By: Bell of Montgomery

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H.B. No. 63

## A BILL TO BE ENTITLED

AN ACT

2 relating to the selection of the chief appraiser of an appraisal 3 district; authorizing a fee.

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

5 SECTION 1. Section 1.15, Tax Code, is amended to read as 6 follows:

Sec. 1.15. APPRAISERS FOR TAXING UNITS PROHIBITED. A
taxing unit may not employ any person for the purpose of appraising
property for taxation purposes [except to the extent necessary to
perform a contract under Section 6.05(b) of this code].

SECTION 2. Sections 5.041(c), (e-1), (e-3), (f), and (g), Tax Code, are amended to read as follows:

13 (c) The comptroller may contract with service providers to 14 assist with the duties imposed under Subsection (a), but the course required may not be provided by an appraisal district, the chief 15 appraiser of an appraisal district, an [or another] employee of an 16 appraisal district, a member of the board of directors of an 17 appraisal district, a member of an appraisal review board, or a 18 taxing unit. The comptroller may assess a fee to recover a portion 19 20 of the costs incurred for the training course, but the fee may not 21 exceed \$50 for each person trained. If the training is provided to an individual other than a member of an appraisal review board, the 22 23 comptroller may assess a fee not to exceed \$50 for each person 24 trained.

H.B. No. 63 1 (e-1) Τn addition to the course established under Subsection (a), the comptroller shall approve curricula and provide 2 3 materials for use in a continuing education course for members of an appraisal review board. The course must provide at least four 4 5 hours of classroom or distance training and education. The curricula and materials must include information regarding: 6 7 (1) the cost, income, and market data comparison 8 methods of appraising property; 9 (2) the appraisal of business personal property; 10 (3) the determination of capitalization rates for property appraisal purposes; 11 (4) the duties of an appraisal review board; 12 13 (5) the requirements regarding the independence of an 14 appraisal review board from the board of directors, [and] the chief 15 appraiser, and [other] employees of the appraisal district; 16 (6) the prohibitions against ex parte communications 17 applicable to appraisal review board members; (7) the Uniform Standards of Professional Appraisal 18 Practice; 19 the duty of the appraisal district to substantiate 20 (8) 21 the district's determination of the value of property; (9) the requirements regarding the equal and uniform 22 appraisal of property; 23 24 (10)the right of a property owner to protest the appraisal of the property as provided by Chapter 41; and 25 26 (11) a detailed explanation of each of the actions

described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413,

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H.B. No. 63 1 41.42, and 41.43 so that members are fully aware of each of the 2 grounds on which a property appraisal can be appealed.

3 (e-3) The comptroller may contract with service providers to assist with the duties imposed under Subsection (e-1), but the 4 5 course required by that subsection may not be provided by an appraisal district, the chief appraiser of an appraisal district, 6 an [or another] employee of an appraisal district, a member of the 7 8 board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may 9 10 assess a fee to recover a portion of the costs incurred for the continuing education course, but the fee may not exceed \$50 for each 11 12 person trained. If the training is provided to an individual other than a member of an appraisal review board, the comptroller may 13 14 assess a fee not to exceed \$50 for each person trained.

15 (f) The comptroller may not advise a property owner, a property owner's agent, [or] the chief appraiser of an appraisal 16 17 district, or an [another] employee of an appraisal district on a matter that the comptroller knows is the subject of a protest to the 18 19 appraisal review board. The comptroller may provide advice to an appraisal review board member as authorized by Subsection (a)(4) of 20 this section or Section 5.103 and may communicate with the chairman 21 of an appraisal review board or a taxpayer liaison officer 22 23 concerning a complaint filed under Section 6.052.

(g) Except during a hearing or other appraisal review board proceeding and as provided by Subsection (h) <u>of this section</u> and Section 6.411(c-1), the following persons may not communicate with a member of an appraisal review board about a course provided under

H.B. No. 63 1 this section or any matter presented or discussed during the course: 2 3 (1) the chief appraiser of the appraisal district for which the appraisal review board is established; 4 5 an [another] employee of the appraisal district (2) for which the appraisal review board is established; 6 7 (3) a member of the board of directors of the appraisal 8 district for which the appraisal review board is established; 9 (4) an officer or employee of a taxing unit that participates in the appraisal district for which the appraisal 10 review board is established; and 11 12 (5) an attorney who represents or whose law firm the appraisal district or a taxing unit 13 represents that 14 participates in the appraisal district for which the appraisal 15 review board is established. 16 SECTION 3. Section 5.042, Tax Code, is amended by adding 17 Subsection (b-1) to read as follows: (b-1) For purposes of removal under Chapter 87, Local 18 Government Code, "incompetency" in the case of a chief appraiser 19 includes the failure of the chief appraiser to complete, within the 20 period provided by Subsection (b) after the date the chief 21 appraiser is first elected or appointed, the course of training 22 23 required by Subsection (a). 24 SECTION 4. Section 5.043(e), Tax Code, is amended to read as 25 follows: 26 (e) The comptroller may contract with service providers to 27 assist with the duties imposed under Subsection (b), but the

1 training program may not be provided by an appraisal district, the chief appraiser of an appraisal district, an [or another] employee 2 of an appraisal district, a member of the board of directors of an 3 appraisal district, a member of an appraisal review board, or a 4 5 taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the training program, but the fee may not 6 exceed \$50 for each person trained. If the training is provided to 7 8 a person other than a person who has agreed to serve as an arbitrator under Chapter 41A, the comptroller may assess a fee not 9 to exceed \$50 for each person trained. 10

11 SECTION 5. Sections 6.035(a), (b), and (d), Tax Code, are 12 amended to read as follows:

(a) An individual is ineligible to serve on an appraisal
district board of directors <u>or</u> [and is disqualified from
employment] as chief appraiser if the individual:

16 related within (1) is the second degree by 17 consanguinity or affinity, as determined under Chapter 573, Government Code, to an individual who is engaged in the business of 18 19 appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in 20 proceedings under this title in the appraisal district; or 21

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

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

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

3 (b) A member of an appraisal district board of directors or a chief appraiser commits an offense if the board member or chief 4 appraiser continues to hold office [or the chief appraiser remains 5 employed] knowing that an individual related within the second 6 degree by consanguinity or affinity, as determined under Chapter 7 8 573, Government Code, to the board member or chief appraiser is engaged in the business of appraising property for compensation for 9 use in proceedings under this title or of representing property 10 owners for compensation in proceedings under this title in the 11 appraisal district in which the member or chief appraiser serves 12 [or the chief appraiser is employed]. An offense under this 13 14 subsection is a Class B misdemeanor.

(d) An appraisal performed by a chief appraiser in a private capacity or by an individual related within the second degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to the chief appraiser may not be used as evidence in a protest or challenge under Chapter 41 or an appeal under Chapter 42 concerning property that is taxable in the appraisal district in which the chief appraiser <u>serves</u> [is employed].

22 SECTION 6. The heading to Section 6.05, Tax Code, is amended 23 to read as follows:

Sec. 6.05. APPRAISAL OFFICE; CHIEF APPRAISER.
 SECTION 7. Sections 6.05(b), (c), and (d), Tax Code, are
 amended to read as follows:

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(b)

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The board of directors of an appraisal district may

1 contract with an appraisal office in another district [or with a
2 taxing unit in the district] to perform the duties of the appraisal
3 office for the district.

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4 The chief appraiser is the chief administrator of the (c) 5 appraisal office. The [Except as provided by Section 6.0501, the] chief appraiser is elected at the general election for state and 6 7 county officers by the voters of the county in which the appraisal district is established. The chief appraiser serves a two-year 8 term beginning January 1 of each odd-numbered year. To be eligible 9 to serve as chief appraiser, an individual must be a resident of the 10 county in which the appraisal district is established and must have 11 12 resided in the county for at least four years preceding the date the individual takes office [appointed by and serves at the pleasure of 13 14 the appraisal district board of directors. If a taxing unit 15 performs the duties of the appraisal office pursuant to a contract, the assessor for the unit is the chief appraiser. To be eligible to 16 be appointed or serve as a chief appraiser, a person must be 17 certified as a registered professional appraiser under Section 18 1151.160, Occupations Code, possess an MAI professional 19 designation from the Appraisal Institute, or possess an Assessment 20 21 Administration Specialist (AAS), Certified Assessment Evaluator (CAE), or Residential Evaluation Specialist (RES) professional 22 designation from the International Association of Assessing 23 24 Officers. A person who is eligible to be appointed or serve as a chief appraiser by having a professional designation described by 25 26 this subsection must become certified as a registered professional appraiser under Section 1151.160, Occupations Code, not later than 27

1 the fifth anniversary of the date the person is appointed or begins to serve as chief appraiser. A chief appraiser who is not eligible 2 3 to be appointed or serve as chief appraiser may not perform an action authorized or required by law to be performed by a chief 4 5 appraiser, including the preparation, certification, or submission of any part of the appraisal roll. Not later than January 1 of each 6 year, a chief appraiser shall notify the comptroller in writing 7 8 that the chief appraiser is either eligible to be appointed or serve as the chief appraiser or not eligible to be appointed or serve as 9 10 the chief appraiser].

The [Except as provided by Section 6.0501, the] chief 11 (d) 12 appraiser is entitled to compensation as provided by the budget adopted by the board of directors. The chief appraiser's 13 14 compensation may not be directly or indirectly linked to an 15 increase in the total market, appraised, or taxable value of property in the appraisal district. The [Except as provided by 16 Section 6.0501, the] chief appraiser may employ and compensate 17 professional, clerical, and other personnel as provided by the 18 19 budget, with the exception of a general counsel to the appraisal district. 20

21 SECTION 8. Section 6.052(g), Tax Code, as effective January 22 1, 2024, is amended to read as follows:

(g) Notwithstanding any other provision of this chapter, a taxpayer liaison officer or deputy taxpayer liaison officer acting under the taxpayer liaison officer's supervision does not commit an offense under this chapter if the officer or deputy communicates with the chief appraiser <u>of the appraisal district, an</u> [<del>or another</del>]

1 employee or agent of the appraisal district, a member of the 2 appraisal review board established for the appraisal district, a 3 member of the board of directors of the appraisal district, the 4 local administrative district judge, a property tax consultant, a 5 property owner, an agent of a property owner, or another person if 6 the communication is made in the good faith exercise of the 7 officer's statutory duties.

8 SECTION 9. Section 6.155(a), Tax Code, is amended to read as 9 follows:

(a) A member of the governing body, officer, or employee of a taxing unit commits an offense if the person directly or indirectly communicates with the chief appraiser or <u>an</u> [another] employee of the appraisal district in which the taxing unit participates for the purpose of influencing the value at which property in the district is appraised unless the person owns or leases the property that is the subject of the communication.

17 SECTION 10. Section 6.41, Tax Code, is amended by amending 18 Subsections (i) and (j) and adding Subsection (l) to read as 19 follows:

The [A] chief appraiser of the appraisal district, an 20 (i) [or another] employee or agent of the appraisal district, a member 21 of the appraisal review board for the appraisal district, a member 22 23 of the board of directors of the appraisal district, a property tax 24 consultant, or an agent of a property owner commits an offense if the person communicates with the local administrative district 25 26 judge regarding the appointment of appraisal review board This subsection does not apply to: 27 members.

(1) a communication between a member of the appraisal
 review board and the local administrative district judge regarding
 the member's reappointment to the board;

4 (2) a communication between the taxpayer liaison 5 officer for the appraisal district and the local administrative 6 district judge in the course of the performance of the officer's 7 clerical duties so long as the officer does not offer an opinion or 8 comment regarding the appointment of appraisal review board 9 members;

(3) a communication between <u>the</u> [<del>a</del>] chief appraiser <u>of</u> the appraisal district, an [<del>or another</del>] employee or agent of the appraisal district, a member of the appraisal review board for the appraisal district, or a member of the board of directors of the appraisal district and the local administrative district judge regarding information relating to or described by Subsection (d-1), (d-5), or (f) of this section or Section 411.1296, Government Code;

(4) a communication between a property tax consultant or a property owner or an agent of the property owner and the taxpayer liaison officer for the appraisal district regarding information relating to or described by Subsection (f)[. The taxpayer liaison officer for the appraisal district shall report the contents of the communication relating to or described by Subsection (f) to the local administrative district judge]; or

(5) a communication between a property tax consultant
or a property owner or an agent of the property owner and the local
administrative district judge regarding information relating to or
described by Subsection (f).

<u>The</u> [A] chief appraiser <u>of an appraisal district</u> or <u>an</u> 1 (j) [another] employee or agent of an appraisal district commits an 2 3 offense if the person communicates with a member of the appraisal review board for the appraisal district, a member of the board of 4 directors of the appraisal district, or the local administrative 5 district judge regarding a ranking, scoring, or reporting of the 6 percentage by which the appraisal review board or a panel of the 7 8 board reduces the appraised value of property.

9 <u>(1) The taxpayer liaison officer for an appraisal district</u> 10 <u>shall report the contents of a communication described by</u> 11 <u>Subsection (i)(4) to the local administrative district judge.</u>

SECTION 11. Sections 6.411(a), (b), and (c-1), Tax Code, are amended to read as follows:

(a) A member of an appraisal review board commits an offense
if the member communicates with the chief appraiser <u>of</u>, an [<del>or</del>
another] employee <u>of</u>, or a member of the board of directors of the
appraisal district for which the appraisal review board is
established in violation of Section 41.66(f).

19 (b) The [A] chief appraiser of an appraisal district, an [or 20 another] employee of an appraisal district, a member of a board of directors of an appraisal district, or a property tax consultant or 21 attorney representing a party to a proceeding before the appraisal 22 23 review board commits an offense if the person communicates with a 24 member of the appraisal review board established for the appraisal district with the intent to influence a decision by the member in 25 26 the member's capacity as a member of the appraisal review board.

27 (c-1) This section does not apply to communications with a

1 member of an appraisal review board by the chief appraiser <u>of an</u> 2 <u>appraisal district, an</u> [or <u>another</u>] employee <u>of an appraisal</u> 3 <u>district,</u> [or] a member of the board of directors of an appraisal 4 district, or a property tax consultant or attorney representing a 5 party to a proceeding before the appraisal review board:

6 (1) during a hearing on a protest or other proceeding7 before the appraisal review board;

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(2) that constitute social conversation;

9 (3) that are specifically limited to and involve 10 administrative, clerical, or logistical matters related to the 11 scheduling and operation of hearings, the processing of documents, 12 the issuance of orders, notices, and subpoenas, and the operation, 13 appointment, composition, or attendance at training of the 14 appraisal review board; or

15 (4) that are necessary and appropriate to enable the 16 board of directors of the appraisal district to determine whether 17 to appoint, reappoint, or remove a person as a member or the 18 chairman or secretary of the appraisal review board.

SECTION 12. Section 22.28(d), Tax Code, is amended to read as follows:

(d) To help defray the costs of administering this chapter, a collector who collects a penalty imposed under Subsection (a) shall remit to the appraisal district <u>of</u> [that employs] the chief appraiser who imposed the penalty an amount equal to five percent of the penalty amount collected.

26 SECTION 13. Section 42.21(d), Tax Code, is amended to read 27 as follows:

1 (d) An appraisal district is served by service on the chief appraiser at any time or by service on any other officer or an 2 3 employee of the appraisal district present at the appraisal office at a time when the appraisal office is open for business with the 4 public. An appraisal review board is served by service on the 5 chairman of the appraisal review board. Citation of a party is 6 issued and served in the manner provided by law for civil suits 7 8 generally.

9 SECTION 14. Section 144.001, Election Code, is amended to 10 read as follows:

11 Sec. 144.001. APPLICABILITY OF CHAPTER. (a) Except as 12 provided by Subsection (b), this [This] chapter applies to a 13 candidate for an office of a political subdivision other than a city 14 or county.

(b) This chapter does not apply to a candidate for chief
appraiser of an appraisal district.

SECTION 15. Section 172.001, Election Code, is amended to read as follows:

Sec. 172.001. NOMINATING ΒY 19 PRIMARY ELECTION REQUIRED. Except as otherwise provided by this code, a political 20 party's nominees in the general election for the chief appraiser of 21 an appraisal district, offices of state and county government, and 22 offices of the United States Congress must be nominated by primary 23 24 election, held as provided by this code, if the party's nominee for governor in the most recent gubernatorial general election received 25 26 20 percent or more of the total number of votes received by all candidates for governor in the election. 27

H.B. No. 63 1 SECTION 16. Section 172.002(a), Election Code, is amended 2 to read as follows:

Except as otherwise provided by this code, a political 3 (a) party's nominees in the general election for the chief appraiser of 4 5 an appraisal district, offices of state and county government, and offices of the United States Congress may be nominated by primary 6 election, held as provided by this code, if the party's nominee for 7 8 governor in the most recent gubernatorial general election received at least two percent but less than 20 percent of the total number of 9 votes received by all candidates for governor in the election. 10

SECTION 17. Section 172.024(a), Election Code, as effective September 1, 2023, is amended to read as follows:

(a) The filing fee for a candidate for nomination in thegeneral primary election is as follows:

15 16 (2) office elected statewide, except United States 17 (3) 18 19 (4) 20 (5) 21 (6) chief justice or justice, court of appeals, other 22 (7) 23 24 (8) chief justice or justice of a court of appeals that 25 serves a court of appeals district in which a county with a 26 population of more than 1.2 million is wholly or partly 27

H.B. No. 63 1 (9) district judge or judge specified by Section 52.092(d) for which this schedule does not otherwise prescribe a 2 3 (10) district or criminal district judge of a court in 4 5 a judicial district wholly contained in a county with a population 6 7 (11)judge, statutory county court, other than a judge 8 9 (12) judge of a statutory county court in a county with 10 11 (13) district attorney, criminal district attorney, 12 or county attorney performing the duties of a district 13 14 (14) county commissioner, district clerk, county 15 clerk, sheriff, county tax assessor-collector, county treasurer, or judge, constitutional county court: 16 17 (A) county with a population of 200,000 or 18 19 (B) county with a population of under 20 21 (15) justice of the peace or constable: (A) county with a population of 200,000 or 22 23 24 (B) county with a population of under 25 26 (17) office of the county government for which this 27

1 2 (18) chief appraiser of an appraisal district: (A) county with a population of 200,000 or 3 4 more . (B) county with a population of 5 under 6 7 SECTION 18. Section 172.025, Election Code, is amended to 8 read as follows: 9 Sec. 172.025. NUMBER OF PETITION SIGNATURES REQUIRED. The 10 minimum number of signatures that must appear on the petition authorized by Section 172.021(b) is: 11 5,000, for a statewide office; or 12 (1)for a district, county, appraisal district, or 13 (2) 14 precinct office, the lesser of: 15 (A) 500; or 16 (B) two percent of the total vote received in the 17 district, county, appraisal district, or precinct, as applicable, by all the candidates for governor in the most recent gubernatorial 18 general election, unless that number is under 50, in which case the 19 required number of signatures is the lesser of: 20 21 (i) 50; or (ii) 20 percent of that total vote. 2.2 Section 181.002, Election Code, is amended to 23 SECTION 19. 24 read as follows: 25 Sec. 181.002. NOMINATING ΒY CONVENTION AUTHORIZED. А 26 political party may make nominations for the general election for state and county officers and the chief appraiser of an appraisal 27

1 <u>district</u> by convention, as provided by this chapter, if the party is 2 authorized by Section 172.002 to make nominations by primary 3 election.

4 SECTION 20. Section 181.003, Election Code, is amended to 5 read as follows:

6 Sec. 181.003. NOMINATING BY CONVENTION REQUIRED. A 7 political party must make nominations for the general election for 8 state and county officers <u>and the chief appraiser of an appraisal</u> 9 <u>district</u> by convention, as provided by this chapter, if the party is 10 not required or authorized to nominate by primary election.

SECTION 21. Section 181.0311(a), Election Code, is amended to read as follows:

13 (a) In addition to any other requirements, to be considered14 for nomination by convention, a candidate must:

(1) pay a filing fee to the secretary of state for a
statewide, [<del>or</del>] district, or appraisal district office or the
county judge for a county or precinct office; or

18 (2) submit to the secretary of state for a statewide, 19 [or] district, or appraisal district office or the county judge for 20 a county or precinct office a petition in lieu of a filing fee that 21 satisfies the requirements prescribed by Subsection (e) and Section 22 141.062.

23 SECTION 22. Section 181.032(a), Election Code, is amended 24 to read as follows:

(a) An application for nomination by a convention must be26 filed with:

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(1) the state chair, for a statewide<u>,</u> [<del>or</del>] district<u>,</u>

## 1 or appraisal district office; or

2 (2) the county chair, for a county or precinct office.
3 SECTION 23. Section 181.061(c), Election Code, is amended
4 to read as follows:

5 (c) A party nominating by convention must make its nominations for county and precinct offices, [and] for offices of 6 districts not situated in more than one county, and for offices of 7 8 appraisal districts at county conventions held on the first Saturday after the second Tuesday in March. A county convention 9 consists of delegates selected at precinct conventions held on the 10 second Tuesday in March in the regular county election precincts. 11

SECTION 24. Section 87.041(a), Local Government Code, is amended to read as follows:

14 (a) The commissioners court of a county may fill a vacancy15 in the office of:

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- (1) county judge;
- 17 (2) county clerk;
- 18 (3) district and county clerk;
- 19 (4) sheriff;
- 20 (5) county attorney;
- 21 (6) county treasurer;
- 22 (7) county surveyor;
- 23 (8) county tax assessor-collector;
- 24 (9) justice of the peace; [<del>or</del>]
- 25 (10) constable<u>; or</u>
- 26 <u>(11) chief appraiser</u>.
- 27 SECTION 25. Section 1151.164, Occupations Code, is amended

1 to read as follows:

2 Sec. 1151.164. CHIEF APPRAISER TRAINING PROGRAM. (a) The 3 department shall implement a training program for newly <u>elected or</u> 4 appointed chief appraisers and shall prescribe the curriculum for 5 the training program as provided by this section.

6 (b) The training program must provide the <u>chief appraiser</u>
7 [appointee] with information regarding:

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(1) this chapter;

9 (2) the programs operated by the department;

(3) the role and functions of the department;

11 (4) the rules of the commission, with an emphasis on 12 the rules that relate to ethical behavior;

13 (5) the role and functions of the chief appraiser, the 14 appraisal district board of directors, and the appraisal review 15 board;

16 (6) the importance of maintaining the independence of17 an appraisal office from political pressure;

18 (7) the importance of prompt and courteous treatment19 of the public;

(8) the finance and budgeting requirements for an
 appraisal district, including appropriate controls to ensure that
 expenditures are proper; and

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(9) the requirements of:

24 (A) the open meetings law, Chapter 551,
25 Government Code;

26 (B) the public information law, Chapter 552,
27 Government Code;

(C) the administrative procedure law, Chapter
 2001, Government Code;

3 (D) other laws relating to public officials,
4 including conflict-of-interest laws; and

5 (E) the standards of ethics imposed by the6 Uniform Standards of Professional Appraisal Practice.

7 SECTION 26. Sections 5.042(c) and 6.0501, Tax Code, are 8 repealed.

9 SECTION 27. (a) Chief appraisers shall be elected as 10 provided by Section 6.05, Tax Code, as amended by this Act, 11 beginning with the primary and general elections conducted in 2024. 12 Chief appraisers then elected take office January 1, 2025.

The change in the manner of selection of 13 (b) chief 14 appraisers made by this Act does not affect the selection of a chief 15 appraiser who is appointed by the appraisal district board of directors before January 1, 2024, and that person continues to 16 17 serve at the pleasure of the board of directors as provided by the former law until removed by the board of directors or until the 18 19 person elected as chief appraiser for the term that begins January 1, 2025, has qualified for office. 20

21 SECTION 28. (a) Except as otherwise provided by this 22 section, this Act takes effect January 1, 2025.

(b) This section and Sections 14, 15, 16, 17, 18, 19, 20, 21,
24 22, and 23 of this Act take effect on the 91st day after the last day
25 of the legislative session.