

By: Birdwell

S.B. No. 1586

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the governance and administration of an appraisal  
3 district.

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

5 SECTION 1. Section 5.12(b), Tax Code, is amended to read as  
6 follows:

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

16 SECTION 2. Section 5.13(h), Tax Code, is amended to read as  
17 follows:

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

21 (1) the governing bodies of a majority of the taxing  
22 units participating in the district, if the audit was requested by a  
23 majority of those units;

24 (2) the governing bodies of a majority of the taxing

1 units entitled to nominate candidates for ~~[vote on the]~~ appointment  
2 as ~~[of]~~ appraisal district directors, if the audit was requested by  
3 a majority of those units; or

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

6 SECTION 3. Section 6.03, Tax Code, is amended by amending  
7 Subsections (a), (c), (d), (e), (g), (j), (k), and (l) and adding  
8 Subsections (a-1), (a-2), (a-3), (d-1), and (m) to read as follows:

9 (a) The appraisal district is governed by a board of  
10 directors. Five directors are appointed by the commissioners court  
11 of the county in which the appraisal district is established from a  
12 list of nominees nominated in the manner provided by this section.  
13 The commissioners court must appoint one director from each of the  
14 four commissioners precincts in the county and one director at  
15 large from the county ~~[taxing units that participate in the~~  
16 ~~district as provided by this section]~~.

17 (a-1) If the county assessor-collector is not appointed to  
18 the board, the county assessor-collector serves as a nonvoting  
19 director. The county assessor-collector is ineligible to serve if  
20 the board enters into a contract under Section 6.05(b) or if the  
21 commissioners court of the county enters into a contract under  
22 Section 6.24(b).

23 (a-2) To be eligible to serve on the board of directors, an  
24 individual other than a county assessor-collector serving as a  
25 nonvoting director must:

26 (1) be a resident of:

27 (A) the commissioners precinct from which the

1 office is appointed, in the case of a director appointed from a  
2 commissioners precinct; or

3 (B) the county in which the appraisal district is  
4 established, in the case of a director appointed at large;  
5 [district] and

6 (2) [must] have resided in the district, and if  
7 appointed from a commissioners precinct, in that commissioners  
8 precinct, for at least two years immediately preceding the date the  
9 individual takes office.

10 (a-3) An individual who is otherwise eligible to serve on  
11 the board is not ineligible because of membership on the governing  
12 body of a taxing unit. An employee of a taxing unit that  
13 participates in the district is not eligible to serve on the board  
14 unless the individual is also a member of the governing body or an  
15 elected official of a taxing unit that participates in the  
16 district.

17 (c) The [Members of the board of directors other than a  
18 county assessor-collector serving as a nonvoting director are  
19 appointed by vote of the] governing bodies of the incorporated  
20 cities and towns, the school districts, the junior college  
21 districts, and[, if entitled to vote,] the conservation and  
22 reclamation districts that participate in the district shall  
23 nominate nominees to serve on the board of directors of the district  
24 in the manner provided by Subsection (d) [and of the county. A  
25 governing body may cast all its votes for one candidate or  
26 distribute them among candidates for any number of directorships.  
27 Conservation and reclamation districts are not entitled to vote

1 ~~unless at least one conservation and reclamation district in the~~  
2 ~~district delivers to the chief appraiser a written request to~~  
3 ~~nominate and vote on the board of directors by June 1 of each~~  
4 ~~odd-numbered year. On receipt of a request, the chief appraiser~~  
5 ~~shall certify a list by June 15 of all eligible conservation and~~  
6 ~~reclamation districts that are imposing taxes and that participate~~  
7 ~~in the district].~~

8 (d) The number of nominees that ~~[voting entitlement of]~~ a  
9 taxing unit that is entitled to make nominations may nominate ~~[vote~~  
10 ~~for directors]~~ is determined by dividing the total dollar amount of  
11 property taxes imposed in the district by the taxing unit for the  
12 preceding tax year by the sum of the total dollar amount of property  
13 taxes imposed in the district for that year by each taxing unit that  
14 is entitled to make nominations ~~[vote]~~, ~~[by]~~ multiplying the  
15 quotient by 100 ~~[1,000]~~, and ~~[by]~~ rounding the product to the  
16 nearest tenth ~~[whole number]~~. If that number is:

17 (1) less than one, the taxing unit may nominate one  
18 nominee who resides in the commissioners precinct of the county in  
19 which the appraisal district is established in which a majority of  
20 the taxing unit is located;

21 (2) one or more but less than five, the taxing unit may  
22 nominate two nominees who reside in a commissioners precinct of the  
23 county in which the appraisal district is established in which any  
24 part of the taxing unit is located;

25 (3) five or more but less than 10, the taxing unit may  
26 nominate three nominees who reside in a commissioners precinct of  
27 the county in which the appraisal district is established in which

1 any part of the taxing unit is located;

2 (4) 10 or more but less than 20, the taxing unit may  
3 nominate four nominees who reside in a commissioners precinct of  
4 the county in which the appraisal district is established in which  
5 any part of the taxing unit is located; or

6 (5) 20 or more, the taxing unit may nominate four  
7 nominees who reside in a commissioners precinct of the county in  
8 which the appraisal district is established in which any part of the  
9 taxing unit is located and one nominee who resides anywhere in the  
10 county [~~That number is multiplied by the number of directorships to~~  
11 ~~be filled~~].

12 (d-1) A taxing unit participating in two or more appraisal  
13 districts is entitled to nominate nominees for director [~~vote~~] in  
14 each district in which it participates, but only the taxes imposed  
15 in a district are used to calculate the number of nominees the  
16 taxing unit is entitled to nominate [~~voting entitlement~~] in that  
17 district.

18 (e) The chief appraiser shall calculate the number of  
19 nominees [~~votes to which~~] each taxing unit [~~other than a~~  
20 ~~conservation and reclamation district~~] is entitled to nominate and  
21 shall deliver written notice to each of those taxing units of that  
22 number [~~its voting entitlement~~] before October 1 of each  
23 odd-numbered year. The chief appraiser shall deliver the notice:

24 (1) to the county judge and each commissioner of the  
25 county served by the appraisal district;

26 (2) to the presiding officer of the governing body of  
27 each city or town participating in the appraisal district, to the

1 city manager of each city or town having a city manager, and to the  
2 city secretary or clerk, if there is one, of each city or town that  
3 does not have a city manager;

4 (3) to the presiding officer of the governing body of  
5 each school district participating in the appraisal district and to  
6 the superintendent of those school districts; ~~and~~

7 (4) to the presiding officer of the governing body of  
8 each junior college district participating in the appraisal  
9 district and to the president, chancellor, or other chief executive  
10 officer of those junior college districts; and

11 (5) to the presiding officer of each conservation and  
12 reclamation district participating in the appraisal district.

13 (g) Each taxing unit nominates candidates ~~[other than a~~  
14 ~~conservation and reclamation district that is entitled to vote may~~  
15 ~~nominate]~~ by resolution adopted by its governing body ~~[one~~  
16 ~~candidate for each position to be filled on the board of directors].~~

17 The governing body may nominate any number of nominees, provided  
18 that the total number of nominees nominated does not exceed the  
19 number contained in the notice provided under Subsection (e). The  
20 presiding officer of the governing body of the taxing unit shall  
21 submit the names of the taxing unit's nominees to the chief  
22 appraiser before October 15.

23 (j) Before October 30, the chief appraiser shall prepare a  
24 list of ~~[ballot, listing]~~ the nominees ~~[candidates]~~ whose names  
25 were timely submitted under Subsection ~~[Subsections]~~ (g) ~~[and, if~~  
26 ~~applicable, (h) or (i)]~~ alphabetically according to the first  
27 letter in each nominee's ~~[candidate's]~~ surname, and shall deliver a

1 copy of the list to the commissioners court of the county in which  
2 the appraisal district is established [~~ballet to the presiding~~  
3 ~~officer of the governing body of each taxing unit that is entitled~~  
4 ~~to vote~~].

5 (k) The commissioners court of the county in which the  
6 appraisal district is established by majority vote of its members  
7 shall select from the list provided under Subsection (j) five  
8 nominees who meet the appropriate residency requirements to serve  
9 as members of the board of directors of the district [~~governing body~~  
10 ~~of each taxing unit entitled to vote shall determine its vote by~~  
11 ~~resolution and submit it to the chief appraiser before December 15.~~  
12 ~~The chief appraiser shall count the votes, declare the five~~  
13 ~~candidates who receive the largest cumulative vote totals elected,~~  
14 and submit the results before December 31 to the governing body of  
15 each taxing unit in the district and to the nominees [~~candidates.~~  
16 ~~For purposes of determining the number of votes received by the~~  
17 ~~candidates, the candidate receiving the most votes of the~~  
18 ~~conservation and reclamation districts is considered to have~~  
19 ~~received all of the votes cast by conservation and reclamation~~  
20 ~~districts and the other candidates are considered not to have~~  
21 ~~received any votes of the conservation and reclamation districts.~~  
22 ~~The chief appraiser shall resolve a tie vote by any method of~~  
23 ~~chance~~].

24 (l) A [If a] vacancy [~~occurs~~] on the board of directors,  
25 other than a vacancy in the position held by a county  
26 assessor-collector serving as a nonvoting director, is filled in  
27 the manner provided by this subsection. If the vacancy is in the

1 position representing the whole county for which the appraisal  
2 district is established, each taxing unit that is entitled to make  
3 nominations under [~~vote by~~] this section may nominate by resolution  
4 adopted by its governing body a nominee [~~candidate~~] to fill the  
5 vacancy. If the vacancy is in a position representing a  
6 commissioners precinct, each taxing unit that is entitled to make  
7 nominations under this section any part of which is located in that  
8 commissioners precinct may nominate by resolution adopted by its  
9 governing body a nominee to fill the vacancy. A nominee must meet  
10 the applicable residency requirement under Subsection (a-2) for the  
11 vacant position. The taxing unit shall submit the name of its  
12 nominee to the chief appraiser within 45 days after notification  
13 from the board of directors of the existence of the vacancy, and the  
14 chief appraiser shall prepare and deliver to the commissioners  
15 court of the county in which the appraisal district is established  
16 [~~board of directors~~] within the next five days a list of the  
17 nominees. The commissioners court [~~board of directors~~] shall elect  
18 by majority vote of its members one of the nominees to fill the  
19 vacancy.

20 (m) If as a result of a change in the boundaries of a  
21 commissioners precinct an individual serving as a director no  
22 longer resides in the precinct from which the office is appointed,  
23 the individual is not for that reason disqualified from office  
24 during the remainder of the term of office being served at the time  
25 the boundary change takes effect. If as a result of a change in the  
26 boundaries of a commissioners precinct an individual appointed as a  
27 director before the boundary change to a term that begins after the



1 boundary change no longer resides in the precinct from which the  
2 office is appointed, the individual is not for that reason  
3 disqualified from serving the term to which the individual is  
4 appointed.

5 SECTION 4. Sections 6.033(a), (b), (c), and (d), Tax Code,  
6 are amended to read as follows:

7 (a) The governing body of a taxing unit may call for the  
8 recall of a member of the board of directors of an appraisal  
9 district appointed under Section 6.03 ~~[of this code for]~~ whom the  
10 taxing unit nominated for ~~[cast any of its votes in the]~~ appointment  
11 to ~~[of]~~ the board. The call must be in the form of a resolution, be  
12 filed with the chief appraiser of the appraisal district, and state  
13 that the taxing unit is calling for the recall of the member. If a  
14 resolution calling for the recall of a board member is filed under  
15 this subsection, the chief appraiser, not later than the 10th day  
16 after the date of filing, shall deliver a written notice of the  
17 filing of the resolution and the date of its filing to the presiding  
18 officer of the governing body of each taxing unit entitled to  
19 nominate candidates for ~~[vote in the]~~ appointment as ~~[of]~~ board  
20 members.

21 (b) On or before the 30th day after the date on which a  
22 resolution calling for the recall of a member of the board is filed,  
23 the governing body of a taxing unit that nominated ~~[cast any of its~~  
24 ~~votes in the appointment of the board for]~~ that member for  
25 appointment to the board may vote to recall the member by resolution  
26 submitted to the chief appraiser. ~~[Each taxing unit is entitled to~~  
27 ~~the same number of votes in the recall as it cast for that member in~~

1 ~~the appointment of the board.]~~ The governing body of the taxing  
2 unit calling for the recall may cast its vote [~~votes~~] in favor of  
3 the recall in the same resolution in which it called for the recall.

4 (c) Not later than the 10th day after the last day provided  
5 by this section for voting in favor of the recall, the chief  
6 appraiser shall count the votes cast in favor of the recall. If  
7 only one taxing unit nominated the member for appointment to the  
8 board and that taxing unit votes in favor of the recall, the member  
9 is recalled and ceases to be a member of the board. If more than one  
10 taxing unit nominated the member for appointment to the board and a  
11 majority of those taxing units vote in favor of the recall [~~If the~~  
12 ~~number of votes in favor of the recall equals or exceeds a majority~~  
13 ~~of the votes cast for the member in the appointment of the board],  
14 the member is recalled and ceases to be a member of the board. The  
15 chief appraiser shall immediately notify in writing the presiding  
16 officer of the appraisal district board of directors and of the  
17 governing body of each taxing unit that voted in the recall election  
18 of the outcome of the recall election. If the presiding officer of  
19 the appraisal district board of directors is the member whose  
20 recall was voted on, the chief appraiser shall also notify the  
21 secretary of the appraisal district board of directors of the  
22 outcome of the recall election.~~

23 (d) A [~~If a~~] vacancy [~~occurs~~] on the board of directors that  
24 results from [~~after~~] the recall of a member of the board under this  
25 section is filled in the same manner a vacancy on the board is  
26 filled under Section 6.03, except that only the taxing units that  
27 were entitled to vote in the recall election may nominate a nominee

1 to replace the recalled ~~[shall appoint a new board]~~ member. [Each  
2 taxing unit is entitled to the same number of votes as it originally  
3 cast to appoint the recalled board member. Each taxing unit  
4 entitled to vote may nominate one candidate by resolution adopted  
5 by its governing body. The presiding officer of the governing body  
6 of the unit shall submit the name of the unit's nominee to the chief  
7 appraiser on or before the 30th day after the date it receives  
8 notification from the chief appraiser of the result of the recall  
9 election. On or before the 15th day after the last day provided for  
10 a nomination to be submitted, the chief appraiser shall prepare a  
11 ballot, listing the candidates nominated alphabetically according  
12 to each candidate's surname, and shall deliver a copy of the ballot  
13 to the presiding officer of the governing body of each taxing unit  
14 that is entitled to vote. On or before the 15th day after the date  
15 on which a taxing unit's ballot is delivered, the governing body of  
16 the taxing unit shall determine its vote by resolution and submit it  
17 to the chief appraiser. On or before the 15th day after the last day  
18 on which a taxing unit may vote, the chief appraiser shall count the  
19 votes, declare the candidate who received the largest vote total  
20 appointed, and submit the results to the presiding officer of the  
21 governing body of the appraisal district and of each taxing unit in  
22 the district and to the candidates. The chief appraiser shall  
23 ~~resolve a tie vote by any method of chance.~~]

24 SECTION 5. Section 6.037, Tax Code, is amended to read as  
25 follows:

26 Sec. 6.037. PARTICIPATION OF CONSERVATION AND RECLAMATION  
27 DISTRICTS IN APPRAISAL DISTRICT MATTERS. In this title, a

1 reference to the taxing units entitled to nominate nominees for  
2 ~~[vote on the]~~ appointment as ~~[of]~~ appraisal district board members  
3 includes the conservation and reclamation districts participating  
4 in the appraisal district~~[, without regard to whether the~~  
5 ~~conservation and reclamation districts are currently entitled to do~~  
6 ~~so under Section 6.03(c)]~~. In a provision of this title other than  
7 Section 6.03 ~~[or 6.031]~~ that grants authority to a majority or other  
8 number of the taxing units entitled to nominate nominees for ~~[vote~~  
9 ~~on the]~~ appointment as ~~[of]~~ appraisal district directors, including  
10 the disapproval of the appraisal district budget under Section 6.06  
11 and the disapproval of appraisal district board actions under  
12 Section 6.10, the conservation and reclamation districts  
13 participating in the appraisal district are given the vote or  
14 authority of one taxing unit. That vote or authority is considered  
15 exercised only if a majority of the conservation and reclamation  
16 districts take the same action to exercise that vote or authority.  
17 Otherwise, the conservation and reclamation districts are treated  
18 in the same manner as a single taxing unit that is entitled to act  
19 but does not take any action on the matter.

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

22 (b) The acquisition or conveyance of real property or the  
23 construction or renovation of a building or other improvement by an  
24 appraisal district must be approved by the governing bodies of  
25 three-fourths of the taxing units entitled to nominate nominees for  
26 ~~[vote on the]~~ appointment as ~~[of]~~ board members. The board of  
27 directors by resolution may propose a property transaction or other

1 action for which this subsection requires approval of the taxing  
2 units. The chief appraiser shall notify the presiding officer of  
3 each governing body entitled to vote on the approval of the proposal  
4 by delivering a copy of the board's resolution, together with  
5 information showing the costs of other available alternatives to  
6 the proposal. On or before the 30th day after the date the  
7 presiding officer receives notice of the proposal, the governing  
8 body of a taxing unit by resolution may approve or disapprove the  
9 proposal. If a governing body fails to act on or before that 30th  
10 day or fails to file its resolution with the chief appraiser on or  
11 before the 10th day after that 30th day, the proposal is treated as  
12 if it were disapproved by the governing body.

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

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

27 (b) The board of directors shall hold a public hearing to

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

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

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

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

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

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

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

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

15 SECTION 10. Section 6.10, Tax Code, is amended to read as  
16 follows:

17 Sec. 6.10. DISAPPROVAL OF BOARD ACTIONS. If the governing  
18 bodies of two-thirds [~~a majority~~] of the taxing units entitled to  
19 nominate nominees for [~~vote on the~~] appointment as [~~of~~] board  
20 members adopt resolutions disapproving an action, other than  
21 adoption of the budget, by the appraisal district board of  
22 directors and file them with the secretary of the board within 15  
23 days after the action is taken, the action is revoked effective the  
24 day after the day on which the required number of resolutions is  
25 filed.

26 SECTION 11. The following provisions of the Tax Code are  
27 repealed:



- 1 (1) Sections 6.03(f), (h), and (i);
- 2 (2) Section 6.031;
- 3 (3) Section 6.033(e); and
- 4 (4) Section 6.034.

5 SECTION 12. (a) Appraisal district directors shall be  
6 appointed in each appraisal district as provided by Section 6.03,  
7 Tax Code, as amended by this Act, to serve terms that begin January  
8 1, 2022.

9 (b) The change in the manner of selection of appraisal  
10 district directors made by this Act does not affect the selection of  
11 appraisal district directors serving before January 1, 2022.

12 (c) The term of an appraisal district director serving on  
13 December 31, 2021, expires on January 1, 2022.

14 SECTION 13. (a) Except as provided by Subsection (b) of  
15 this section, this Act takes effect January 1, 2022.

16 (b) This section and Section 12 of this Act take effect  
17 September 1, 2021.