

- SUBJECT:** Appointment of appraisal review board members by county judge
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 9 ayes — Oliveira, Otto, Bohac, Hilderbran, C. Howard, P. King, Paxton, Peña, Villarreal
- 1 nay — Hartnett
- 1 absent — Taylor
- WITNESSES:** For — (*Registered, but did not testify:* George Allen, Texas Apartment Association; Jason Skaggs, Texas and Southwestern Cattle Raisers Association)
- Against — None
- BACKGROUND:** Under Tax Code, sec. 6.41, members of an appraisal review board (ARB) are appointed by resolution of a majority of the board of directors of an appraisal district. A vacancy on an ARB is filled in the same manner for the unexpired portion of the term. ARB members hold office for terms of two years beginning January 1. The terms are staggered so that roughly half of appointments expire in any given year. The board of directors designates those members who serve terms of one year as necessary to ensure proper staggering of term expirations.
- A member of the ARB may be removed by a majority vote of the appraisal district board of directors. Grounds for removal are:
- a violation of eligibility requirements to serve on an ARB (Tax Code, sec. 6.412), interest in prohibited contracts (Tax Code, sec. 6.413), improper hearing procedures (Tax Code, sec. 41.66(f)), conflict of interest (Tax Code, sec. 41.69); or
  - good cause relating to the attendance of members at called meetings of the board as established by written policy adopted by a majority of the appraisal district board of directors.
- DIGEST:** HB 1229 would amend Tax Code, sec. 6.41, to remove the ability of an appraisal district's board of directors to appoint and remove ARB

members and would transfer that responsibility to the county judge of the county in which the appraisal district was located. As soon as possible on or after the effective date, each county judge would appoint the members of their respective ARB. The judge also would designate those members who would serve one year.

The terms of all ARB members serving on December 31, 2009, would expire on January 1, 2010.

The bill would take effect on January 1, 2010.

**SUPPORTERS  
SAY:**

HB 1229 would put a barrier between taxing entities and the ARB. When taxpayers want to challenge the appraised value of their homes, they must do so in front of a board appointed by the same entities that hope to collect taxes based on the challenged appraised values. Taxpayers perceive a conflict of interest and fear that taxing entities control the entire process, from property appraisal through appeals.

HB 1229 would place the responsibility of appointing ARB members with county judges. County judges are elected officials and are accountable to the voters. The current system of appointed boards is not responsible to the public, only to taxing entities. Because they know that they are constantly under voter scrutiny, county judges would appoint impartial and professional ARB members. While county judges represent the county, a taxing entity, Texas counties often have among the lowest property-tax rates of local taxing entities. As such, they would have less at stake than other elected officials in the area. Further, county judges represent entire counties, which almost always have the same jurisdictional boundaries as appraisal districts. This would ensure that everyone living in an appraisal district is represented during the appointment of ARB members.

**OPPONENTS  
SAY:**

HB 1229 would politicize the appointment of ARB members and potentially cause more problems than it would solve. HB 1229 would transfer appointment power to one individual, the county judge. Eventually, people would run for county judge on a platform that promised the appointment of ARB members who always would side with taxpayers. Alternatively, an ARB controlled by a county judge might keep property values artificially high, which would allow a county judge to avoid raising taxes and risking voter ire.

Under current law, ARB members are appointed by the board of directors of the appraisal district. The directors are appointed by the taxing units in a county, and are one step removed from the local government bodies that set tax rates. The board of directors represents a multitude of voices, and its selections represent a cross section of the community better than would the choices made by a single official. Appointment by a board also allows for scrutiny of choices by all board members and requires negotiation and compromise. Appointment by a single official does not require nor ensure these important procedural protections. The current boards are reasonably impartial, independent, and dispassionate and are a better alternative than an ARB controlled by a local elected official.