

- SUBJECT:** Appointment of appraisal district board by administrative district judge
- COMMITTEE:** Ways and Means — committee substitute recommended
- VOTE:** 9 ayes — Oliveira, Otto, Bohac, Hilderbran, C. Howard, P. King, Paxton, Peña, Taylor
- 0 nays
- 2 absent — Hartnett, Villarreal
- WITNESSES:** None
- BACKGROUND:** Under Tax Code, sec. 6.03, members of the board of directors of an appraisal district, other than a county assessor-collector serving as a nonvoting director, are appointed by the governing bodies of the county, the incorporated cities and towns, the school districts, and, if entitled to vote, the conservation and reclamation districts that participate in the district. Under sec. 6.41, the board of directors of the appraisal district appoints the members of the appraisal review board.
- DIGEST:** CSHB 1660 would amend Tax Code, sec. 6.03, to remove the ability of local taxing entities to appoint the board of directors of a county's central appraisal district and would transfer that responsibility to the local administrative district judge. The bill would remove the ability of an employee of a taxing entity to sit on the board of directors and would require that the administrative judge make appointments to fill any vacancy on the board. Five directors would be appointed in each appraisal district by the local administrative district judge.
- CSHB 1660 would repeal:
- sec. 6.03(c) through (k), which establishes procedures under which taxing entities vote for directors of an appraisal district;
  - sec. 6.031, which lays out the methods for changing the number of members on the board of directors or the method of their selection by taxing units;
  - sec. 6.033, which details methods for recalling directors;

- sec. 6.034, which contains rules for optional staggered terms of directors;
- sec. 6.037, which allows for the participation of conservation and reclamation districts in director elections under certain circumstances; and
- sec. 6.10, which allows for the veto of director actions by constituent taxing units.

CSHB 1660 also would make several conforming changes to the Tax Code that would remove references to taxing entities that are entitled to vote on appointment of board members under sec. 6.03.

The bill would not affect the selection of appraisal district directors serving before January 1, 2011. The term of an appraisal district director serving on December 31, 2010 would expire on January 1, 2011.

This bill would take effect on January 1, 2010.

**SUPPORTERS  
SAY:**

CSHB 1660 would place a wall between taxing entities and the board of directors that appoint the chief appraiser and the members of the appraisal review board. When taxpayers want to challenge the appraised values 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 the property appraisal through appeals.

CSHB 1660 would place the responsibility of appointing the members of the board of directors of an appraisal district with local administrative district judges. These judges are elected officials and are accountable to the voters. The current system of appointed boards is not responsible to the public, only to the taxing entities. Because they know that they are constantly under scrutiny, administrative district judges would appoint impartial and professional directors. An impartial board of directors is more likely to appoint impartial and professional ARB members. The board of directors would also be more likely to appoint an impartial chief appraiser. CSHB 1660 would clear up concerns of a conflict of interest on the board of directors as the members would be appointed or elected by an impartial third party.

Under CSHB 1660, everyone living in an appraisal district would be represented during the appointment of ARB members because administrative district judges are elected countywide and central appraisal districts almost always have the same jurisdictional boundaries as appraisal districts.

**OPPONENTS  
SAY:**

CSHB 1660 would politicize the appointment of an appraisal district's board of directors and could cause more problems than it would solve. CSHB 1660 would transfer appointment power to one individual, the district or administrative judge. Eventually, people would seek that office on a platform that promised the appointment of directors who always favored taxpayers.

Under current law, 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 appointed by different taxing entities represents a multitude of voices, and its choices represent a cross section of the community better than would a board appointed by a single official. Appointment of ARB members by a board appointed by different entities also allows for scrutiny of choices by all board members and requires negotiation and compromise. Appointment by a single official would not require nor ensure these important procedural protections. The current boards are reasonably impartial, independent, and dispassionate and are a better alternative than a board controlled by a lone local official.

**NOTES:**

The substitute differs from the bill as filed by removing provisions that would have required that one member of an ARB be elected countywide. The filed bill also would have established provisions detailing the election of this ARB member.

A related bill, HB 1229 by C. Howard, which would authorize the county judge to appoint the members of the appraisal review board, is on the May 8 General State Calendar.