

**TAX APPRAISAL DISTRICT
OF
BELL COUNTY**



**BOARD OF DIRECTOR'S
POLICY MANUAL**

FOREWORD

The Tax Appraisal District of Bell County is a political subdivision of the State created pursuant to Subchapter A of Chapter 6 – Local Administration, of the Property Tax Code. The district's primary responsibility is the development of an appraisal roll for use by taxing units in imposing ad valorem taxes on property in the district.

Generally, the appraisal district's boundaries are the same as the county's boundaries. A taxing unit that has boundaries extending into two or more counties may choose to participate in only one of the appraisal districts. In that event, the boundaries of the appraisal district chosen extend outside the county to the extent of the taxing unit's boundaries.

The costs of district operations, as established by an annual budget, are allocated to the various participating taxing units based upon their relative tax levy.

A majority of the taxing units entitled to vote in the selection of the board of directors have the authority to veto the appraisal district's budget and any other action of the board of directors.

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SECTION I BOARD OF DIRECTORS

The Tax Appraisal District of Bell County is governed by a board of seven directors. Directors are appointed by the entity's governing bodies as follows: City of Temple, one member; Temple Independent School District, one member; City of Killeen, one member; Killeen Independent School District, one member; City of Belton and Belton Independent School District one member, Bell County, one member; all other eligible entities, one member.

ELIGIBILITY

To be eligible to serve on the Board of Directors, an individual must be a resident of the Tax Appraisal District of Bell County and must have resided in the district for at least two years immediately preceding the date the individual takes office. An elected official or a member of the governing body of a taxing unit in the appraisal district may serve as a director. An employee of a taxing unit that participates in the Tax Appraisal District of Bell County is not eligible to serve as a director, unless such individual is also a member of the governing body or an elected official of a taxing unit that participates in the district.

An individual is prohibited from serving on the board of directors and is disqualified from employment as chief appraiser if the individual is related to a person who is in the business of appraising property for compensation for use in proceedings or represents property owners for a fee in proceedings in the appraisal district. Relatives barred are those within the second degree by consanguinity (blood) or affinity (marriage), as determined under Article 5996h, Revised Statutes.

The Chief Appraiser may not employ any individual related to a member of the board of directors within the second degree by affinity as determined under Article

5996h, Revised Statutes, or within the third degree by consanguinity as determined under Article 5996h, Revised Statutes. A person commits an offense if the person intentionally or knowingly violates this subsection.

A person is ineligible to serve on the board of directors if the individual, or a business in which the individual has a substantial interest, enters into a contract with the appraisal district or a taxing unit in the district if the contract activity is governed by the code. Substantial interest is defined as the person and person's spouse having a combined ownership of a least ten percent (10%) of the voting stock or shares of a business, or the person or person's spouse is a partner, limited partner, or an officer of a business. An appraisal district is barred from contracting with a board member or a business entity in which a board member has a substantial interest. A taxing unit is prohibited from making a tax-related contract with a member of the board of directors or a business entity in which the member has a substantial interest.

TERM

Members of the board serve two-year terms beginning on January 1 of even-numbered years.

RECALL

The governing body of a taxing unit which appointed an individual to the board may initiate the recall of its representative. A taxing unit which appointed the board member may pass a resolution calling for the recall of that representative on the board.

OFFICERS OF THE BOARD

The officers of the board shall consist of a chairman and secretary who shall be selected by majority vote at the first regular meeting of each year. In the event of a vacancy of office, the office is filled at the first regular meeting following the vacancy.

The duties of the chairman shall include:

- Presiding at board meetings;
- Along with the secretary, signing all legal instruments requiring board signature;
and
- Performing legal duties as required by statute, and functions as designated by the board.

The chairman may vote on any matter coming before the board except as prohibited by statute.

The duties of the secretary shall include:

- Presiding at meetings in absence of the chairman;
- Along with the chairman, signing all legal instruments requiring board signature;
and
- Performing legal duties as required by statute, and functions as designated by the board.

If both the chairman and secretary are absent from a meeting, the remaining members shall select a temporary presiding officer by majority vote.

COMPENSATION

Members of the board may not receive compensation for service on the board, but are entitled to reimbursement for actual and necessary expenses incurred in the performance of their duties as provided by the budget adopted by the board.

MEETINGS

All meetings of the board shall be held in the board room of the district's office facility unless a different location is designated by board action and in the notice of meeting.

Meetings shall start promptly at the appointed hour or as soon thereafter as a quorum is present.

The regular meeting of the board shall be held the third Tuesday of each month beginning at 6:00 p.m. Special meetings or emergency meetings may be called by the chairman. Notices of meetings shall be posted as required by law. No business shall be transacted at the meeting except that for which the meeting is called.

A majority of the members of the board shall constitute a quorum for transaction of business.

Meetings shall be conducted in conformity to Roberts Rules of Order Revised unless otherwise directed by board policy.

The board shall have the authority to hold a closed or executive session without public admittance consistent with the requirements of law.

An agenda packet outlining the agenda and providing support information shall be prepared by the chief appraiser and mailed or delivered to the members at least forty-eight (48) hours before the time of the next regular meeting if possible. The packet shall include the minutes of the previous regular meeting. The minutes of the preceding meeting shall be approved by the board and signed by the secretary. The official minutes shall be kept by the chief appraiser in the office of the appraisal district.

CITIZEN PARTICIPATION [SEC. 6.04(D), (E), (F) AND (G)]

It shall be the policy of the board of directors to allow opportunities for the public to speak to the board on any issue under its jurisdiction. The agenda for the order of business for all regular meetings shall include an item to allow receipt of citizens' input on appraisal district policies and procedure.

The board of directors shall provide reasonable access to the board for a person who does not speak English or who has a physical, mental, or development disability.

Citizens will not be permitted to enter into discussion or debate as other agenda items are being considered by the board.

AUTHORITY OF THE BOARD

The board of directors shall establish general policies in keeping with the wishes of the community and the requirements of State law. Members of the board of directors shall exercise the authority of office only when acting as a board legally in session. The board shall not be bound by an statement or action on the part of an individual member. No individual member of the Board may exercise authority with respect to the operation of the District or services of District employees by virtue of his status as a Board Member.

The board may establish committees as needed to carry out its responsibilities. A majority vote of the members present will be required to establish a committee. The chairman shall appoint committee members.

DUTIES OF THE BOARD OF DIRECTORS INCLUDE:

1. ESTABLISHMENT OF AN APPRAISAL OFFICE (SECTION 6.05)

The administrative offices of the district shall be located at 411 East Central Avenue, Belton, Texas. The board has authorized branch offices in Temple and Killeen

to perform its duties and serve the public.

2. APPOINTMENT OF CHIEF APPRAISER (SECTION 6.05)

The board shall appoint a chief appraiser, who will serve at the pleasure of the board. The board shall provide for an annual performance review of the chief appraiser. The chief appraiser is an officer of the appraisal district for purposes of the nepotism law, Article 5996a, Revised Statutes. An appraisal district may not employ or contract with an individual or a spouse of an individual who is related to the chief appraiser within the first degree by consanguinity or affinity as determined under Article 5996h, Revised Statutes. (see additional information on page 15)

3. APPROVAL OF BUDGET (SECTION 6.06)

The chief appraiser, prior to March 15 of each year, shall prepare a preliminary budget and deliver copies to each board member and each participating taxing unit, with a request for their comments and recommendations.

The board shall consider and adopt the annual budget before June 15 of each year, after giving notice to the public and taxing units and conducting a public hearing as required by law.

4. ANNUAL FINANCIAL AUDIT (SECTION 6.063)

The board shall contract for an annual audit by an independent certified public accountant. A copy of the audit report shall be delivered to the presiding officers of the county, cities, and schools participating in the district.

5. DESIGNATION OF DEPOSITORY (SECTION 6.09)

The board shall solicit bids for the district depository at least once every four years and shall designate the institution(s) that offer the most favorable terms and conditions for the handling of district funds. The depository agreement shall be for a

two year term, renewable for an additional two years. Funds must be secured in the manner provided by law.

6. COMPETITIVE BIDDING REQUIREMENTS (SECTION 6.11)

The board may not make a contract requiring an expenditure of more than \$25,000 unless the proposed contract is submitted to competitive bidding. The board is subject to the same requirements and has the same powers regarding bidding matters as apply to cities under Chapter 252, Local Government Code. Exempt from this requirement are those items listed in Section 252.022 of this code.

7. APPOINTMENT OF AGRICULTURAL ADVISORY BOARD (SECTION 6.12)

The chief appraiser, with the advice and consent of the board, shall appoint an agricultural advisory board to advise the chief appraiser on the valuation and use of agricultural land.

The advisory board must consist of three or more members. One member must represent the Farm Services Agency, formerly known as the county agricultural stabilization and conservation service. The other members must own agricultural or timber land which qualifies for productivity valuation under Article VIII, Sections 1-d or 1-d-1, of the Texas Constitution, and they must have resided in the appraisal district for at least five years. Appraisal district officers and employees are ineligible to serve. The advisory board is required to meet at least three times a year. Members will serve two-year, staggered terms and may not be compensated.

8. APPOINTMENT OF APPRAISAL REVIEW BOARD (SUBCHAPTER C OF CHAPTER 6 – LOCAL ADMINISTRATION, TAX CODE)

The appraisal review board shall consist of five members who serve two-year terms, three of whom shall be appointed one year and two the following year. An

individual who has served for all or part of three (3) previous terms on the appraisal review board is ineligible to serve on the appraisal review board. [Sec. 6.41(c)]

The board, in its selection process, will strive for representation for all areas of the district and various taxing units to the extent possible. It will consider any other factors that will make the appraisal review board a body representative of the Tax Appraisal District of Bell County. Appointments to the appraisal review board are made by resolution of the board of directors. A vacancy on the appraisal review board is filled in the same manner for the unexpired portion of the term. [Sec.6.41(d)] (see additional information on page 17)

9. APPRAISAL CONTRACTS [SECTION 25.01(B) AND (C)]

The board, with the approval of the chief appraiser, may contract with private appraisal firms to perform appraisal services for the district.

10. PERIODIC REAPPRAISAL (SECTION 25.18)

The board provides that the appraised values of all real property shall be reviewed and the appraised values updated, if necessary, each year.

SECTION II GENERAL POLICY FOR PUBLIC ACCESS TO BOARD OF DIRECTORS

ADDRESSING THE BOARD

It is the policy of the board of directors to provide the public with a reasonable opportunity to address the board on the subject of the policies and procedures of the appraisal district and on any issue under the board's jurisdiction. Generally, the board's statutory duties are:

- (a) Adopting the district's annual operating budget;
- (b) Contracting for necessary services;

- (c) Hiring the chief appraiser and assigning responsibilities to the position;
- (d) Making general policy regarding the operation of the appraisal district;
- (e) Appointing appraisal review board members.

At each regularly scheduled meeting, the chairman of the board shall announce that each person wishing to address the board on such policies, procedures or issues may have five (5) minutes in which to do so. The board may vote to expand any person's time for speaking. If a large number of persons wish to speak to the board, the board may vote to reduce each person's time for speaking as may be reasonably necessary to allow the board to complete its business and adjourn the meeting at a reasonable time. The board may refuse to hear any person who attempts to speak on a subject unrelated to the policies and procedures of the appraisal district. [Section 6.04(d), Tax Code.]

If a person who does not speak English or who communicates by sign language wishes to address the board at a meeting, and that person is unable to provide an interpreter, the individual should notify the Chief Appraiser in writing at least three (3) business days prior to the meeting, and earlier if possible. Upon receiving such a notice, the Chief Appraiser shall arrange to have an interpreter at the meeting. [Refer to Section 6.04(e), Tax Code.] If a person has a disability and needs assistance to enter the appraisal district office building and board room, the individual should notify the chief appraiser in writing at least three (3) business days prior to the meeting. [Refer to Section 6.04(e), Tax Code.]

ACCESS BY DISABLED PERSONS

The chief appraiser has provided the following for disabled persons:

- a. Parking spaces for the handicapped located directly in front of the entrances.
- b. Rest rooms accessible to and equipped for the handicapped.
- c. Access to all public areas of the district's office.

POLICIES FOR RESOLVING COMPLAINTS (SECTION 6.052)

Consideration will be given to written complaints on any matter within the jurisdiction of the board of directors, except that a complaint may not be addressed to any of the grounds for challenge and protest before the appraisal review board as set out in Sections 41.03 and 41.41, Tax Code.

The board of directors for the Tax Appraisal District of Bell County shall appoint a taxpayer liaison officer to serve at the pleasure of the board. The taxpayer liaison officer shall administer the public access functions required by 6.04(d), (e), and (f), Property Tax Code, and is responsible for resolving disputes not involving matters that may be protested under Section 41.41 of the Tax Code.

The taxpayer liaison officer may provide information and materials designed to assist property owners in understanding the appraisal process, protest procedures, and related matters.

The taxpayer liaison officer shall report to the board at each meeting on the status of all complaints filed with the board under Section 6.04(g).

The board's deliberations at its meetings with respect to complaints shall occur in open session or executive session, as authorized by the Texas Open Meetings Act, Article 6252-17, Texas Revised Civil Statutes.

PUBLIC INFORMATION ABOUT THE BOARD OF DIRECTORS AND ABOUT COMPLAINTS

The Tax Appraisal District of Bell County, like other Texas appraisal districts, has two distinct boards working in conjunction with it; the board of directors and the appraisal review board.

The board of directors is the board ultimately responsible for governing the appraisal district. It consists of seven (7) people selected by the taxing units for which the appraisal district appraises property; e.g., cities, school districts, and the county. The directors serve two-year terms. The board of directors is responsible for approving the district's major administrative and financial decisions. The board of directors, for example, approves the district's budget and makes decisions concerning major contracts. The board of directors also selects the district's chief appraiser and the members of the appraisal review board. The board of directors, however, does not take an active roll in the appraisal of properties. Properties in the appraisal district are appraised by the chief appraiser and his staff. If a property owner has some complaint about the appraisal of his property in a particular year, he should discuss that problem with the appraisal district's staff, or file a formal protest before the appraisal review board.

The appraisal review board is responsible for hearing and resolving protests from property owners concerning appraisal of their properties. The appraisal review board's duties and a property owner's right to protest the appraisal of his property are more thoroughly explained in the pamphlet called Taxpayers' Rights, Remedies and Responsibilities available at the appraisal district's office.

While the appraisal review board considers protests about the appraisals of particular properties, the board of directors may consider other types of complaints from property owners and taxing units. If a property owner has a complaint about the appraisal district which cannot be resolved by the chief appraiser, the property owner should refer that complaint to the taxpayer liaison officer, who will investigate the matter and report to the board at a meeting. The taxpayer liaison officer will notify the property owner of the status of his complaint at least once each calendar quarter, and will notify the property owner of the final resolution of the complaint. [Refer to Section 6.04(g), Tax Code.]

SECTION III DISTRICT ADMINISTRATION

The chief appraiser is the chief administrator of the appraisal office. Appointed by the board of directors, the chief appraiser serves at the pleasure of the board and is directly accountable to the board in the discharge of duties and responsibilities. All other personnel of the appraisal office are employed by and accountable to the chief appraiser. The chief appraiser may delegate authority to his employees.

DUTIES AND RESPONSIBILITIES OF THE CHIEF APPRAISER

The chief appraiser coordinates and implements the goals and objectives established by board policy, provisions of the Property Tax Code, and other applicable laws and rules. The chief appraiser's responsibilities include numerous statutory responsibilities related to the development of appraisal rolls and for the administration of the appraisal office. Additionally, the chief appraiser is assigned duties by the board of directors necessary for conduct of board duties and implementation of board policy.

The chief appraiser shall:

- a. Establish a comprehensive program for conduct of all appraisal and collection activities and keep the board informed on the progress of appraisal and collection activities.
- b. Develop and implement sound administrative procedures for conduct of all district functions.
- c. Develop and implement an effective financial management system and provide reports to the board to allow evaluation of the district's fiscal affairs.
- d. Develop and implement an effective internal budget development system and prepare proposed appraisal and collection budgets by June 15 of each year.
- e. Serve as the district's spokesperson in providing information to news media, taxing units, and the general public on the operations of the appraisal district and provisions of the property tax laws.
- f. Prepare the agenda for each board meeting, attend all meetings, and provide staff recommendations for all appropriate board actions.
- g. In conjunction with district counsel, provide recommendations for board action on litigation.
- h. Develop and implement a personnel management system for job assignments, evaluations, hiring, staff policy and personnel related matters.
- i. Employ and compensate professional, clerical and other personnel as provided by the budget.

- j. Be entitled to appeal an order of the appraisal review board determining a taxpayer protest as provided by Subchapter C, Chapter 41 of the Tax Code (Sec. 42.02).

Discharge other duties as provided by the board and/or by law.

SECTION IV APPRAISAL REVIEW BOARD

The appraisal review board is responsible for the local administrative hearing of taxpayer protests and taxing unit challenges. (Secs. 6.41 through 6.43)

SELECTION

Members of the appraisal review board are appointed by the board of directors.

ELIGIBILITY

To serve on the appraisal review board an individual must be a resident of the appraisal district and must have resided in the district for at least two (2) years. A member of the board of directors or an officer or employee of the State Comptroller's Office, the appraisal office, or a taxing unit is ineligible to serve.

An individual is ineligible to serve if the individual is related within the second degree by consanguinity or affinity, as determined under Article 5996h, Revised Statutes, to an individual who appraises property for compensation for use in proceedings or representing property owners for compensation in proceedings in the appraisal district.

An individual is ineligible to serve if the individual or a business entity in which the individual has a substantial interest is a party to a contract with the appraisal district or with a taxing unit that participates in the appraisal district. An individual is considered as having substantial interest in a business entity if:

- a. the combined ownership of the individual and the individual's spouse is at least 10 percent of the voting stock or shares of the business entity; or
- b. the individual or the individual's spouse is a partner, limited partner, or officer of the business entity.

"Business entity" means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or other entity recognized by law.

TERMS

Members shall serve two-year, staggered terms with terms of as close to one-half of the members as possible expiring each year. An individual who has served for all or part of three (3) previous terms on the appraisal review board is ineligible to serve on the appraisal review board.

COMPENSATION

Appraisal review board members shall be compensated as set by the board of directors and as provided by the appraisal districts' budget.

DUTIES AND RESPONSIBILITIES

The appraisal review board is statutorily responsible for the hearing and determination of taxpayer protests and taxing unit challenges.

The chief appraiser may delegate appraisal office staff to provide clerical assistance to the appraisal review board.

The appraisal review board shall adopt rules of procedure.

SECTION V DEFINITIONS

References in this policy to "Section" are to the sections of the Texas Tax Code and references to "Articles" and "Revised Statutes" are to the Revised Statutes of the State of Texas.

SECTION VI CONFLICT WITH STATUTES

In the event of a conflict between the terms of this policy and a statute or code provision, the statute or code provision shall prevail.

SECTION VIII PERIODIC REVIEW

The policies stated herein shall be subject to periodic review by the Board of Directors.

Adopted this ____ day of _____, 2004 by the Board of Directors of the Tax Appraisal District of Bell County.

Chairman, Board of Directors

Attest: _____
Secretary, Board of Directors

**TAX APPRAISAL DISTRICT
OF BELL COUNTY**

411 EAST CENTRAL AVENUE
BELTON, TEXAS 76513

BOARD OF DIRECTORS

ROYCE MATKIN, CHAIRMAN
JACQUELYN McLAUGHLIN, SECRETARY
DELL MARTIN
CARL BOZON
BILL KLIEWER
JERRY PICKLE
PAT PATTERSON

CHIEF APPRAISER

MARVIN F. HAHN, JR.

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**TAX APPRAISAL DISTRICT
OF BELL COUNTY
2010 BUDGET**

SUMMARY OF REVENUES BASED ON 2008 LEVIES

REVENUES

**TAX APPRAISAL DISTRICT
OF BELL COUNTY
ESTIMATED TAXING UNIT ALLOCATION SCHEDULE
BASED ON 2008 TAX LEVIES**

| TAX UNIT | 2008 Appraisal Levy BellCAD | Percent of Total Levy | Appraisal Budget Allocation Bell CAD | Collection Levy All CADs | Percent Of Total Levy | Collection Budget Allocation | 2010 PROPOSED BUDGET ALLOCATION |
|---------------------|--------------------------------------|--------------------------|---|--------------------------------|--------------------------|------------------------------------|--|
| Bell County | \$51,190,886 | 0.1843129210 | \$445,048 | \$51,190,886 | 0.1852051933 | \$172,269 | \$617,317 |
| Bell County WCID#2 | \$0 | 0.0000000000 | \$0 | \$0 | 0.0000000000 | \$0 | \$0 |
| Academy ISD | \$2,238,141 | 0.0080584326 | \$19,458 | \$2,238,141 | 0.0080974441 | \$7,532 | \$26,990 |
| Bartlett City | \$243,394 | 0.0008763407 | \$2,116 | \$243,394 | 0.0008805832 | \$819 | \$2,935 |
| Bartlett ISD | \$930,552 | 0.0033504549 | \$8,090 | \$930,552 | 0.0033666747 | \$3,132 | \$11,222 |
| Belton City | \$4,549,592 | 0.0163808181 | \$39,554 | \$4,549,592 | 0.0164601188 | \$15,310 | \$54,864 |
| Belton ISD | \$25,678,217 | 0.0924544885 | \$223,243 | \$25,678,217 | 0.0929020674 | \$86,413 | \$309,656 |
| Bruceville-Eddy ISD | \$25,181 | 0.0000906643 | \$219 | \$0 | 0.0000000000 | \$0 | \$219 |
| Copperas Cove ISD | \$740,425 | 0.0026659022 | \$6,437 | \$0 | 0.0000000000 | \$0 | \$6,437 |
| Central Tx College | \$8,837,638 | 0.0318199391 | \$76,833 | \$8,837,638 | 0.0319739817 | \$29,741 | \$106,574 |
| Donahoe Creek | \$9,432 | 0.0000339599 | \$82 | \$9,432 | 0.0000341243 | \$32 | \$114 |
| Elm Creek | \$156,406 | 0.0005631402 | \$1,360 | \$156,406 | 0.0005658664 | \$526 | \$1,886 |
| Florence ISD | \$453,750 | 0.0016337281 | \$3,945 | \$0 | 0.0000000000 | \$0 | \$3,945 |
| Gatesville ISD | \$5,930 | 0.0000213510 | \$52 | \$0 | 0.0000000000 | \$0 | \$52 |
| Harker Hts-City | \$8,552,794 | 0.0307943575 | \$74,357 | \$8,552,793 | 0.0309434316 | \$28,782 | \$103,139 |
| Holland - City | \$117,102 | 0.0004216261 | \$1,018 | \$117,102 | 0.0004236672 | \$394 | \$1,412 |
| Holland ISD | \$1,108,424 | 0.0039908836 | \$9,637 | \$1,108,424 | 0.0040102037 | \$3,730 | \$13,367 |
| Killeen - City | \$30,566,865 | 0.1100560786 | \$265,745 | \$30,566,865 | 0.1105888681 | \$102,864 | \$368,609 |
| Killeen ISD | \$65,968,263 | 0.2375189061 | \$573,520 | \$65,968,263 | 0.2386687525 | \$221,998 | \$795,518 |
| Lampasas ISD | \$75,135 | 0.0002705238 | \$653 | \$0 | 0.0000000000 | \$0 | \$653 |
| Moody ISD | \$1,262,296 | 0.0045449001 | \$10,974 | \$1,262,296 | 0.0045669023 | \$4,248 | \$15,222 |
| Morgans Pt. Resort | \$1,366,130 | 0.0049187547 | \$11,877 | \$1,366,130 | 0.0049425667 | \$4,597 | \$16,474 |
| Nolanville - City | \$668,697 | 0.0024076453 | \$5,814 | \$668,697 | 0.0024193009 | \$2,250 | \$8,064 |
| Rogers - City | \$216,602 | 0.0007798761 | \$1,883 | \$216,602 | 0.0007836515 | \$729 | \$2,612 |
| Rogers ISD | \$1,888,591 | 0.0067998769 | \$16,419 | \$1,888,591 | 0.0068327956 | \$6,356 | \$22,775 |
| Rosebud-Lott ISD | \$37,655 | 0.0001355769 | \$327 | \$0 | 0.0000000000 | \$0 | \$327 |
| Salado ISD | \$7,465,249 | 0.0268786489 | \$64,902 | \$7,465,249 | 0.0270087704 | \$25,122 | \$90,024 |
| Salado Village | \$97,826 | 0.0003522228 | \$850 | \$97,826 | 0.0003539279 | \$329 | \$1,179 |
| Temple - City | \$17,870,169 | 0.0643415909 | \$155,361 | \$17,870,169 | 0.0646530733 | \$60,137 | \$215,498 |
| Temple ISD | \$34,234,921 | 0.1232629240 | \$297,634 | \$34,234,921 | 0.1238596488 | \$115,208 | \$412,842 |
| Temple College | \$6,833,459 | 0.0246038873 | \$59,409 | \$6,833,459 | 0.0247229965 | \$22,996 | \$82,405 |
| Troy - City | \$311,194 | 0.0011204548 | \$2,705 | \$311,194 | 0.0011258790 | \$1,047 | \$3,752 |
| Troy ISD | \$3,516,658 | 0.0126617365 | \$30,573 | \$3,516,658 | 0.0127230329 | \$11,834 | \$42,407 |
| Clearwater UWCD | \$521,424 | 0.0018773885 | \$4,533 | \$521,424 | 0.0018864771 | \$1,755 | \$6,288 |
| Totals | \$277,738,998 | 1.0000000 | \$2,414,630 | \$276,400,921 | 1.0000000 | \$930,150 | \$3,344,780 |

| | |
|---|--------------------|
| TOTAL COLLECTION SHARED REVENUE FOR 2010 FISCAL YEAR BUDGET | \$930,150 |
| TOTAL APPRAISAL SHARED REVENUE FOR 2010 FISCAL YEAR BUDGET | \$2,414,630 |
| GRAND TOTAL SHARED REVENUE FOR 2010 FISCAL YEAR BUDGET | \$3,344,780 |
| ESTIMATED MISCELLANEOUS INCOME | \$230,000 |
| TOTAL FOR ADOPTED BUDGET | \$3,574,780 |

**TAX APPRAISAL DISTRICT
OF BELL COUNTY
2010 BUDGET**

EXPENDITURES

CATEGORY TOTALS

| ACCOUNT NAMES | 2009 BUDGET | 2010 BUDGET |
|-----------------------|------------------|------------------|
| SALARIES | 1,836,750 | 1,860,000 |
| PAYROLL BURDEN | 696,000 | 780,000 |
| CONTRACTUAL | 80,600 | 80,600 |
| OFFICE SPACE | 145,130 | 110,130 |
| CAPITAL EXPENDITURES | 85,000 | 60,000 |
| SUPPLIES | 65,000 | 65,500 |
| OTHER EXPENSES | 332,000 | 364,500 |
| PROFESSIONAL SERVICES | 260,200 | 254,050 |
| | | |
| TOTAL | 3,500,680 | 3,574,780 |

| | |
|--------------|------------------|
| BY FUNCTION: | |
| APPRAISAL | 2,133,800 |
| COLLECTIONS | 930,150 |
| MAPPING | 510,830 |
| TOTAL | 3,574,780 |

**TAX APPRAISAL DISTRICT
OF BELL COUNTY
2010 BUDGET**

**SALARIES
RETIREMENT
HEALTH INSURANCE
LONGEVITY
FICA
WORKERS' COMPENSATION**

SALARIES & PAYROLL BURDEN

SALARIES AND PAYROLL BURDEN

| ACCOUNT NAMES | 2009 BUDGET | 2010 BUDGET |
|---|------------------|------------------|
| SALARIES | 1,836,750 | 1,860,000 |
| A position and salary listing is included on page __20__ of this budget. | | |
| RETIREMENT and DEFERRED COMPENSATION | 170,000 | 180,000 |
| TADBC participates in the Texas County and District Retirement System. | | |
| LONGEVITY | 100,000 | 105,000 |
| HEALTH INSURANCE | 300,000 | 365,000 |
| TADBC provides health, dental and vision coverage for all regular employees and retirees with fifteen or more years of service. | | |
| UNEMPLOYMENT INSURANCE | 5,000 | 5,000 |
| TADBC provides unemployment insurance for its employees. The 2009 rate is: 0.0008 | | |
| FICA | 110,000 | 115,000 |
| Employees of TADBC participate in the Social Security program required by federal law. | | |
| WORKERS' COMPENSATION | 11,000 | 10,000 |
| Employees of TADBC are covered by the district's workers' compensation insurance program. | | |
| TOTAL | 2,532,750 | 2,640,000 |

| | |
|---------------------|------------------|
| BY FUNCTION: | |
| APPRAISAL | 1,522,700 |
| COLLECTIONS | 689,000 |
| MAPPING | 428,300 |
| TOTAL | 2,640,000 |

**TAX APPRAISAL DISTRICT
OF BELL COUNTY
2010 BUDGET**

**PROPERTY AND LIABILITY INSURANCE
EQUIPMENT MAINTENANCE
COMMUNICATION
EQUIPMENT LEASE
RECORDS ACCESS & STORAGE**

CONTRACTUAL

CONTRACTUAL

| ACCOUNT NAMES | 2009 BUDGET | 2010 BUDGET |
|---|----------------|----------------|
| PROPERTY AND LIABILITY INSURANCE | 15,000 | 15,000 |
| <p>TADBC insurance coverage is provided by Texas Municipal League. Covered are losses to the district's real and personal property as well as premises and public official's liability.</p> | | |
| EQUIPMENT MAINTENANCE | 3,600 | 3,600 |
| Includes Fees for maintance of district's equipment | | |
| COMMUNICATION | 45,000 | 45,000 |
| Lease county fiber | 15,000 | |
| Basic Service and Long Distance | 30,000 | |
| Total | 45,000 | |
| EQUIPMENT LEASE | 15,000 | 15,000 |
| Blueline Machine | 2,300 | |
| Copiers | 8,225 | |
| Postage Meter | 4,100 | |
| Total | 14,625 | |
| RECORDS ACCESS & STORAGE | 2,000 | 2,000 |
| Multiple Listing Service | 1,500 | |
| Photography | 250 | |
| Deed Copies | 250 | |
| Total | 2,000 | |
| TOTAL | 80,600 | 80,600 |

| | |
|---------------------|---------------|
| BY FUNCTION: | |
| APPRAISAL | 41,220 |
| COLLECTIONS | 20,760 |
| MAPPING | 18,620 |
| TOTAL | 80,600 |

**TAX APPRAISAL DISTRICT
OF BELL COUNTY
2010 BUDGET**

**UTILITIES
MAINTENANCE
ANNEX LEASES**

OFFICE SPACE

OFFICE SPACE EXPENDITURES

| ACCOUNT NAMES | 2009 BUDGET | 2010 BUDGET |
|--------------------------|----------------|----------------|
| UTILITIES | 50,000 | 40,000 |
| MAINTENANCE | 60,000 | 35,000 |
| Evco Services | 22,075 | |
| Rabroker A/C Maintenance | 1,320 | |
| Repairs | 10,000 | |
| Waste Management | 1,500 | |
| Total | 34,895 | |
| ANNEX LEASES | 35,130 | 35,130 |
| Lease payment monthly | 2,927 | |
| TOTAL | 145,130 | 110,130 |

| | |
|---------------------|----------------|
| BY FUNCTION: | |
| APPRAISAL | 61,030 |
| COLLECTIONS | 37,200 |
| MAPPING | 11,900 |
| TOTAL | 110,130 |

**TAX APPRAISAL DISTRICT
OF BELL COUNTY
2010 BUDGET**

**OFFICE EQUIPMENT & FURNITURE
COMPUTER EQUIPMENT**

CAPITAL EXPENDITURES

CAPITAL EXPENDITURES

| ACCOUNT NAMES | 2009 BUDGET | 2010 BUDGET |
|---------------|----------------|----------------|
|---------------|----------------|----------------|

| | | |
|-----------------------------|--------|-------|
| OFFICE EQUIP. AND FURNITURE | 10,000 | 5,000 |
|-----------------------------|--------|-------|

For the purchase of new and replacement items such as desks, chairs and file cabinets.

| | | |
|----------------------------------|--------|--------|
| COMPUTER EQUIPMENT | 75,000 | 55,000 |
| Barcode Scanners | 3,150 | |
| Check Scanner | 8,395 | |
| PC, Monitor, Printer Replacement | 33,400 | |
| Miscellaneous Maintenance Items | 8,175 | |
| Total | 53,120 | |

| | | |
|-------|--------|--------|
| TOTAL | 85,000 | 60,000 |
|-------|--------|--------|

BY FUNCTION:

| | | |
|-------------|--|--------|
| APPRAISAL | | 30,300 |
| COLLECTIONS | | 17,400 |
| MAPPING | | 12,300 |
| TOTAL | | 60,000 |

**TAX APPRAISAL DISTRICT
OF BELL COUNTY
2010 BUDGET**

**OFFICE EXPENSE
CUSTODIAL SUPPLIES
FORMS AND PRINTING**

SUPPLIES

| ACCOUNT NAMES | 2009 BUDGET | 2010 BUDGET |
|--|----------------|----------------|
| OFFICE EXPENSE | 35,000 | 35,000 |
| <p>Includes normal perishable office supplies, copier supplies, data processing supplies, mapping supplies, freight expense, stationery and envelopes, and appraisal supplies. Includes expenditures for annual Christmas functions.</p> | | |
| CUSTODIAL SUPPLIES | 2,500 | 500 |
| <p>Includes paper, tissue, cleaning and building maintenance supplies, not included in building maintenance contract.</p> | | |
| FORMS AND PRINTING | 27,500 | 30,000 |
| <p>Includes mass printing of appraisal notices, tax statements and state required publications.</p> | | |
| TOTAL | 65,000 | 65,500 |

| | |
|---------------------|---------------|
| BY FUNCTION: | |
| APPRAISAL | 35,810 |
| COLLECTIONS | 23,200 |
| MAPPING | 6,490 |
| TOTAL | 65,500 |

**TAX APPRAISAL DISTRICT
OF BELL COUNTY
2010 BUDGET**

**POSTAGE
APPRAISAL REVIEW BOARD
STAFF EDUCATION AND TRAVEL
VEHICLE EXPENSE
DUES AND FEES
PUBLICATIONS AND SUBSCRIPTIONS
CONTINGENCY RESERVE**

OTHER EXPENSES

OTHER EXPENSES

| ACCOUNT NAMES | 2009 BUDGET | 2010 BUDGET |
|--|----------------|----------------|
| POSTAGE | 75,000 | 85,000 |
| Includes the cost of mailing renditions, appraisal notices, tax statements and all other general correspondence. | | |
| APPRAISAL REVIEW BOARD | 10,000 | 12,000 |
| Includes amount paid to ARB members for their services based on a \$175 per day schedule. | | |
| STAFF EDUCATION & TRAVEL | 23,000 | 30,000 |
| Includes cost of tuition and travel to required training at seminars, schools and conferences. | | |
| VEHICLE EXPENSE | 115,000 | 128,000 |
| Includes appraisal staff vehicle allowance of \$300 per month plus greater of \$.60 per mile or IRS rates Also includes allowance of \$.60 per mile for required miscellaneous travel by other staff. | | |
| DUES & FEES | 5,500 | 6,000 |
| Includes required and other approved fees for staff membership and registration with professional organizations. | | |
| PUBLICATIONS AND SUBSCRIPTIONS | 3,500 | 3,500 |
| Includes annual subscriptions to area newspapers, appraisal manual updates and automobile listing. | | |
| CONTINGENCY RESERVE | 100,000 | 100,000 |
| An internal fund reserved for budget overruns and unanticipated emergencies. | | |
| TOTAL | 332,000 | 364,500 |

| | |
|---------------------|----------------|
| BY FUNCTION: | |
| APPRAISAL | 256,350 |
| COLLECTIONS | 87,910 |
| MAPPING | 20,240 |
| TOTAL | 364,500 |

**TAX APPRAISAL DISTRICT
OF BELL COUNTY
2010 BUDGET**

**AUDIT
LEGAL SERVICE
CONTRACT APPRAISAL
LEGAL NOTICES
LIASON OFFICER
DATA PROCESSING**

PROFESSIONAL SERVICES

PROFESSIONAL SERVICES

| ACCOUNT NAMES | 2009 BUDGET | 2010 BUDGET |
|--|----------------|----------------|
| AUDIT | 9,000 | 9,000 |
| Includes the fee for an annual independent audit of the district's finances. | | |
| LEGAL SERVICE | 30,000 | 10,000 |
| Includes any legal and consulting fees incurred by the district. | | |
| CONTRACT APPRAISAL | 70,000 | 75,350 |
| Includes fees paid to outside consultants in the appraisal of complex industrial and utility properties. | | |
| LEGAL NOTICES | 15,000 | 15,000 |
| Includes the costs of publishing all appraisal and collection related notices as required by statute. | | |
| LIAISON OFFICER | 1,200 | 1,200 |
| Includes retainer fee paid to the board's liaison officer. | | |
| DATA PROCESSING | 135,000 | 143,500 |
| True Automation Support and Training | 130,000 | |
| ESRI Support and Licenses | 10,000 | |
| Webhosting | 2,000 | |
| VVM Internet | 1,500 | |
| Total | 143,500 | |
| TOTAL | 260,200 | 254,050 |

| | |
|---------------------|----------------|
| BY FUNCTION: | |
| APPRAISAL | 190,600 |
| COLLECTIONS | 48,200 |
| MAPPING | 15,250 |
| TOTAL | 254,050 |

**TAX APPRAISAL DISTRICT
OF BELL COUNTY
2010 BUDGET**

**JOB CLASSIFICATIONS
2010 SALARY SCHEDULE
ORGANIZATIONAL CHART**

PERSONNEL

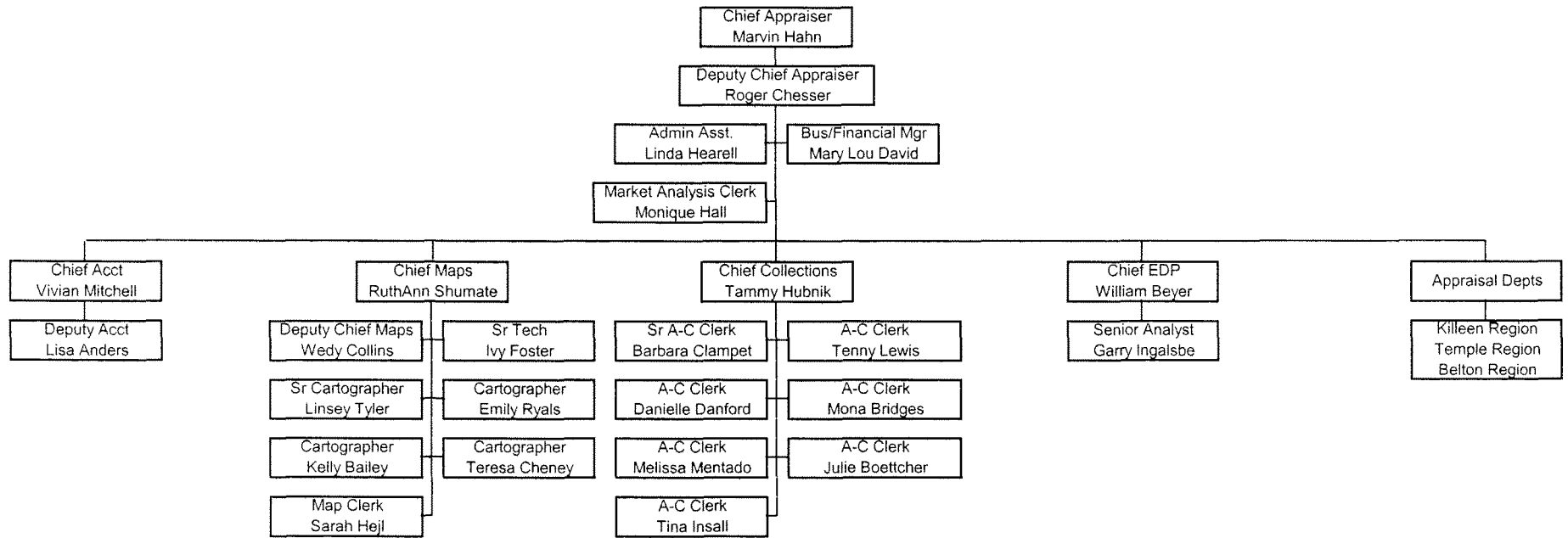
JOB CLASSIFICATIONS

| <u>Title</u> | <u>Salary Group</u> | <u>Index</u> |
|--|---------------------|--------------|
| <u>Administration</u> | | |
| Chief Appraiser | Exempt | |
| Deputy Chief Appraiser | 24 | |
| Administrative Assistant | 16 | |
| Business/Financial Manager | 16 | |
| <u>Accounting</u> | | |
| Chief Accountant | 20 | |
| Deputy Accountant | 8 | |
| <u>Electronic Data Processing</u> | | |
| Head of Department | 24 | |
| Senior Analyst | 20 | |
| <u>Appraisal</u> | | |
| Head of Department (Regional Adr | 20 | |
| Senior Appraiser IV | 18 | |
| Appraiser III | 14 | |
| Appraiser II | 10 | |
| Appraiser I (Trainee) | 8 | |
| <u>Mapping</u> | | |
| Chief of Mapping | 20 | |
| Deputy Chief Mapping | 16 | |
| Senior Records Technician IV | 14 | |
| Cartographer III | 8 | |
| Cartographer II | 4 | |
| Map Clerk I | 2 | |
| <u>Assessing and Collection</u> | | |
| Chief of Collections | 20 | |
| Senior A/C Clerk IV | 8 | |
| A/C Clerk III | 6 | |
| A/C Clerk II | 4 | |
| A/C Clerk I | 2 | |
| Market Analysis Clerk | 8 | |

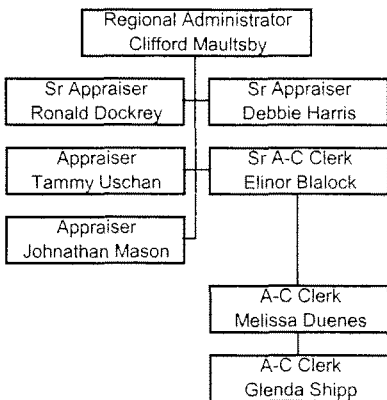
**2010 Proposed
Salary Schedule
10/09 - 9/10**

| Salary/Step Group | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| 2 | 19,604 | 20,192 | 20,797 | 21,422 | 22,065 | 22,726 | 23,408 | 24,110 |
| 4 | 21,782 | 22,435 | 23,109 | 23,801 | 24,516 | 25,251 | 26,009 | 26,789 |
| 6 | 23,960 | 24,679 | 25,419 | 26,182 | 26,968 | 27,776 | 28,610 | 29,468 |
| 8 | 26,138 | 26,923 | 27,730 | 28,562 | 29,418 | 30,301 | 31,211 | 32,147 |
| 10 | 28,316 | 29,166 | 30,041 | 30,942 | 31,870 | 32,827 | 33,812 | 34,825 |
| 12 | 30,495 | 31,410 | 32,352 | 33,323 | 34,322 | 35,352 | 36,412 | 37,504 |
| 14 | 34,851 | 35,896 | 36,974 | 38,082 | 39,225 | 40,402 | 41,614 | 42,863 |
| 16 | 38,118 | 39,262 | 40,440 | 41,653 | 42,902 | 44,189 | 45,515 | 46,881 |
| 18 | 43,564 | 44,871 | 46,217 | 47,604 | 49,031 | 50,503 | 52,017 | 53,578 |
| 20 | 49,009 | 50,479 | 51,994 | 53,553 | 55,160 | 56,815 | 58,519 | 60,276 |
| 22 | 54,455 | 56,088 | 57,771 | 59,504 | 61,289 | 63,128 | 65,021 | 66,972 |
| 24 | 59,900 | 61,697 | 63,549 | 65,455 | 67,418 | 69,440 | 71,524 | 73,669 |

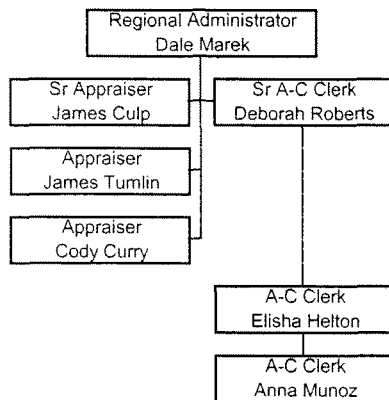
Tax Appraisal District of Bell County



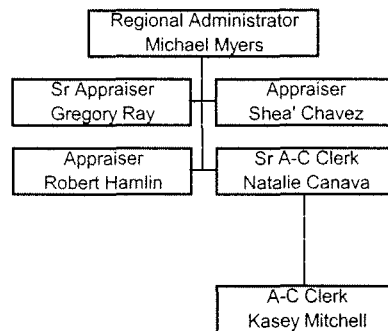
Killeen Region



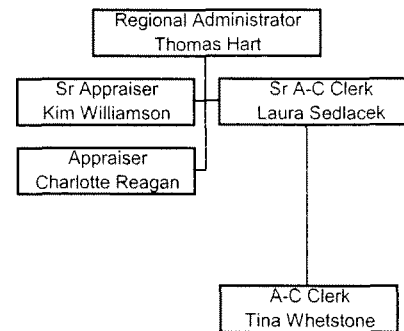
Temple Region



Belton Region



Personal Property



TAX APPRAISAL DISTRICT OF BELL COUNTY INVESTMENT POLICY

SCOPE

This Policy covers all investments made by employees of the Tax Appraisal District of Bell County (TADBC) acting in their official capacities. For the purposes of this Policy “investments” includes deposits in checking accounts. This policy shall be applied in the management of investments for all funds.

INVESTMENT STRATEGIES

Performance Standards – The investment portfolio will be designed with the objective of obtaining a rate of return commensurate with the investment risk constraints and cash flow needs.

Market Yield (Benchmark) – TADBC’s investment strategy is passive. Given this strategy, the basis used to determine whether market yields are being achieved for invested funds, including operating accounts, will be the Fed Funds rate. The investment strategy should maximize investment yields which coincide with the available cash flows of TADBC.

Cash Flow Requirements – An appropriate cash flow analysis will be maintained for all public funds for the purpose of determining the availability of investment funds. Adequate operating funds will be maintained in one or more checking accounts. Funds in excess of operating needs will be invested in accordance with this Policy and with appropriate liquidity to meet the cash flow requirements of TADBC.

INVESTMENTS OBJECTIVES

The investment objectives in priority order are:

- A. Suitability of the investment to the financial requirements of TADBC;
- B. Preservation and safety of principal;
- C. Liquidity, to meet operating requirements of TADBC;
- D. Marketability of investment;
- E. Diversification; and
- F. Yield, to maximize earnings on TADBC investment assets.

Safety of principal is intended such that all investments are undertaken in a manner that ensures the preservation of capital. Capital losses are to be avoided, whether from security defaults or erosion of market value.

INVESTMENT OFFICER

The Chief Accountant, with the approval of the Chief Appraiser, is responsible for all investments decisions and activities.

The Chief Accountant is responsible for all transactions and internal controls, all safekeeping, custodial and collateral duties, and all other duties necessary to carry out this Policy.

The Chief Accountant shall attend at least one training session relating to his/her responsibilities under the Public Funds Investment Act within 12 months after taking office or assuming duties.

The Chief Appraiser is responsible for supervising and evaluating the performance of the Chief Accountant.

PERSONAL INTEREST

The Chief Accountant shall maintain on file a statement disclosing his or her business relationships with entities which are eligible to sell investments to TADBC. Any relationship with the second degree by affinity or consanguinity to a person seeking to sell an investment to TADBC shall be disclosed to the Texas Ethics Commission.

PRUDENCE

Investments will be made with judgement and care, under prevailing circumstances that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived. This investment principle shall be applied in the context of managing the overall investment portfolio.

In determining whether prudence was exercised with respect to an investment decision, the following shall be taken into consideration:

- A. The investment of all funds, rather than the prudence of a single investment.
- B. Whether the decision was consistent with this policy.

MONITORING THE PORTFOLIO

The Chief Accountant will routinely monitor the contents of the investment portfolio, the available markets and the relative values of competing instruments, and will adjust the investment portfolio accordingly.

INTERNAL CONTROLS

The Chief Accountant will maintain a system of internal controls. Internal controls shall be designed to prevent losses arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions. Proper segregation of duties will be included as an integral part of internal controls. Dual authorization will be mandatory for transfers or withdrawals of funds except for transactions between TADBC accounts or to settle security purchases when the securities are already in custody of the TADBC safekeeping agent (delivery versus payment method).

REPORTING

The Chief Accountant will prepare one or more reports which include the following information:

- A. Individual investments, including, as appropriate: cost; par value; data of maturity; face yield; and, effective yield at date of purchase;
- B. Beginning and ending market value, and additions and changes to market value during the reporting period;
- C. Investments in total, by fund type;
- D. Investment income for the month and year-to-date;
- E. Average yield for the month and year-to-date;
- F. Average Fed Funds rate for the month;
- G. Dates of any undercollateralization and the amounts undercollateralized; and,
- H. Amounts of gains and losses incurred on sales of securities prior to maturity.

The reports shall be either quarterly, monthly, or at other such time as directed by the Board of Directors, and shall be presented at a regular Board meeting in a timely fashion.

Each page of the investment report shall be signed by the Chief Accountant and the Chief Appraiser and the report shall indicate the compliance of the investment portfolio as it relates to District policy and state law.

For the purpose of reporting investments, operating accounts (checking accounts) will be excluded. Investment income and yields will include income from operating accounts. Average yield will be computed as Investment Income divided by the Average Portfolio.

LIQUIDITY, MARKET AND CREDIT RISK

Investment may be liquidated before maturity for cash-flow purposes which may require market gains or losses. Investments will never be prematurely sold at less than acquisition cost without approval of the Chief Appraiser and the Board of Directors. Any losses for early maturity liquidation should be minimized to the extent possible.

Maturities will be scheduled to meet liquidity and operating requirements. Except as may be specifically authorized by the Board of Directors, the maximum maturity on any individual investment will be twelve months, and for pooled fund groups the maximum average dollar-weighted maturity based on stated maturity date will be twelve months. The Board may authorize investments with maturities within the limits allowed by state law.

Actual risk of default shall be minimized by adequate collateralization.

Investments will be diversified by security type and institution.

AUTHORIZED INVESTMENTS

The Board of Directors may authorize any investment within the limits of Board Policy as authorized by law.

The Chief Accountant is authorized to invest in the following instruments *within the limits of Board Policy as authorized by law*:

- A. Checking, savings or other accounts subject to immediate availability, in the TADBC depository bank as selected pursuant to Board policy.
- B. U. S. Treasury and Agency issues;
- C. Certificates of deposits in insured institutions being fully collateralized to the extent that the balances in excess of FDIC limit;
- D. Fully collateralized repurchase agreements with maturities not to exceed 30 days;
- E. Commercial paper with a minimum rating of A1 P1; and
- F. Public fund investment pools.

The investment portfolio will be invested within the following additional guidelines:

- A. At any point in time, no more than 30% of the total portfolio will be composed of securities with remaining maturities of over six months;
- B. Commercial paper will not make up more than 40% of the total portfolio.
- C. With the exception of operating accounts, U. S. Treasury and Agency securities, and authorized pools, no more than 50% of the total investment portfolio will be invested in a single security type or with a single financial institution.

The Chief Accountant is specifically prohibited from investing in:

- A. Structured notes, investments with inverse-floaters, collateralized mortgage obligations, or derivatives;
- B. Any security collateralized by or convertible into any asset or investment not authorized by this Policy.
- C. Any instrument for which there would not be a ready market for immediate resale; and,
- D. Any investment pool in which TADBC would own more than 20% of the market value of the pool.

Leveraging and borrowed funds, including repurchase and reverse repurchase agreements, will not be used for the purpose of obtaining additional funds for investment.

Securities will be solicited from no less than three bidders. The Chief Accountant will approve any investment decision prior to the time of execution. The use of Delivery versus Payment for investment transactions/purchases will be used at TADBC's custodian bank.

QUALIFIED INSTITUTIONS

The following financial institutions are authorized for use:

- A. Banks chartered by the State of Texas;
- B. Federally chartered banks;
- C. Brokers approved and designated as primary dealers by the Federal Reserve Bank of New York; and,

- D. Secondary or regional brokers who are National Association of Security Dealers certified and carry Texas State Registration with net capital of \$200 million or more.

The District shall purchase investments only from a qualified institution which has executed a written instrument to the effect that the registered principal has received and thoroughly reviewed District investment policies and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activity.

PUBLIC FUNDS INVESTMENT POOLS

With respect to any public funds investment pools in which TADBC funds are invested, the Chief Accountant will be responsible for obtaining and maintaining written documentation of the information required by HB 2459, Section 2256.016(b).

SECURITY PURCHASES AND BROKER/DEALER REQUIREMENTS

All security purchases and trades will be settled with TADBC's custodial bank.

No substitution of securities is acceptable on repurchase agreements. TADBC will only enter repurchase agreements under the terms of the Public Securities Agreement (PSA) – Master Repurchase Agreement format. All broker/dealers will have trading authorization agreements on file with TADBC.

COLLATERALIZATION REQUIREMENTS

The total market value of securities pledged to collateralize deposits of TADBC funds must be in an amount not less than the amount of the deposits increased by the amount of any accrued interest and reduced to the extent that the United States or an instrumentality of the United States insures the deposits. Private insurance coverage is not an acceptable collateralization form.

Securities which are acceptable for collateralization purposes are:

- A. U. S. Treasury and Agency Issues;
- B. Bonds or other indebtedness of the State of Texas; and
- C. Bonds or certificates of obligations of local governments within the State of Texas with a rating from one or both nationally known rating agencies of "A" or better, except that TADBC will not accept Industrial Revenue Bonds or Private Activity Bonds as pledge securities.

SAFEKEEPING AND CUSTODY

Collateral and safekeeping agreements will be approved by the Chief Appraiser. Third party safekeeping agreements will also be approved by the Board of Directors. Safekeeping receipts of securities will be held by the Business Office.

ANNUAL AUDIT

Compliance with this policy shall be tested by the District's independent audit firm in conjunction with the annual financial audit.

ANNUAL REVIEW

The Chief Appraiser and the Board of Directors will review this policy annually during the budget process to evaluate the effectiveness of the policy and program.

CONCLUSION

The Chief Accountant, Chief Appraiser, Board of Directors and TADBC employees will adhere to this Investment Policy in all investment decisions of the TADBC.

All current investment activity which does not comply with the above stated policy will be allowed to mature and future investment activity will be negotiated under the terms of this Policy. Reports and other requirements of this policy will be implemented as soon as feasible.

Adopted this 17th day of February, 2004, by the Board of Directors of the Tax Appraisal District of Bell County.

TAX APPRAISAL DISTRICT OF BELL COUNTY

By: _____
Chairman, Board of Directors

ATTEST:

Secretary, Board of Directors