

- SUBJECT:** Continuing education for appraisal review board members
- COMMITTEE:** Ways and Means — committee substitute recommended
- VOTE:** 10 ayes — Oliveira, Otto, Bohac, Hartnett, Hilderbran, C. Howard, P. King, Paxton, Taylor, Villarreal
- 0 nays
- 1 absent — Peña
- WITNESSES:** For — Jim Robinson, Texas Association of Appraisal Districts; Marc Ross, Texas Apartment Association; (*Registered, but did not testify:* Michael Amezcua, Bexar Appraisal Dist.; Justin Bragiel, Texas Hotel and Lodging Association; George Christian, Texas Taxpayers and Research Association; Doug DuBois, Texas Petroleum and C-Store Association; Daniel Gonzalez, Texas Association of Realtors; Dick Lavine, Center for Public Policy Priorities; James LeBas, Texas Oil and Gas Association, Koch Companies; Mark Mendez, Tarrant County; Cindy Segovia, Bexar County Commissioners Court)
- Against — None
- BACKGROUND:** Tax Code, sec. 5.041 directs the comptroller to prepare curricula and materials and supervise a course for training appraisal review board members. Members may not participate in a hearing conducted by an appraisal review board until they complete the course. The comptroller is allowed to contract with third parties to assist in program design and delivery. The course may not be provided by an appraisal district or a taxing unit. The comptroller may charge a fee of \$50 for each person trained.
- DIGEST:** CSHB 2317 would amend Tax Code, sec. 5.041 to establish a mandatory continuing education course for appraisal review board members. The course curricula and materials would have to include information regarding:
- the cost, income, and market data comparison methods of appraising property;

- the appraisal of business personal property;
- the determination of capitalization rates for property appraisal purposes;
- the duties of an appraisal review board;
- the requirements regarding the independence of an appraisal review board from the board of directors and the chief appraiser and other employees of the appraisal district;
- the prohibitions against ex parte communications applicable to appraisal review board members;
- the Uniform Standards of Professional Appraisal Practice;
- the duty of the appraisal district to substantiate the district's determination of the value of property; and
- the requirements regarding the equal and uniform appraisal of property.

CSHB 2317 would require an appraisal review board member to complete the continuing education course as soon as practicable after the beginning of the second year of the board member's term of office. A member who failed to timely complete the course would not be eligible for reappointment to an additional term on the appraisal review board. If the member was reappointed to an additional term on the appraisal review board, that person would have to complete the course each year the member continued to serve.

CSHB would allow the comptroller to contract with service providers to assist with course development and delivery. The comptroller would be allowed to assess a fee for the courses. The fee would not exceed \$50 per person trained. The course may not be provided by an appraisal district or taxing unit.

CSHB 2317 also would amend Tax Code, sec. 5.041(a) to change the comptroller's orientation course for appraisal review board members to a comprehensive one.

CSHB 2317 also would amend Tax Code, sec. 6.42(a) to direct the board of directors of an appraisal district to select the a chairman and secretary of an appraisal review board from the appraisal review board members. CSHB 2317 also would encourage the board of directors to select a chairman who has a background in law and property appraisal.

The bill would take effect on September 1, 2009. This bill's training requirements would apply only to a term of office that expired on or after the effective date.

**SUPPORTERS
SAY:**

CSHB 2317 would promote uniformity in the property appraisal process throughout the state by implementing a single continuing education curriculum for all appraisal review board members in Texas. By assigning the training responsibility to the comptroller, CSHB 2317 would ensure that all appraisal review board members would be taught from a single curriculum. Requiring all appraisal review board members to take the course would increase professionalism and ability across the state.

Giving the comptroller responsibility for the training would promote the appearance and actual independence of the appraisal review board from the central appraisal district and from taxing entities. Too many taxpayers perceive the appraisal review board as lacking any real independence from the appraisal district. By making the comptroller, and not appraisal districts or taxing entities, responsible for continuing education, appraisal review board members would be exposed to current standards and viewpoints independent of those held by appraisal districts and taxing entities.

According to the LBB, CSHB 2317 would not be a significant cost to the state or local governments. The comptroller already runs an orientation training course for appraisal review board members. Further, the comptroller offers these courses at different locations throughout the state, reducing the travel time and distance for appraisal review board members. CSHB 2317 would not present a significant financial burden.

**OPPONENTS
SAY:**

CSHB 2317 would be an unfunded mandate requiring appraisal districts to pay fees for mandatory continuing education courses and reimburse their employees for associated travel costs.

NOTES:

The committee substitute differs from the filed bill in that it listed the specific curricula and materials that would have to be included in the continuing education course. An amendment to the substitute would remove the power of an appraisal review board to elect its chairman and secretary and would direct the board of directors of an appraisal district to select these officers.