

SUBJECT: Allowing appraisal district board to determine number of ARB members

COMMITTEE: Local Government Ways and Means — favorable, without amendment

VOTE: 5 ayes — Hill, Hegar, Laubenberg, Puente, Quintanilla
0 nays
2 absent — McReynolds, Mowery

WITNESSES: For — Kathy Rodrigue, Texas Association of Appraisal Districts
Against — None
On — Dan Hart, Taxpayers for Equal Appraisal

BACKGROUND: Tax Code, sec. 6.01 requires each county to establish an appraisal district responsible for appraising property in the district for ad valorem tax purposes. Sec. 6.41 establishes a three-member appraisal review board (ARB) for each appraisal district. The district's board of directors by a majority resolution may enlarge the ARB to not more than nine members; or, in a district established for a county with a population of at least 250,000, to not more than 40 members; or, in a district established for a county with a population of at least 500,000, to not more than 75 members.

DIGEST: HB 193 would allow an appraisal district board of directors to increase the size of the ARB to the number of members the board of directors considered appropriate. This bill would take effect January 1, 2004.

SUPPORTERS SAY: HB 193 would authorize an appraisal district board of directors to appoint as many members to the ARB as the board deemed appropriate, regardless of the district's population. Different appraisal districts have different volumes of appraisal protests that are not a derivative of their population, and a district should be able to determine how many ARB members the district needs.

An appraisal district board of directors establishes the district's budget and is knowledgeable about the volume of protests within its own district. Each

district's board is therefore in the best position to calculate how many ARB members would serve that district best. Budget restrictions would keep the number of ARB members from becoming unreasonable.

Fast-growing counties that are still under 250,000 population are finding it difficult to function within the limit of nine ARB members. In recent years, some of these counties have had protests of more than 10 percent of their total taxable parcels. Under these circumstances, operating with a nine-member ARB becomes burdensome, forcing the review board to work almost around the clock to meet the demands of the protest period. This bill would offer relief for appraisal districts and for citizens awaiting protest review.

**OPPONENTS
SAY:**

The Legislature placed statutory restrictions on the number of ARB members to keep government in check. By changing current law so that the appraisal district's board could appoint as many ARB members as it wanted to, HB 193 could encourage more tax protests, including frivolous protests, adding to the expense of the review process. If the need for additional ARB members is dire, it would seem more suitable to structure an increase according to population brackets, as in current law.