief appraiser is appointed by and~~] serves at
16 the pleasure of the county assessor-collector and acts on behalf of
17 the county assessor-collector on all matters delegated to the
18 appointed chief appraiser by the county assessor-collector
19 [~~appraisal district board of directors. If a taxing unit performs~~
20 ~~the duties of the appraisal office pursuant to a contract, the~~
21 ~~assessor for the unit is the chief appraiser~~]. To be eligible to be
22 appointed [~~or serve~~] as a chief appraiser or to serve as an
23 appointed chief appraiser, a person must be certified as a
24 registered professional appraiser under Section 1151.160,
25 Occupations Code, possess an MAI professional designation from the
26 Appraisal Institute, or possess an Assessment Administration
27 Specialist (AAS), Certified Assessment Evaluator (CAE), or

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

19 (f) An appointed [~~(d) Except as provided by Section 6.0501,~~
20 ~~the~~] chief appraiser is entitled to compensation as provided by the
21 budget adopted by the county assessor-collector who governs the
22 appraisal office for performing duties delegated to the appointed
23 chief appraiser by the county assessor-collector [~~board of~~
24 ~~directors~~]. The chief appraiser's compensation may not be directly
25 or indirectly linked to an increase in the total market, appraised,
26 or taxable value of property in the county for which the appraisal
27 office is established [~~district~~]. The county assessor-collector

1 ~~[Except as provided by Section 6.0501, the chief appraiser]~~ may
2 employ and compensate professional, clerical, and other personnel
3 as provided by the budget ~~[, with the exception of a general counsel~~
4 ~~to the appraisal district]~~.

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

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

18 (h) [(g)] The chief appraiser is an officer of the appraisal
19 office ~~[district]~~ for purposes of the nepotism law, Chapter 573,
20 Government Code. An appraisal office ~~[district]~~ may not employ or
21 contract with an individual or the spouse of an individual who is
22 related to the chief appraiser within the first degree by
23 consanguinity or affinity, as determined under Chapter 573,
24 Government Code.

25 (i) A county assessor-collector who appoints another person
26 to serve as the chief appraiser ~~[(h) The board of directors of an~~
27 ~~appraisal district by resolution]~~ may prescribe that specified

1 actions of the chief appraiser relating to the finances or
2 administration of the appraisal office [~~district~~] are subject to
3 the approval of the county assessor-collector [~~board~~].

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

20 (j) The county assessor-collector who governs [~~board of~~
21 ~~directors of~~] an appraisal office [~~district~~] may employ a general
22 counsel to the office [~~district~~] to serve at the will of the county
23 assessor-collector [~~board~~]. The general counsel shall provide
24 counsel directly to the county assessor-collector [~~board~~] and
25 perform other duties and responsibilities as determined by the
26 county assessor-collector [~~board~~]. The general counsel is entitled
27 to compensation as provided by the budget adopted by the county

1 assessor-collector [~~board~~].

2 SECTION 9. Section 6.052, Tax Code, is amended to read as
3 follows:

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

22 (b) The taxpayer liaison officer shall provide to the public
23 information and materials designed to assist property owners in
24 understanding the appraisal process, protest procedures, the
25 procedure for filing comments and suggestions under Subsection (a)
26 [~~of this section or a complaint under Section 6.04(g)~~], and other
27 matters. Information concerning the process for submitting

1 comments and suggestions to the comptroller concerning an appraisal
2 review board shall be provided at each protest hearing.

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

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

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

14 (f) The taxpayer liaison officer for an appraisal office
15 [~~district described by Section 6.41(d-1)~~] is responsible for
16 providing clerical assistance to the pertinent state senators and
17 state representatives [~~local administrative district judge~~] in the
18 selection of appraisal review board members. The officer shall
19 deliver to the state senators and state representatives [~~local~~
20 ~~administrative district judge~~] any applications to serve on the
21 board that are submitted to the officer and shall perform other
22 duties as requested by the state senators and state representatives
23 [~~local administrative district judge~~]. The officer may not
24 influence the process for selecting appraisal review board members.

25 SECTION 10. Section 6.054, Tax Code, is amended to read as
26 follows:

27 Sec. 6.054. RESTRICTION ON EMPLOYMENT BY APPRAISAL OFFICE

1 ~~[DISTRICT]~~. An individual may not be employed by an appraisal
2 office ~~[district]~~ if the individual is:

3 (1) an officer of a taxing unit that participates in
4 the appraisal office ~~[district]~~; or

5 (2) an employee of a taxing unit that participates in
6 the appraisal office ~~[district]~~.

7 SECTION 11. The heading to Section 6.06, Tax Code, is
8 amended to read as follows:

9 Sec. 6.06. APPRAISAL OFFICE ~~[DISTRICT]~~ BUDGET AND
10 FINANCING.

11 SECTION 12. Sections 6.06(a), (b), (c), (d), (f), (g), (h),
12 (i), (j), and (k), Tax Code, are amended to read as follows:

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

27 (b) The county assessor-collector ~~[board of directors]~~

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

16 (c) The county assessor-collector [~~board~~] may amend the
17 approved budget at any time[~~7~~] but [~~the secretary of the board~~] must
18 deliver a written copy of a proposed amendment to the presiding
19 officer of the governing body of each taxing unit participating in
20 the appraisal office [~~district~~] not later than the 30th day before
21 the date the county assessor-collector [~~board~~] acts on it.

22 (d) Each taxing unit participating in the appraisal office
23 [~~district~~] is allocated a portion of the amount of the budget equal
24 to the proportion that the total dollar amount of property taxes
25 imposed in the county for which the office is established
26 [~~district~~] by the taxing unit for the tax year in which the budget
27 proposal is prepared bears to the sum of the total dollar amount of

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

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

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

1 is not entitled to a refund.

2 (h) If a newly formed taxing unit or a taxing unit that did
3 not impose taxes in the preceding year imposes taxes in any tax
4 year, that taxing unit is allocated a portion of the amount budgeted
5 to operate the appraisal office [~~district~~] as if it had imposed
6 taxes in the preceding year, except that the amount of taxes the
7 taxing unit imposes in the current year is used to calculate its
8 allocation. Before the amount of taxes to be imposed for the
9 current year is known, the allocation may be based on an estimate to
10 which the county assessor-collector who governs the appraisal
11 office [~~district board of directors~~] and the governing body of the
12 taxing unit agree, and the payments made after that amount is known
13 shall be adjusted to reflect the amount imposed. The payments of a
14 newly formed taxing unit that has no source of funds are postponed
15 until the taxing unit has received adequate tax or other revenues.

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

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

21 (j) If the total amount of the payments made or due to be
22 made by the taxing units participating in an appraisal office
23 [~~district~~] exceeds the amount actually spent or obligated to be
24 spent during the fiscal year for which the payments were made, the
25 chief appraiser shall credit the excess amount against each taxing
26 unit's allocated payments for the following year in proportion to
27 the amount of each taxing unit's budget allocation for the fiscal

1 year for which the payments were made. If a taxing unit that paid
2 its allocated amount is not allocated a portion of the appraisal
3 office's [~~district's~~] budget for the following fiscal year, the
4 chief appraiser shall refund to the taxing unit its proportionate
5 share of the excess funds not later than the 150th day after the end
6 of the fiscal year for which the payments were made.

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

10 SECTION 13. Sections 6.062(a) and (c), Tax Code, are
11 amended to read as follows:

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

22 (c) The notice must state that the appraisal office
23 [~~district~~] is supported solely by payments from the local taxing
24 units served by the appraisal office [~~district~~]. The notice must
25 also contain the following statement: "If approved by the county
26 assessor-collector who governs the appraisal office [~~district~~
27 ~~board of directors~~] at the public hearing, this proposed budget

1 will take effect automatically unless disapproved by the governing
2 bodies of the taxing units [~~county, school districts, cities, and~~
3 ~~towns~~] served by the appraisal office [~~district~~]. A copy of the
4 proposed budget is available for public inspection in the office of
5 each of those governing bodies."

6 SECTION 14. Section 6.063, Tax Code, is amended to read as
7 follows:

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

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

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

21 Sec. 6.09. DESIGNATION OF APPRAISAL OFFICE [~~DISTRICT~~]
22 DEPOSITORY.

23 SECTION 16. Sections 6.09(a), (b), and (c), Tax Code, are
24 amended to read as follows:

25 (a) The appraisal office [~~district~~] depository must be a
26 banking corporation incorporated under the laws of this state or
27 the United States or a savings and loan association in this state

1 whose deposits are insured by the Federal Deposit [~~Savings and~~
2 ~~Loan~~] Insurance Corporation.

3 (b) The county assessor-collector who governs the appraisal
4 office [~~district board of directors~~] shall designate as the office
5 [~~district~~] depository the financial institution or institutions
6 that offer the most favorable terms and conditions for the handling
7 of the office's [~~district's~~] funds.

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

15 SECTION 17. Section 6.11, Tax Code, is amended to read as
16 follows:

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

21 (b) For purposes of this section, all the provisions of
22 Chapter 252, Local Government Code, applicable to a municipality or
23 to purchases and contracts by a municipality apply to an appraisal
24 office [~~district~~] and to purchases and contracts by an appraisal
25 office [~~district~~] to the extent they can be made applicable, and all
26 references to the municipality in that chapter mean the appraisal
27 office [~~district~~]. For purposes of applying Section 252.061, Local

1 Government Code, to an appraisal office [~~district~~], any resident of
2 the county for which the appraisal office is established [~~district~~]
3 may seek an injunction under that section. Sections 252.062 and
4 252.063, Local Government Code, apply to an officer or employee of
5 an appraisal office [~~district~~] in the same manner as those sections
6 apply to a municipal officer or employee.

7 SECTION 18. Sections 6.12(a), (b), (c), and (e), Tax Code,
8 are amended to read as follows:

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

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

24 (c) Members of the board serve for [~~staggered~~] terms of two
25 years. The county assessor-collector who governs the appraisal
26 office shall provide for staggered terms, so that the terms of as
27 close to one-half of the members as possible expire each year [~~In~~

1 ~~making the initial appointments of members of the agricultural~~
2 ~~advisory board the chief appraiser shall appoint for a term of one~~
3 ~~year one-half of the members, or if the number of members is an odd~~
4 ~~number, one fewer than a majority of the membership].~~

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

8 SECTION 19. Section 6.13, Tax Code, is amended to read as
9 follows:

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

15 SECTION 20. Sections 6.14(a) and (b), Tax Code, are amended
16 to read as follows:

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

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

26 SECTION 21. Sections 6.16(a) and (c), Tax Code, are amended
27 to read as follows:

1 (a) The chief appraiser of an appraisal office [~~district~~]
2 may maintain a list of the following individuals who have
3 designated themselves as an individual who will provide free
4 assistance to an owner of residential property that is occupied by
5 the owner as the owner's principal residence:

6 (1) a real estate broker or sales agent licensed under
7 Chapter 1101, Occupations Code;

8 (2) a real estate appraiser licensed or certified
9 under Chapter 1103, Occupations Code; or

10 (3) a property tax consultant registered under Chapter
11 1152, Occupations Code.

12 (c) A list must:

13 (1) be organized by county;

14 (2) be available on the appraisal office's
15 [~~district's~~] Internet website, if the appraisal office [~~district~~]
16 maintains a website; and

17 (3) provide the name, contact information, and job
18 title of each individual who will provide free assistance.

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

21 (a) The governing body of a taxing unit other than a county
22 may contract as provided by Chapter 791, Government Code, [~~the~~
23 ~~Interlocal Cooperation Act~~] with the governing body of another
24 taxing unit or with the county assessor-collector who governs
25 [~~board of directors of~~] an appraisal office [~~district~~] for the
26 other taxing unit or the office [~~district~~] to perform duties
27 relating to the assessment or collection of taxes.

1 (b) The commissioners court of a county with the approval of
2 the county assessor-collector may contract as provided by Chapter
3 791, Government Code, [~~the Interlocal Cooperation Act~~] with the
4 governing body of another taxing unit in the county [~~or with the~~
5 ~~board of directors of the appraisal district~~] for the other taxing
6 unit [~~or the district~~] to perform duties relating to the assessment
7 or collection of taxes for the county. The commissioners court may
8 contract as provided by Chapter 791, Government Code, with the
9 county assessor-collector for the appraisal office established for
10 the county to perform duties relating to the assessment or
11 collection of taxes for the county. If a county contracts to have
12 its taxes assessed and collected by another taxing unit or by the
13 appraisal office [~~district, except as provided by Subsection (c)~~],
14 the contract shall require the other taxing unit or the office
15 [~~district~~] to assess and collect all taxes the county is required to
16 assess and collect.

17 SECTION 23. Sections 6.26(a), (b), (c), (e), (f), and (j),
18 Tax Code, are amended to read as follows:

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

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

9 (c) A petition is valid if:

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

14 (2) it states the functions to be consolidated and
15 identifies the entity or office that will be required to perform the
16 functions; and

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

25 (e) If the commissioners court or the governing body finds
26 that the petition is valid, it shall order that an election be held
27 in the county for which the appraisal office is established

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

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

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

1 SECTION 24. Section 6.29(b), Tax Code, is amended to read as
2 follows:

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

13 SECTION 25. Section 6.41, Tax Code, is amended to read as
14 follows:

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

17 (b) Except as provided by Subsection (b-1) or (b-2), an
18 appraisal review board consists of three members.

19 (b-1) The county assessor-collector who governs an
20 appraisal office [~~An appraisal district board of directors by~~
21 ~~resolution of a majority of the board's members~~] may increase the
22 size of the office's [~~district's~~] appraisal review board to the
23 number of members the county assessor-collector [~~board of~~
24 ~~directors~~] considers appropriate.

25 (b-2) The county assessor-collector who governs an
26 appraisal office [~~An appraisal district board of directors for a~~
27 ~~district~~] established in a county with a population of one million

1 or more [~~by resolution of a majority of the board's members~~] shall
2 increase the size of the office's [~~district's~~] appraisal review
3 board to the number of members the county assessor-collector [~~board~~
4 ~~of directors~~] considers appropriate to manage the duties of the
5 appraisal review board, including the duties of each special panel
6 established under Section 6.425.

7 (c) To be eligible to serve on the board, an individual must
8 be a resident of the county for which the appraisal office is
9 established [~~district~~] and must have resided in the county
10 [~~district~~] for at least two years.

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

21 (e) [~~(d-1) In a county with a population of 120,000 or more~~
22 ~~the members of the board are appointed by the local administrative~~
23 ~~district judge under Subchapter D, Chapter 74, Government Code, in~~
24 ~~the county in which the appraisal district is established.~~] All
25 applications submitted to the appraisal office [~~district~~] or to the
26 [~~appraisal review~~] board from persons seeking appointment as a
27 member of the [~~appraisal review~~] board shall be delivered to the

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

8 (f) [~~(d-2)~~] ~~A local administrative district judge making~~
9 ~~appointments under Subsection (d-1) may make such appointments~~
10 ~~directly or may, by written order, appoint from three to five~~
11 ~~persons to perform the duties of appraisal review board~~
12 ~~commissioner. If the local administrative district judge chooses~~
13 ~~to appoint appraisal review board commissioners, each commissioner~~
14 ~~shall possess the same qualifications as those required of an~~
15 ~~appraisal review board member.~~

16 [~~(d-3)~~] The appraisal office [~~local administrative judge~~
17 ~~making appointments under Subsection (d-1)~~] shall [~~cause the proper~~
18 ~~officer to~~] notify the persons appointed to the board of their [~~such~~
19 ~~appointees of such~~] appointment[~~7~~] and when and where they are to
20 appear.

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

25 [~~(d-5)~~] The appraisal office [~~district of the county~~] shall
26 provide to the pertinent state senators and state representatives
27 [~~local administrative district judge, or to the appraisal review~~

1 ~~board commissioners, as the case may be,~~ the number of [appraisal
2 ~~review]~~ board positions that require appointment and shall provide
3 whatever reasonable assistance is requested by the state senators
4 and state representatives to make the appointments [~~local~~
5 ~~administrative district judge or the commissioners]~~.

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

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

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

25 [~~(d-9)~~] In selecting individuals who are to serve as members
26 of the appraisal review board for an appraisal office [~~district]~~
27 described by Subsection (b-2), the pertinent state senators and

1 state representatives [~~local administrative district judge~~] shall
2 select an adequate number of qualified individuals to permit the
3 chairman of the appraisal review board to fill the positions on each
4 special panel established under Section 6.425.

5 (i) [~~(d-10)~~] ~~Upon selection of the individuals who are to~~
6 ~~serve as members of the appraisal review board, the local~~
7 ~~administrative district judge shall enter an appropriate order~~
8 ~~designating such members and setting each member's respective term~~
9 ~~of office, as provided elsewhere in this section.~~

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

19 (j) [~~(f)~~] A member of the board may be removed from the
20 board by a majority vote of the state senators and state
21 representatives [~~appraisal district board of directors, or by the~~
22 ~~local administrative district judge or the judge's designee, as~~
23 ~~applicable,~~] that appointed the member. Grounds for removal are:

24 (1) a violation of Section 6.412, 6.413, 41.66(f), or
25 41.69;

26 (2) good cause relating to the attendance of members
27 at called meetings of the board as established by written policy

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

3 (3) evidence of repeated bias or misconduct.

4 (k) [~~(g)~~] Subsection (a) does not preclude the county
5 assessor-collectors who govern the appraisal offices established
6 for [~~boards of directors of~~] two or more adjoining counties
7 [~~appraisal districts~~] from providing for the operation of a
8 consolidated appraisal review board by interlocal contract.

9 (l) [~~(h)~~] When [~~adjoining~~] appraisal offices established
10 for two or more adjoining counties [~~districts~~] by interlocal
11 contract have provided for the operation of a consolidated
12 appraisal review board:

13 (1) a reference in this or another section of this code
14 to the appraisal office [~~district~~] means the [~~adjoining~~] appraisal
15 offices established for the adjoining counties [~~districts~~];

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

21 (3) a provision of this code that applies to an
22 appraisal review board also applies to the consolidated appraisal
23 review board; and

24 (4) a reference in this code to the appraisal review
25 board shall be construed to also refer to the consolidated
26 appraisal review board.

27 (m) [~~(i)~~] ~~This subsection applies only to an appraisal~~

1 ~~district described by Subsection (d-1).~~] A chief appraiser or
2 another employee or agent of the appraisal office [~~district~~], a
3 member of the appraisal review board for the appraisal office
4 [~~district~~], the county assessor collector who governs [~~a member of~~
5 ~~the board of directors of~~] the appraisal office [~~district~~], a
6 property tax consultant, or an agent of a property owner commits an
7 offense if the person communicates with a state senator or state
8 representative whose district contains any part of the territory
9 included in the county for which the appraisal office is
10 established [~~the local administrative district judge~~] regarding
11 the appointment of appraisal review board members. This subsection
12 does not apply to:

13 (1) a communication between a member of the appraisal
14 review board and a state senator or state representative [~~the local~~
15 ~~administrative district judge~~] regarding the member's
16 reappointment to the board;

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

23 (3) a communication between a chief appraiser or
24 another employee or agent of the appraisal office [~~district~~], a
25 member of the appraisal review board for the appraisal office
26 [~~district~~], or the county assessor-collector who governs [~~a member~~
27 ~~of the board of directors of~~] the appraisal office [~~district~~] and a

1 state senator or state representative [~~the local administrative~~
2 ~~district judge~~] regarding information relating to or described by
3 Subsection (e), (g), or (j) [~~(d-1), (d-5), or (f)~~] of this section
4 or Section 411.1296, Government Code;

5 (4) a communication between a property tax consultant
6 or a property owner or an agent of the property owner and the
7 taxpayer liaison officer for the appraisal office [~~district~~]
8 regarding information relating to or described by Subsection (j)
9 [~~(f)~~]. ~~The taxpayer liaison officer for the appraisal district~~
10 ~~shall report the contents of the communication relating to or~~
11 ~~described by Subsection (f) to the local administrative district~~
12 ~~judge~~; or

13 (5) a communication between a property tax consultant
14 or a property owner or an agent of the property owner and a state
15 senator or state representative [~~the local administrative district~~
16 ~~judge~~] regarding information relating to or described by Subsection
17 (j) [~~(f)~~].

18 (n) The taxpayer liaison officer for the appraisal office
19 shall report the contents of the communication described by
20 Subsection (m)(4) to the pertinent state senators and state
21 representatives.

22 (o) [(j)] A chief appraiser or another employee or agent of
23 an appraisal office [~~district~~] commits an offense if the person
24 communicates with a member of the appraisal review board for the
25 appraisal office [~~district~~], the county assessor-collector who
26 governs [~~a member of the board of directors of~~] the appraisal office
27 [~~district~~], or a state senator or state representative whose

1 district contains any part of the territory included in the county
2 for which [~~, if~~] the appraisal office is established [~~district is an~~
3 ~~appraisal district described by Subsection (d-1), the local~~
4 ~~administrative district judge~~] regarding a ranking, scoring, or
5 reporting of the percentage by which the appraisal review board or a
6 panel of the board reduces the appraised value of property.

7 (p) [~~(k)~~] An offense under Subsection (m) or (o) [~~(i) or~~
8 ~~(j)~~] is a Class A misdemeanor.

9 SECTION 26. Sections 6.411(a), (b), and (c-1), Tax Code,
10 are amended to read as follows:

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

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

26 (c-1) This section does not apply to communications with a
27 member of an appraisal review board by the chief appraiser or

1 another employee or the county assessor-collector who governs [~~a~~
2 ~~member of the board of directors of~~] an appraisal office [~~district~~]
3 or a property tax consultant or attorney representing a party to a
4 proceeding before the appraisal review board:

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

7 (2) that constitute social conversation;

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

14 (4) that are necessary and appropriate to enable the
15 county assessor-collector who governs [~~board of directors of~~] the
16 appraisal office or the pertinent state senators and state
17 representatives [~~district~~] to determine whether to appoint,
18 reappoint, or remove a person as a member or the chairman or
19 secretary of the appraisal review board.

20 SECTION 27. Section 6.412, Tax Code, is amended to read as
21 follows:

22 Sec. 6.412. RESTRICTIONS ON ELIGIBILITY OF BOARD MEMBERS.

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

25 (1) is related within the second degree by
26 consanguinity or affinity, as determined under Chapter 573,
27 Government Code, to an individual who is engaged in the business of

1 appraising property for compensation for use in proceedings under
2 this title or of representing property owners for compensation in
3 proceedings under this title in the appraisal office [~~district~~] for
4 which the appraisal review board is established;

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; or

13 (3) is related within the third degree by
14 consanguinity or within the second degree by affinity, as
15 determined under Chapter 573, Government Code, to [~~a member of~~]:

16 (A) the county assessor-collector who governs
17 the appraisal office [~~district's board of directors~~]; or

18 (B) a member of the appraisal review board.

19 (b) A member of an appraisal review board commits an offense
20 if the board member continues to hold office knowing that an
21 individual related within the second degree by consanguinity or
22 affinity, as determined under Chapter 573, Government Code, to the
23 board member is engaged in the business of appraising property for
24 compensation for use in proceedings under this title or of
25 representing property owners for compensation in proceedings under
26 this title in the appraisal office [~~district~~] for which the
27 appraisal review board is established. An offense under this

1 subsection is a Class B misdemeanor.

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

8 (d) A person is ineligible to serve on the appraisal review
9 board of an appraisal office [~~district established for a county~~
10 ~~described by Section 6.41(d-1)~~] if the person:

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

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

18 (3) appeared before the appraisal review board for
19 compensation during the two-year period preceding the date the
20 person is appointed; or

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

24 SECTION 28. Sections 6.413(a), (b), and (c), Tax Code, are
25 amended to read as follows:

26 (a) An individual is not eligible to be appointed to or to
27 serve on the appraisal review board established for an appraisal

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

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

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

15 SECTION 29. Sections 6.414(a) and (f), Tax Code, are
16 amended to read as follows:

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

24 (f) An auxiliary board member is entitled to compensation as
25 provided by the appraisal office [~~district~~] budget and is not
26 entitled to a per diem or reimbursement of expenses under Section
27 6.42(c).

1 SECTION 30. Sections 6.42(a) and (c), Tax Code, are amended
2 to read as follows:

3 (a) A majority of the appraisal review board constitutes a
4 quorum. The county assessor-collector who governs the appraisal
5 office [~~local administrative district judge under Subchapter D,~~
6 ~~Chapter 74, Government Code, in the county in which the appraisal~~
7 ~~district is established~~] shall select a chairman and a secretary
8 from among the members of the appraisal review board. The county
9 assessor-collector who governs the appraisal office [~~judge~~] is
10 encouraged to select as chairman a member of the appraisal review
11 board, if any, who has a background in law and property appraisal.

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

17 SECTION 31. The heading to Section 6.425, Tax Code, is
18 amended to read as follows:

19 Sec. 6.425. SPECIAL APPRAISAL REVIEW BOARD PANELS IN
20 CERTAIN OFFICES [~~DISTRICTS~~].

21 SECTION 32. Sections 6.425(a), (b), and (e), Tax Code, are
22 amended to read as follows:

23 (a) This section applies only to the appraisal review board
24 for an appraisal office [~~district~~] described by Section 6.41(b-2).

25 (b) The appraisal review board shall establish special
26 panels to conduct protest hearings under Chapter 41 relating to
27 property that:

1 (1) has an appraised value as determined by the
2 appraisal office [~~district~~] equal to or greater than the minimum
3 eligibility amount determined as provided by Subsection (g); and

4 (2) is included in one of the following
5 classifications:

6 (A) commercial real [~~and personal~~] property;

7 (B) real [~~and personal~~] property of utilities;

8 (C) industrial and manufacturing real [~~and~~
9 ~~personal~~] property; and

10 (D) multifamily residential real property.

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

15 (1) the number of persons appointed to the board by the
16 pertinent state senators and state representatives [~~local~~
17 ~~administrative district judge~~] who meet those qualifications is not
18 sufficient to fill the positions on each special panel; and

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

21 SECTION 33. Sections 6.43(a), (b), (c), and (e), Tax Code,
22 are amended to read as follows:

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

26 (b) Except as provided by Subsection (c), an attorney may
27 not serve as legal counsel for the appraisal review board if the

1 attorney or a member of the attorney's law firm has during the year
2 before the date of the appraisal review board's hiring of the
3 attorney represented a property owner who owns property in the
4 county for which the appraisal office is established [~~district~~], a
5 taxing unit that participates in the appraisal office [~~district~~],
6 or the appraisal office [~~district~~] in a matter addressed by Section
7 1.111 or 25.25 of this code, Subtitle F of this title, or Subchapter
8 7, Chapter 2003, Government Code.

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

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

22 SECTION 34. Section 11.01, Tax Code, is amended to read as
23 follows:

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

27 (b) This state has jurisdiction to tax real property if

1 located in this state.

2 (c) For a tax year that begins after December 31, 2023,
3 tangible personal property is not taxable.

4 (d) On and after January 1, 2024, a provision of this code or
5 another law that would otherwise apply to the taxation of tangible
6 personal property for a tax year that begins after December 31,
7 2023, has no effect for that tax year.

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

12 [~~(1) located in this state for longer than a temporary~~
13 ~~period,~~

14 [~~(2) temporarily located outside this state and the~~
15 ~~owner resides in this state, or~~

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

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

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

1 ~~sequence within a short period at intervals from the beginning to~~
2 ~~the end of the year.]~~

3 SECTION 35. Section 11.18(a), Tax Code, is amended to read
4 as follows:

5 (a) An organization that qualifies as a charitable
6 organization as provided by this section is entitled to an
7 exemption from taxation of:

8 (1) the buildings [~~and tangible personal property~~]
9 that:

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

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

13 (2) the real property owned by the charitable
14 organization consisting of:

15 (A) an incomplete improvement that:

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

18 (ii) is designed and intended to be used
19 exclusively by qualified charitable 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 charitable organizations.

23 SECTION 36. Section 11.181(c), Tax Code, is amended to read
24 as follows:

25 (c) An organization entitled to an exemption under
26 Subsection (a) is also entitled to an exemption from taxation of any
27 building [~~or tangible personal property~~] the organization owns and

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

8 SECTION 37. Section 11.182(f), Tax Code, is amended to read
9 as follows:

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

19 SECTION 38. Section 11.1827(d), Tax Code, is amended to
20 read as follows:

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

1 that another person may use the property for activities incidental
2 to the trust's use that benefit the beneficiaries of the trust.

3 SECTION 39. Section 11.184(c), Tax Code, is amended to read
4 as follows:

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

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

9 (A) are owned by the organization; and

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

14 (2) the real property owned by the organization
15 consisting of:

16 (A) an incomplete improvement that:

17 (i) is under active construction or other
18 physical preparation; and

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

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

27 SECTION 40. Section 11.185(c), Tax Code, is amended to read

1 as follows:

2 (c) An organization entitled to an exemption under
3 Subsection (a) is also entitled to an exemption from taxation of any
4 building [~~or tangible personal property~~] the organization owns and
5 uses in the administration of its acquisition, building, repair, or
6 sale of property. To qualify for an exemption under this
7 subsection, property must be used exclusively by the charitable
8 organization, except that another individual or organization may
9 use the property for activities incidental to the charitable
10 organization's use that benefit the beneficiaries of the charitable
11 organization.

12 SECTION 41. Sections 11.20(a), (d), (f), (g), (h), (j), and
13 (k), Tax Code, are amended to read as follows:

14 (a) An organization that qualifies as a religious
15 organization as provided by Subsection (c) is entitled to an
16 exemption from taxation of:

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

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

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

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

4 (B) produces no revenue for the religious
5 organization;

6 (3) [~~(4)~~ the tangible personal property that is owned
7 by the religious organization and is reasonably necessary for use
8 of the residence specified by Subdivision (3)];

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

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

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

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

23 (A) the religious organization qualifies other
24 property, including a portion of the same tract or parcel of land,
25 owned by the organization for an exemption under Subdivision (1) or
26 (3) [~~(5)~~]; and

27 (B) the land produces no revenue for the

1 religious organization; and

2 (5) [~~(7)~~] the real property owned by the religious
3 organization that is leased to another person and used by that
4 person for the operation of a school that qualifies as a school
5 under Section 11.21(d).

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

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

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

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

27 (1) is used by the organization primarily as a place of

1 regular religious worship and is reasonably necessary for engaging
2 in religious worship; or

3 (2) meets the qualifications for an exemption under
4 Subsection (a)(3) [~~(a)(5)~~].

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

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

21 SECTION 42. Sections [11.201\(a\)](#) and (c), Tax Code, are
22 amended to read as follows:

23 (a) If land is sold or otherwise transferred to another
24 person in a year in which the land receives an exemption under
25 Section [11.20\(a\)\(4\)](#) [~~[11.20\(a\)\(6\)](#)~~], an additional tax is imposed on
26 the land equal to the tax that would have been imposed on the land
27 had the land been taxed for each of the five years preceding the

1 year in which the sale or transfer occurs in which the land received
2 an exemption under that subsection, plus interest at an annual rate
3 of seven percent calculated from the dates on which the taxes would
4 have become due.

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

9 SECTION 43. Sections 11.21(a), (b), and (f), Tax Code, are
10 amended to read as follows:

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

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

15 (A) the school is operated exclusively by the
16 person owning the property;

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

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

22 and

23 (2) the real property owned by the person consisting
24 of:

25 (A) an incomplete improvement that:

26 (i) is under active construction or other
27 physical preparation; and

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

3 (B) the land on which the incomplete improvement
4 is located that will be reasonably necessary for the use of the
5 improvement for a school that is qualified as provided by
6 Subsection (d).

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

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

16 (1) the person authorizes the former owner to continue
17 to use the property pending the use of the property for a school;
18 and

19 (2) the former owner would be entitled to an exemption
20 from taxation of the property if the former owner continued to own
21 the property.

22 SECTION 44. Section 11.23(m), Tax Code, is amended to read
23 as follows:

24 (m) National Hispanic Institute. The National Hispanic
25 Institute is entitled to an exemption from taxation of the real [~~and~~
26 ~~tangible personal~~] property it owns as long as the organization is
27 exempt from federal income taxation under Section 501(a), Internal

1 Revenue Code of 1986, as an organization described by Section
2 501(c)(3) of that code.

3 SECTION 45. Section 11.231(b), Tax Code, is amended to read
4 as follows:

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

8 (1) the buildings [~~and tangible personal property~~]
9 that:

10 (A) are owned by the nonprofit community business
11 organization; and

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

15 (2) the real property owned by the nonprofit community
16 business organization consisting of:

17 (A) an incomplete improvement that:

18 (i) is under active construction or other
19 physical preparation; and

20 (ii) is designed and intended to be used
21 exclusively by qualified nonprofit community business
22 organizations; and

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

27 SECTION 46. Sections 11.35(a) and (g), Tax Code, are

1 amended to read as follows:

2 (a) In this section, "qualified property" means property
3 that:

4 (1) consists of:

5 (A) ~~[tangible personal property used for the~~
6 ~~production of income;~~

7 ~~[(B)]~~ an improvement to real property; or

8 (B) ~~[(C)]~~ a manufactured home as that term is
9 defined by Section 1201.003, Occupations Code, that is used as a
10 dwelling, regardless of whether the owner of the manufactured home
11 elects to treat the manufactured home as real property under
12 Section 1201.2055, Occupations Code;

13 (2) is located in an area declared by the governor to
14 be a disaster area following a disaster; and

15 (3) is at least 15 percent damaged by the disaster, as
16 determined by the chief appraiser under this section~~;~~ and

17 ~~[(4) for property described by Subdivision (1)(A), is~~
18 ~~the subject of a rendition statement or property report filed by the~~
19 ~~property owner under Section 22.01 that demonstrates that the~~
20 ~~property had taxable situs in the disaster area for the tax year in~~
21 ~~which the disaster occurred].~~

22 (g) The chief appraiser shall assign to an item of qualified
23 property:

24 (1) a Level I damage assessment rating if the property
25 is at least 15 percent, but less than 30 percent, damaged, meaning
26 that the property suffered minimal damage and may continue to be
27 used as intended;

1 (2) a Level II damage assessment rating if the
2 property is at least 30 percent, but less than 60 percent, damaged,
3 meaning [~~which, for qualified property described by Subsection~~
4 ~~(a)(1)(B) or (C), means~~] that the property has suffered only
5 nonstructural damage, including nonstructural damage to the roof,
6 walls, foundation, or mechanical components, and the waterline, if
7 any, is less than 18 inches above the floor;

8 (3) a Level III damage assessment rating if the
9 property is at least 60 percent damaged but is not a total loss,
10 meaning [~~which, for qualified property described by Subsection~~
11 ~~(a)(1)(B) or (C), means~~] that the property has suffered significant
12 structural damage requiring extensive repair due to the failure or
13 partial failure of structural elements, wall elements, or the
14 foundation, or the waterline is at least 18 inches above the floor;
15 or

16 (4) a Level IV damage assessment rating if the
17 property is a total loss, meaning that repair of the property is not
18 feasible.

19 SECTION 47. Section 11.42(b), Tax Code, is amended to read
20 as follows:

21 (b) An exemption authorized by Section 11.11 [~~or 11.141~~] is
22 effective immediately on qualification for the exemption.

23 SECTION 48. Sections 11.43(a), (b), (c), and (e), Tax Code,
24 are amended to read as follows:

25 (a) To receive an exemption, a person claiming the
26 exemption, other than an exemption authorized by Section 11.11,
27 11.12, or [~~11.14, 11.141, 11.145,~~] 11.146 [~~, 11.15, 11.16, 11.161,~~

1 ~~or 11.25~~], must apply for the exemption. To apply for an exemption,
2 a person must file an exemption application form with the chief
3 appraiser for the [each] appraisal office established for each
4 county [district] in which the property subject to the claimed
5 exemption has situs.

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

10 (c) An exemption provided by Section 11.13, 11.131, 11.132,
11 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19,
12 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231,
13 [~~11.254~~], 11.27, [~~11.271~~] 11.29, 11.30, 11.31, [~~11.315~~] or 11.35,
14 once allowed, need not be claimed in subsequent years, and except as
15 otherwise provided by Subsection (e), the exemption applies to the
16 property until it changes ownership or the person's qualification
17 for the exemption changes. However, except as provided by
18 Subsection (r), the chief appraiser may require a person allowed
19 one of the exemptions in a prior year to file a new application to
20 confirm the person's current qualification for the exemption by
21 delivering a written notice that a new application is required,
22 accompanied by an appropriate application form, to the person
23 previously allowed the exemption. If the person previously allowed
24 the exemption is 65 years of age or older, the chief appraiser may
25 not cancel the exemption due to the person's failure to file the new
26 application unless the chief appraiser complies with the
27 requirements of Subsection (q), if applicable.

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

6 SECTION 49. Section 21.06(a), Tax Code, is amended to read
7 as follows:

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

15 SECTION 50. Sections 22.01(a), (b), (c), (c-2), (f), and
16 (g), Tax Code, are amended to read as follows:

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

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

27 [~~4~~] the physical location or taxable situs of the

1 property; and

2 (4) [~~(5)~~] the property owner's good faith estimate of
3 the market value of the property or, at the option of the property
4 owner, the historical cost when new and the year of acquisition of
5 the property.

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

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

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

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

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

27 (2) a general description of the property by type or

1 category; and

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

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

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

12 (2) a proceeding under Section [22.29\(b\)](#); or

13 (3) a protest under Section [41.41](#).

14 SECTION 51. Section [22.02](#), Tax Code, is amended to read as
15 follows:

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

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

27 SECTION 52. Section [22.05](#), Tax Code, is amended to read as

1 follows:

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

6 (b) The rendition shall:

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

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

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

15 SECTION 53. The heading to Section 22.07, Tax Code, is
16 amended to read as follows:

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

19 SECTION 54. Section 22.07, Tax Code, is amended by amending
20 Subsection (c) and adding Subsection (c-1) to read as follows:

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

26 (1) summarize information sufficient to identify the
27 property, including:

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

3 (B) the source of the information used;

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

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

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

10 SECTION 55. Section 23.01(f), Tax Code, is amended to read
11 as follows:

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

19 SECTION 56. Section 23.0101, Tax Code, is amended to read as
20 follows:

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

26 (b) In determining the market value of residential real
27 property consisting of a single-family home, duplex, triplex, or

1 quadraplex constructed by or on behalf of the owner, the chief
2 appraiser shall use the cost method of appraisal.

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

8 SECTION 57. Section 23.014, Tax Code, is amended to read as
9 follows:

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

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

17 (2) intangible personal property; or

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

20 SECTION 58. Sections 23.12(a) and (f), Tax Code, are
21 amended to read as follows:

22 (a) The ~~[Except as provided by Sections 23.121, 23.1241,~~
23 ~~23.124, and 23.127, the]~~ market value of a real property ~~[an]~~
24 inventory is the price for which it would sell as a unit to a
25 purchaser who would continue the business. A real property ~~[An]~~
26 inventory includes ~~[shall include]~~ residential real property which
27 has never been occupied as a residence and is held for sale in the

1 ordinary course of a trade or business, provided that the
2 residential real property remains unoccupied, is not leased or
3 rented, and produces no income.

4 (f) The owner of an inventory [~~other than a dealer's motor~~
5 ~~vehicle inventory as that term is defined by Section 23.121, a~~
6 ~~dealer's heavy equipment inventory as that term is defined by~~
7 ~~Section 23.1241, or a dealer's vessel and outboard motor inventory~~
8 ~~as that term is defined by Section 23.124, or a retail manufactured~~
9 ~~housing inventory as that term is defined by Section 23.127]~~ may
10 elect to have the inventory appraised at its market value as of
11 September 1 of the year preceding the tax year to which the
12 appraisal applies by filing an application with the chief appraiser
13 requesting that the inventory be appraised as of September 1. The
14 application must clearly describe the inventory to which it applies
15 and be signed by the owner of the inventory. The application
16 applies to the appraisal of the inventory in each tax year that
17 begins after the next August 1 following the date the application is
18 filed with the chief appraiser unless the owner of the inventory by
19 written notice filed with the chief appraiser revokes the
20 application or the ownership of the inventory changes. A notice
21 revoking the application is effective for each tax year that begins
22 after the next September following the date the notice of
23 revocation is filed with the chief appraiser.

24 SECTION 59. Section 23.23(a), Tax Code, is amended to read
25 as follows:

26 (a) Regardless [~~Notwithstanding the requirements of Section~~
27 ~~25.18 and regardless~~] of whether the appraisal office has appraised

1 the property and determined the market value of the property for the
2 tax year, an appraisal office may increase the appraised value of a
3 residence homestead for a tax year to an amount not to exceed the
4 lesser of:

5 (1) the market value of the property for the most
6 recent tax year that the market value was determined by the
7 appraisal office; or

8 (2) the sum of:

9 (A) 10 percent of the appraised value of the
10 property for the preceding tax year;

11 (B) the appraised value of the property for the
12 preceding tax year; and

13 (C) the market value of all new improvements to
14 the property.

15 SECTION 60. Subchapter B, Chapter 23, Tax Code, is amended
16 by adding Section 23.231 to read as follows:

17 Sec. 23.231. LIMITATION ON APPRAISED VALUE OF CERTAIN REAL
18 PROPERTY. (a) This section applies only to residential real
19 property consisting of a single-family home, duplex, triplex, or
20 quadraplex or to a tract of unimproved land that the owner acquired
21 as a bona fide purchaser for value.

22 (b) This section applies to property only if the owner
23 discloses the purchase price the owner paid for the property to the
24 appraisal office.

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

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

27 (A) pursuant to a court order;

1 (B) from a trustee in bankruptcy;

2 (C) by one co-owner from one or more other
3 co-owners;

4 (D) from a spouse or a person or persons within
5 the first or second degree of lineal consanguinity of one or more of
6 the purchasers; or

7 (E) from a governmental entity; or

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

11 (d) Regardless of whether the appraisal office has
12 appraised the property and determined the market value of the
13 property for the tax year, the appraised value of property for a tax
14 year may not exceed the lesser of:

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

16 (2) the sum of:

17 (A) the purchase price paid by the property owner
18 for the property; and

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

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

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

24 (2) include in the appraisal records both the market
25 value of the property and the amount computed under Subsection
26 (d)(2).

27 (f) The limitation provided by Subsection (a) takes effect

1 as to property on January 1 of the first tax year the owner
2 qualifies the property for a limitation under this section. The
3 limitation expires on January 1 of the first tax year that neither
4 the owner of the property when the limitation took effect nor the
5 owner's spouse or surviving spouse qualifies for the limitation.

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

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

19 (i) In this section, "new improvement" means an improvement
20 to property made since the owner acquired the property that
21 increases the market value of the property. The term does not
22 include repairs to or ordinary maintenance of an existing structure
23 or the grounds or another feature of the property.

24 (j) Notwithstanding Subsections (d) and (i) and except as
25 provided by Subdivision (2) of this subsection, an improvement to
26 property that would otherwise constitute a new improvement is not
27 treated as a new improvement if the improvement is a replacement

1 structure for a structure that was rendered uninhabitable or
2 unusable by a casualty or by wind or water damage. For purposes of
3 appraising the property under Subsection (d) in the tax year in
4 which the structure would have constituted a new improvement:

5 (1) the appraised value the property would have had in
6 the preceding tax year if the casualty or damage had not occurred is
7 considered to be the appraised value of the property for that year,
8 regardless of whether that appraised value exceeds the actual
9 appraised value of the property for that year as limited by
10 Subsection (d); and

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

13 (A) the square footage of the replacement
14 structure exceeds that of the replaced structure as that structure
15 existed before the casualty or damage occurred; or

16 (B) the exterior of the replacement structure is
17 of higher quality construction and composition than that of the
18 replaced structure.

19 (k) In this subsection, "disaster recovery program" means
20 the disaster recovery program administered by the General Land
21 Office or by a political subdivision of this state that is funded
22 with community development block grant disaster recovery money
23 authorized by federal law. Notwithstanding Subsection (j)(2), and
24 only to the extent necessary to satisfy the requirements of the
25 disaster recovery program, a replacement structure described by
26 that subdivision is not considered to be a new improvement if to
27 satisfy the requirements of the disaster recovery program it was

1 necessary that:

2 (1) the square footage of the replacement structure
3 exceed that of the replaced structure as that structure existed
4 before the casualty or damage occurred; or

5 (2) the exterior of the replacement structure be of
6 higher quality construction and composition than that of the
7 replaced structure.

8 (1) For purposes of Subsection (d)(2)(B), an improvement is
9 considered to be a new improvement in a tax year if the market value
10 of the improvement increased from the value of the improvement in
11 the preceding tax year because the improvement was not complete in
12 the preceding tax year.

13 SECTION 61. The heading to Section 25.18, Tax Code, is
14 amended to read as follows:

15 Sec. 25.18. REAPPRAISAL OF PROPERTY [~~PERIODIC~~
16 ~~REAPPRAISALS~~].

17 SECTION 62. Section 25.18(a), Tax Code, is amended to read
18 as follows:

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

23 SECTION 63. Section 25.19(b), Tax Code, as effective on
24 January 1, 2022, is amended to read as follows:

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

27 (1) a list of the taxing units in which the property is

1 taxable;

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

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

6 (4) the appraised value of the property for the
7 current year, the kind and amount of each exemption and partial
8 exemption, if any, approved for the property for the current year
9 and for the preceding year, and, if an exemption or partial
10 exemption that was approved for the preceding year was canceled or
11 reduced for the current year, the amount of the exemption or partial
12 exemption canceled or reduced;

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

18 (6) a detailed explanation of the time and procedure
19 for protesting the value;

20 (7) the date and place the appraisal review board will
21 begin hearing protests; and

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

26 SECTION 64. Sections 25.19(b-1) and (b-3), Tax Code, are
27 amended to read as follows:

1 (b-1) In [~~For real property, in~~] addition to the information
2 required by Subsection (b), the chief appraiser shall state in a
3 notice required to be delivered under Subsection (a), the
4 difference, expressed as a percent increase or decrease, as
5 applicable, in the appraised value of the property for the current
6 tax year as compared to the fifth tax year before the current tax
7 year.

8 (b-3) This subsection applies only to an appraisal office
9 [~~district~~] described by Section 6.41(b-2). In addition to the
10 information required by Subsection (b), the chief appraiser shall
11 state in a notice of appraised value of property described by
12 Section 6.425(b) that the property owner has the right to have a
13 protest relating to the property heard by a special panel of the
14 appraisal review board.

15 SECTION 65. Sections 26.012(6) and (15), Tax Code, are
16 amended to read as follows:

17 (6) "Current total value" means the total taxable
18 value of property listed on the appraisal roll for the current year,
19 including all appraisal roll supplements and corrections as of the
20 date of the calculation, less the taxable value of property
21 exempted for the current tax year for the first time under Section
22 11.31 [~~or 11.315~~], except that:

23 (A) the current total value for a school district
24 excludes:

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

27 (ii) new property value of property that is

1 subject to an agreement entered into under Chapter 313; and

2 (B) the current total value for a county,
3 municipality, or junior college district excludes the total value
4 of homesteads that qualify for a tax limitation provided by Section
5 11.261.

6 (15) "Lost property levy" means the amount of taxes
7 levied in the preceding year on property value that was taxable in
8 the preceding year but is not taxable in the current year because
9 the property is exempt in the current year under a provision of this
10 code other than Section [~~11.251, 11.253, or~~] 11.35, the property
11 has qualified for special appraisal under Chapter 23 in the current
12 year, or the property is located in territory that has ceased to be
13 a part of the taxing unit since the preceding year.

14 SECTION 66. Section 26.09(b), Tax Code, is amended to read
15 as follows:

16 (b) [~~The county assessor-collector shall add the properties
17 and their values certified to him as provided by Chapter 24 of this
18 code to the appraisal roll for county tax purposes.~~] The county
19 assessor-collector shall use the appraisal roll certified to the
20 county assessor-collector [~~him~~] as provided by Section 26.01 [~~with~~
21 ~~the added properties and values~~] to calculate county taxes.

22 SECTION 67. Section 31.032(a), Tax Code, is amended to read
23 as follows:

24 (a) This section applies only to:

25 (1) real property that:

26 (A) is:

27 (i) the residence homestead of the owner or

1 consists of property that is used for residential purposes and that
2 has fewer than five living units; or

3 (ii) owned or leased by a business entity
4 that had not more than the amount calculated as provided by
5 Subsection (h) in gross receipts in the entity's most recent
6 federal tax year or state franchise tax annual period, according to
7 the applicable federal income tax return or state franchise tax
8 report of the entity;

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

10 (C) has been damaged as a direct result of the
11 disaster; and

12 (2) [~~tangible personal property that is owned or~~
13 ~~leased by a business entity described by Subdivision (1)(A)(ii);~~
14 ~~and~~

15 [~~(3)~~] taxes that are imposed on the property by a taxing
16 unit before the first anniversary of the disaster.

17 SECTION 68. Section 41.43(b), Tax Code, is amended to read
18 as follows:

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

22 [~~(1) the appraisal ratio of the property is equal to or~~
23 ~~less than the median level of appraisal of a reasonable and~~
24 ~~representative sample of other properties in the appraisal~~
25 ~~district,~~

26 [~~(2) the appraisal ratio of the property is equal to or~~
27 ~~less than the median level of appraisal of a sample of properties in~~

1 ~~the appraisal district consisting of a reasonable number of other~~
2 ~~properties similarly situated to, or of the same general kind or~~
3 ~~character as, the property subject to the protest, or~~

4 ~~(3)~~ the appraised value of the property is equal to or
5 less than the median appraised value of a reasonable number of
6 comparable properties appropriately adjusted.

7 SECTION 69. Section 41.44(a), Tax Code, is amended to read
8 as follows:

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

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

17 (2) in the case of a protest of a change in the
18 appraisal records ordered as provided by Subchapter A of this
19 chapter or by Chapter 25, not later than the 30th day after the date
20 notice of the change is delivered to the property owner;

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

25 ~~(4) [in the case of a determination of eligibility for~~
26 ~~a refund under Section 23.1243, not later than the 30th day after~~
27 ~~the date the notice of the determination is delivered to the~~

1 ~~property owner; or~~

2 ~~[(5)]~~ in the case of a protest of the modification or
3 denial of an application for an exemption under Section 11.35, or
4 the determination of an appropriate damage assessment rating for an
5 item of qualified property under that section, not later than the
6 30th day after the date the property owner receives the notice
7 required under Section 11.45(e).

8 SECTION 70. Section 42.01, Tax Code, is amended to read as
9 follows:

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

12 ~~[(1)]~~ an order of the appraisal review board
13 determining:

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

16 (2) ~~[(B)]~~ a motion filed under Section 25.25;

17 (3) ~~[(C)]~~ that the property owner has forfeited the
18 right to a final determination of a motion filed under Section 25.25
19 or of a protest under Section 41.411 for failing to comply with the
20 prepayment requirements of Section 25.26 or 41.4115, as applicable;
21 or

22 (4) ~~[(D)] eligibility for a refund requested under~~
23 ~~Section 23.1243; or~~

24 ~~[(E)]~~ that the appraisal review board lacks
25 jurisdiction to finally determine a protest by the property owner
26 under Subchapter C, Chapter 41, or a motion filed by the property
27 owner under Section 25.25 because the property owner failed to

1 comply with a requirement of Subchapter C, Chapter 41, or Section
2 25.25, as applicable [~~or~~

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

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

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

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

19 (c) A property owner who establishes that the appraisal
20 review board had jurisdiction to issue a final determination of the
21 protest by the property owner under Subchapter C, Chapter 41, or of
22 the motion filed by the property owner under Section 25.25 in an
23 appeal under Subsection (a)(4) [~~(a)(1)(E)~~] of this section is
24 entitled to a final determination by the court of the protest under
25 Subchapter C, Chapter 41, or of the motion filed under Section
26 25.25. A final determination of a protest under Subchapter C,
27 Chapter 41, by the court under this subsection may be on any ground

1 of protest authorized by this title applicable to the property that
2 is the subject of the protest, regardless of whether the property
3 owner included the ground in the property owner's notice of
4 protest.

5 SECTION 71. Section 42.21(b), Tax Code, is amended to read
6 as follows:

7 (b) A petition for review brought under Section 42.02 must
8 be brought against the owner of the property involved in the appeal.
9 A petition for review brought under Section 42.031 must be brought
10 against the appraisal office [~~district~~] and against the owner of
11 the property involved in the appeal. [~~A petition for review brought
12 under Section 42.01(a)(2) or 42.03 must be brought against the
13 comptroller.~~] Any other petition for review under this chapter
14 must be brought against the appraisal office [~~district~~]. A
15 petition for review may not be brought against the appraisal review
16 board. An appraisal office [~~district~~] may hire an attorney that
17 represents the office [~~district~~] to represent the appraisal review
18 board established for the office [~~district~~] to file an answer and
19 obtain a dismissal of a suit filed against the appraisal review
20 board in violation of this subsection.

21 SECTION 72. Section 42.22, Tax Code, as amended by Chapters
22 667 (S.B. 548) and 1033 (H.B. 301), Acts of the 73rd Legislature,
23 Regular Session, 1993, is reenacted and amended to read as follows:

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

1 (b) Venue of an action brought under Section 42.01(a)
2 [~~42.01(1)~~] is in the county in which the property is located or in
3 the county in which the appraisal review board that issued the order
4 is located.

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

7 SECTION 73. Section 42.23(f), Tax Code, is amended to read
8 as follows:

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

16 SECTION 74. Sections 42.26(a), (b), and (d), Tax Code, are
17 amended to read as follows:

18 (a) The district court shall grant relief on the ground that
19 a property is appraised unequally if[+]

20 [~~(1) the appraisal ratio of the property exceeds by at~~
21 ~~least 10 percent the median level of appraisal of a reasonable and~~
22 ~~representative sample of other properties in the appraisal~~
23 ~~district,~~

24 [~~(2) the appraisal ratio of the property exceeds by at~~
25 ~~least 10 percent the median level of appraisal of a sample of~~
26 ~~properties in the appraisal district consisting of a reasonable~~
27 ~~number of other properties similarly situated to, or of the same~~

1 ~~general kind or character as, the property subject to the appeal, or~~
2 ~~[(3)]~~ the appraised value of the property exceeds the
3 median appraised value of a reasonable number of comparable
4 properties appropriately adjusted.

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

27 (d) For purposes of this section, the value of the property

1 subject to the suit and the value of a comparable property [~~or~~
2 ~~sample property~~] that is used for comparison must be the market
3 value determined by the appraisal office [~~district~~] when the
4 property is [~~a residence homestead~~] subject to the limitation on
5 appraised value imposed by Section 23.23 or 23.231.

6 SECTION 75. Sections 151.356(a) and (c), Tax Code, are
7 amended to read as follows:

8 (a) In this section:

9 (1) "Environmental protection agency of the United
10 States" includes:

11 (A) the United States Department of the Interior
12 and any agency, bureau, or other entity established in that
13 department, including the Bureau of Safety and Environmental
14 Enforcement and the Bureau of Ocean Energy Management; and

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

18 (2) "Offshore [~~, "offshore~~] spill response containment
19 property" means tangible personal property:

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

27 (B) [~~(2)~~] owned or leased by an entity formed

1 primarily for the purpose of designing, developing, modifying,
2 enhancing, assembling, operating, deploying, and maintaining an
3 offshore spill response containment system [~~described by Section~~
4 ~~11.271(f)~~]; and

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

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

10 (A) is designed and used or intended to be used
11 solely to implement a response plan that meets or exceeds rules or
12 regulations adopted by any environmental protection agency of the
13 United States, this state, or a political subdivision of this state
14 for the control, reduction, or monitoring of air, water, or land
15 pollution in the event of a blowout or loss of control of an
16 offshore well drilled or used for the exploration for or production
17 of oil or gas;

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

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

26 (D) except for any monitoring function for which
27 the system may be used, is used or intended to be used as a temporary

1 measure to address fugitive oil, gas, sulfur, or other minerals
2 after a leak has occurred and is not used or intended to be used
3 after the leak has been contained as a continuing means of producing
4 oil, gas, sulfur, or other minerals.

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

9 (c) The sale, lease, rental, storage, use, or other
10 consumption by an entity described by Subsection (a)(2)(B) [~~Section~~
11 ~~11.271(f)~~] of offshore spill response containment property used
12 solely for the purposes described by [~~Section 11.271(c) and~~] this
13 section is exempted from the taxes imposed by this chapter.

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 vehicle
3 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 [11.141](#);
- 2 (25) Section [11.145](#);
- 3 (26) Section [11.15](#);
- 4 (27) Section [11.16](#);
- 5 (28) Section [11.161](#);
- 6 (29) Section [11.23\(f\)](#);
- 7 (30) Section [11.25](#);
- 8 (31) Section [11.251](#);
- 9 (32) Section [11.252](#);
- 10 (33) Section [11.253](#);
- 11 (34) Section [11.254](#);
- 12 (35) Section [11.271](#);
- 13 (36) Section [11.311](#);
- 14 (37) Section [11.315](#);
- 15 (38) Section [11.33](#);
- 16 (39) Section [11.437](#);
- 17 (40) Section [11.4391](#);
- 18 (41) Section [21.02](#);
- 19 (42) Section [21.021](#);
- 20 (43) Section [21.03](#);
- 21 (44) Section [21.031](#);
- 22 (45) Section [21.04](#);
- 23 (46) Section [21.05](#);
- 24 (47) Section [21.055](#);
- 25 (48) Section [21.07](#);
- 26 (49) Section [21.09](#);
- 27 (50) Section [21.10](#);

- 1 (51) Sections 22.01(e), (i), (j), (k), and (m);
 - 2 (52) Sections 22.04(b), (c), and (d);
 - 3 (53) Sections 22.07(a) and (b);
 - 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) Sections 49.302(b) and 49.304, Education Code, are
4 repealed.

5 (d) Section 89.003(c), Finance Code, is repealed.

6 (e) The following provisions of the Government Code are
7 repealed:

8 (1) Section 403.301;

9 (2) Section 403.3011;

10 (3) Section 403.302;

11 (4) Section 403.303; and

12 (5) Section 403.304.

13 (f) Sections 379B.011(c), (d), and (e), Local Government
14 Code, are repealed.

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

16 (1) each appraisal district and appraisal district
17 board of directors is abolished;

18 (2) an appraisal office is established for each
19 county;

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

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

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

1 (6) the appraisal office for the county for which an
2 appraisal district was established is substituted for the appraisal
3 district in any pending action, including a protest or challenge
4 before an appraisal review board or an appeal or other action in a
5 court; and

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

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

18 SECTION 86. As soon as practicable on or after January 1,
19 2024, the county assessor-collector who governs each appraisal
20 office shall dispose of the real property owned by the office. The
21 county assessor-collector may use the proceeds to pay the debts of
22 the appraisal office or to cover the cost of administration of the
23 office.

24 SECTION 87. (a) Sections 6.035, 6.05, 6.41, 6.411, and
25 6.412, Tax Code, as amended by this Act, apply only to an offense
26 committed on or after the effective date of this Act. An offense
27 committed before the effective date of this Act is governed by the

1 law in effect on the date the offense was committed, and the former
2 law is continued in effect for that purpose. For purposes of this
3 subsection, an offense was committed before the effective date of
4 this Act if any element of the offense occurred before that date.

5 (b) Sections 6.15, 23.121, 23.122, 23.123, 23.124, 23.125,
6 23.126, 23.127, and 23.128, Tax Code, as repealed by this Act, apply
7 only to an offense committed before the effective date of this Act.
8 An offense committed before the effective date of this Act is
9 governed by the law in effect on the date the offense was committed,
10 and the former law is continued in effect for that purpose. For
11 purposes of this subsection, an offense was committed before the
12 effective date of this Act if any element of the offense occurred
13 before that date.

14 SECTION 88. (a) As soon as practicable on or after January
15 1, 2024, the state senators and state representatives whose
16 districts contain any part of the territory included in the county
17 for which an appraisal office is established, in the manner
18 provided by Section 6.12, Tax Code, as amended by this Act, shall
19 appoint the members of the agricultural advisory board for the
20 appraisal office. The county assessor-collector who governs the
21 appraisal office by resolution shall provide for staggered terms
22 for the members as necessary to comply with Section 6.12(c), Tax
23 Code.

24 (b) The changes made to Section 6.12, Tax Code, by this Act
25 apply only to the appointment of agricultural advisory board
26 members to terms beginning on or after January 1, 2024. This Act
27 does not affect the term of an agricultural advisory board member

1 serving on December 31, 2023, if the member was appointed before
2 January 1, 2024, to a term that began before December 31, 2023.

3 SECTION 89. (a) As soon as practicable on or after January
4 1, 2024, the state senators and state representatives whose
5 districts contain any part of the territory included in the county
6 for which an appraisal office is established, in the manner
7 provided by Section 6.41, Tax Code, as amended by this Act, shall
8 appoint the members of the appraisal review board for the appraisal
9 office. The county assessor-collector who governs the appraisal
10 office by resolution shall provide for staggered terms for the
11 members as necessary to comply with Section 6.41(i), Tax Code, as
12 amended by this Act.

13 (b) The changes made to Section 6.41, Tax Code, by this Act
14 apply only to the appointment of appraisal review board members to
15 terms beginning on or after January 1, 2024. This Act does not
16 affect the term of an appraisal review board member serving on
17 December 31, 2023, if the member was appointed before January 1,
18 2024, to a term that began before December 31, 2023, and expires
19 December 31, 2024.

20 SECTION 90. Section 23.231, Tax Code, as added by this Act,
21 applies only to the appraisal of real property for ad valorem tax
22 purposes for a tax year that begins on or after the effective date
23 of this Act.

24 SECTION 91. As soon as practicable after the effective date
25 of this Act, the comptroller of public accounts by rule shall adopt
26 forms and procedures necessary for the implementation of Section
27 23.231, Tax Code, as added by this Act.

1 SECTION 92. (a) The changes in law made by this Act to
2 Subchapter M, Chapter 403, Government Code, apply only to the
3 determination of the total taxable value of property in a school
4 district for a tax year that begins after December 31, 2023. The
5 determination of the total taxable value of property in a school
6 district for a tax year that begins before that date is governed by
7 Subchapter M, Chapter 403, Government Code, as that subchapter
8 existed when the tax year began, and the former law is continued in
9 effect for that purpose.

10 (b) Notwithstanding the changes in law made by this Act to
11 the provisions of the Tax Code, Agriculture Code, Business &
12 Commerce Code, Finance Code, and Transportation Code amended by
13 this Act and the repeal by this Act of provisions of the Tax Code and
14 Finance Code, each of those provisions, as it existed immediately
15 before January 1, 2022, is continued in effect for the purpose of
16 the levy and collection of an ad valorem tax on tangible personal
17 property imposed:

- 18 (1) before January 1, 2022; or
19 (2) pursuant to Section 1(1), Article VIII, Texas
20 Constitution.

21 SECTION 93. (a) If the constitutional amendment proposed
22 by the 87th Legislature, Regular Session, 2021, authorizing the
23 legislature to provide for the appraisal of certain real property
24 for ad valorem tax purposes based on its purchase price, exempting
25 all tangible personal property in this state from ad valorem
26 taxation, and authorizing the legislature to permit legislators to
27 appoint members of the board of equalization for an appraisal

1 entity is approved by the voters, the Special Tax Code Board is
2 created to recommend amendments to the Tax Code and other law to
3 efficiently and effectively implement the amendment.

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

5 (1) seven members appointed by the governor;

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

7 and

8 (3) one member appointed by the speaker of the house of
9 representatives.

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

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

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

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

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

27 (5) the procedure for appointing appraisal review

1 board members.

2 (d) Not later than September 1, 2022, the board shall submit
3 a report to the governor, lieutenant governor, speaker of the house
4 of representatives, comptroller of public accounts, Legislative
5 Budget Board, and legislature regarding the board's
6 recommendations.

7 (e) This section expires September 1, 2023.

8 SECTION 94. To the extent of any conflict, this Act prevails
9 over another Act of the 87th Legislature, Regular Session, 2021,
10 relating to nonsubstantive additions to and corrections in enacted
11 codes.

12 SECTION 95. (a) Except as provided by Subsection (b) of
13 this section, this Act takes effect January 1, 2024, but only if the
14 constitutional amendment proposed by the 87th Legislature, Regular
15 Session, 2021, authorizing the legislature to provide for the
16 appraisal of certain real property for ad valorem tax purposes
17 based on its purchase price, exempting all tangible personal
18 property in this state from ad valorem taxation, and authorizing
19 the legislature to permit legislators to appoint members of the
20 board of equalization for an appraisal entity is approved by the
21 voters. If that amendment is not approved by the voters, this Act
22 has no effect.

23 (b) Subject to Subsection (a) of this section, the section
24 of this Act creating the Special Tax Code Board takes effect January
25 1, 2022.