

## BILL ANALYSIS

Senate Research Center

H.B. 1229  
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Finance  
5/23/2009  
Engrossed

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 1229 relates to the governance and operation of appraisal districts and provides a penalty.

### RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 6.03, Tax Code, by amending Subsections (a)-(c), (k), and (l) and adding Subsections (a-1), (a-2), and (m), as follows:

(a) Provides that the appraisal district is governed by a board of seven directors. Provides that two directors are elected at the general election for state and county officers by the voters of the county in which the district is established and five directors are appointed by the taxing units that participate in the district as provided by this section. Makes a nonsubstantive change.

(a-1) Creates this subsection from existing text. Provides that the county assessor-collector serves as a nonvoting director if the county assessor-collector is not appointed to the board of directors.

(a-2) Creates this subsection from existing text. Requires an individual, to be eligible to serve on the board of directors, other than a county assessor-collector serving as a nonvoting director, to be a resident of the appraisal district and have resided in the district for at least two years immediately preceding the date the individual takes office. Requires an individual, to be eligible to be elected to the board, to be a resident of the county in which the district is established. Provides that an individual who is otherwise eligible to serve on the board as a member appointed by the taxing units participating in the district is not ineligible because of membership on the governing body of a taxing unit. Provides that an employee of a taxing unit that participates in the district is not eligible to serve on the board as a member appointed by the taxing units participating in the district unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district.

(b) Provides that the terms of directors elected at a general election begin on January 1 of odd-numbered years. Provides that the terms of directors appointed by the taxing units begin on January 1 of even-numbered years. Makes nonsubstantive changes.

(c) Provides that members of the board of directors, other than a county assessor-collector serving as a nonvoting director and other than the elected members, are appointed by vote of the governing bodies of the incorporated cities and town, the school districts, and, if entitled to vote, the conservation and reclamation districts that participate in the district and of the county.

(k) Requires the chief appraiser to count the votes, declare the five candidates who receive the largest cumulative vote totals appointed, rather than the largest cumulative vote totals elected, and submit the results before December 31 to the governing body of each taxing unit in the district and to the candidates.

(l) Authorizes each taxing unit that is entitled to vote by this section, if a vacancy occurs in an appointive position on the board of directors, other than a vacancy in the position held by a county assessor-collector serving as a nonvoting director, to nominate by resolution adopted by its governing body a candidate to fill the vacancy. Requires the board of directors to appoint, rather elect, by majority vote of its members one of the nominees to fill the vacancy.

(m) Require the board of directors, if a vacancy occurs in an elective position on the board of directors, to appoint by majority vote of its members a person to fill the vacancy. Requires a person appointed to fill a vacancy in an elective position to have the qualifications required of a director elected at a general election.

SECTION 2. Amends Section 6.031, Tax Code, as follows:

Sec. 6.031. New heading: CHANGES IN BOARD MEMBERSHIP. (a) Authorizes the board of directors of an appraisal district, by resolution adopted and delivered to each taxing unit participating in the district before May 15, rather than August 15, to increase the number of members on the board of directors of the district to not more than 13 or change the method or procedure for appointing the members appointed by the taxing units participating in the district, or both, unless the governing body of a taxing unit that is entitled to vote on the appointment of board members adopts a resolution opposing the change in the method or procedure for appointing those members and files it with the board of directors before June 1, rather than September 1. Requires the board, if a change in the method or procedure for appointing those members is rejected, to notify, in writing, each taxing unit participating in the district before June 15, rather than September 15. Makes nonsubstantive changes.

(b) Authorizes the taxing units participating in an appraisal district to increase the number of members on the board of directors of the district to not more than 13 or change the method or procedure for appointing the members appointed by the taxing units participating in the district, or both, if the governing bodies of three-fourths of the taxing units that are entitled to vote on the appointment of board members adopt resolutions providing for the change. Provides that, however, a change under this subsection in the method or procedure for selecting members appointed by the taxing units participating in the district is not valid if it reduces the voting entitlement of certain taxing units. Makes nonsubstantive changes.

(c) Requires that an official copy of a resolution under Subsection (b), rather than under this section, be filed with the chief appraiser of the appraisal district after May 30, rather than June 30, and before August 1, rather than October 1, of a year in which board members are appointed, or the resolution is ineffective.

(d) Requires the chief appraiser, before August 15, rather than before October 5 of each year in which board members are appointed, to determine whether a sufficient number of eligible taxing units have filed valid resolutions proposing a change under Subsection (b) for the change to take effect. Requires the chief appraiser to notify each taxing unit participating in the district of each change that is adopted before August 30, rather than October 10. Provides that a change in the method or procedure for selecting members appointed by the taxing units participating in the district that is adopted takes effect on the date the chief appraiser notifies the taxing units of the change. Provides that an increase in the number of members of the board takes effect on January 1 of the first year after the date the chief appraiser notifies the taxing units of the increase.

(e) Requires at least one-half of the number of new members, if the number of members of the board is increased under this section, to be elected to the board in the manner provided by Section 6.03 (Board of Directors). Authorizes the board of directors by a majority vote of its members to increase the number of members to be elected to more than the minimum number required by this subsection.

(f) Creates this subsection from existing text. Provides that a change in selection of the board members appointed by the taxing units participating in the district, rather than a change in membership or selection, made as provided by this section remains in effect until changed in a manner provided by this section or rescinded by resolution of a majority of the governing bodies that are entitled to vote on appointment of board members under Section 6.03. Makes nonsubstantive changes.

(g) Redesignates existing Subsection (f) as Subsection (g). Makes nonsubstantive changes.

(h) Redesignates existing Subsection (g) as Subsection (h).

**SECTION 3.** Amends Subchapter A, Chapter 6, Tax Code, by adding Section 6.032, as follows:

**Sec. 6.032. BALLOT PROCEDURES FOR ELECTED DIRECTORS; FILING FEE.**

(a) Provides that Chapter 144 (Candidate for Office of Political Subdivision Other than County or City), Election Code, except as provided by this section, applies to a candidate for an elective position on an appraisal district board of directors.

(b) Requires that an application for a place on the ballot be filed with the county judge of the county in which the appraisal district is established and be accompanied by a filing fee of \$750 for a county with a population of less than 200,000 or \$1,250 for a county with a population of 200,000 or more.

(c) Authorizes a candidate's name to appear on the ballot only as an independent candidate.

(d) Requires that a filing fee received under this section be deposited in the county treasury to the credit of the county general fund.

**SECTION 4.** Amends Sections 6.033 and 6.037, Tax Code, as follows:

**Sec. 6.033. New heading: RECALL OF APPOINTED DIRECTOR.** (a) Authorizes the governing body of a taxing unit to call for the recall of a member of the board of directors of an appraisal district appointed by the taxing units participating in the district under Section 6.03 for whom the unit cast any of its votes in the appointment of the appointive board members. Makes a nonsubstantive change.

(b) Authorizes the governing body of a taxing unit that cast any of its votes in the appointment of the board for that member, on or before the 30th day after the date on which a resolution calling for the recall of a member of the board appointed by the taxing units participating in the district, to vote to recall the member by resolution submitted to the chief appraiser. Entitles each taxing unit to the same number of votes in the recall as it cast for that member in the member's appointment to the board, rather than in the appointment of the board.

(c) Provides that the member is recalled and ceases to be a member of the board if the number of votes in favor of the recall equals or exceeds a majority of the votes cast for the member in the member's appointment to the board, rather than in the appointment of the board.

(d) Requires the taxing units that were entitled to vote in the recall election, if a vacancy occurs on the board of directors after the recall of a member of the board under this section, to appoint a new board member to the vacancy.

(e) Authorizes the governing bodies of the taxing units that voted for or otherwise participated in the appointment of a member of the board, if the members are appointed by the taxing units participating in the districts to the board of directors of an appraisal district are appointed by a method or procedure adopted under Section 6.031, to recall that member and appoint a new member to the vacancy by

any method adopted by resolution of a majority of those governing bodies. Provides that the method of recall and appointing a new member to the vacancy, if the appointment was by election by the taxing units participating in the district, is not valid unless it provides that each taxing unit is entitled to the same number of votes in the recall and in the appointment to fill the vacancy as the unit originally cast for the member being recalled. Makes nonsubstantive changes.

Sec. 6.037. PARTICIPATION OF CONSERVATION AND RECLAMATION DISTRICTS IN APPRAISAL DISTRICT MATTERS. Provides that the conservation and reclamation districts participating in the appraisal district are given the vote or authority of one taxing unit in a provision of this title other than Section 6.03 or 6.031 that grants authority to a majority or other number of the taxing units entitled to vote on the appointment of appraisal district directors, including the disapproval of the appraisal district budget under Section 6.06, rather than under the disapproval of the appraisal district budget under Section 6.06 and the disapproval of the appraisal district board actions under Section 6.10.

SECTION 5. Amends Sections 6.41(d), (e), and (f), Tax Code, as follows:

(d) Provides that members of the board are appointed by resolution of a majority of the appraisal district board of directors, except that the members of the board for an appraisal district established in a county with a population of 300,000 or more are appointed by order or resolution of the commissioners court of the county.

(e) Requires the board of directors or commissioners court, as applicable, in making the initial or subsequent appointment, to designate those members who serve terms of one year as needed to comply with this subsection.

(f) Authorizes a member of the board to be removed from the board by a majority vote of the appraisal district board of directors or commissioners court that appointed the member.

SECTION 6. Amends Section 6.411(c), Tax Code, as follows:

(a) Makes no changes to this subsection.

(b) Makes no changes to this subsection.

(c) Provides that this section does not apply to communications between the board and its legal counsel. Deletes existing text providing that this section does not apply to communications that do not discuss the specific evidence, argument, facts, merits, or property involved in a hearing currently pending before the appraisal review board.

(d) Provides that an offense under this section is a Class A misdemeanor, rather than a Class C misdemeanor.

SECTION 7. Amends Section 52.092, Election Code, by adding Subsection (k), to require the secretary of state to prescribe procedures for listing the office of appraisal district director on the ballot.

SECTION 8. Repealers: Sections 6.034 (Optional Staggered Terms for Board of Directors) and 6.10 (Disapproval of Board Actions), Tax Code.

SECTION 9. (a) Requires the appropriate number of appraisal district directors holding elective positions to be elected in each appraisal district as provided by Section 6.03, Tax Code, as amended by this Act, and Section 6.032, Tax Code, as added by this Act, beginning with the general election for state and county officers conducted in 2010. Provides that members then elected take office January 1, 2011.

(b) Provides that the change in law made by this Act does not affect the selection of appraisal district directors serving before January 1, 2011.

SECTION 10. (a) Requires the commissioners court of each county with a population of 300,000 or more, as soon as practicable on or after January 1, 2010, in the manner provided by Section 6.41, Tax Code, as amended by this Act, to appoint the members of the appraisal review board for the appraisal district established in the county. Requires the commissioners court, in making the initial appointments, to designate those members who serve terms of one year as necessary to comply with Section 6.41(e), Tax Code, as amended by this Act.

(b) Provides that the term of a member of an appraisal review board established in a county with a population of 300,000 or more serving on December 31, 2009, expires on January 1, 2010.

SECTION 11. Effective date, except as provided by Subsections (b) and (c) of this section: January 1, 2011.

(b) Effective date, Section 6.41, Tax Code, as amended by this Act: January 1, 2010.

(c) Effective date, Section 52.092, Election Code, as amended by this Act: September 1, 2009.