

**DALLAM COUNTY  
APPRAISAL DISTRICT  
BOARD OF DIRECTORS  
MANUAL**

January 2008

**Dallam County Appraisal District is a function of the state government. Participation in the management of the district by local authorities is delegated by the state constitution, the statutes, court decisions, attorney general opinion, rules and regulations of the State Comptroller's Office, Property Tax Division, and the Texas Education Agency.**

**The Dallam County Appraisal District in Texas is lawfully established as a legal entity in accordance with provisions of those documents and agencies above cited. Authority to govern the district is vested in a six (6) member Board of Directors acting as an official body. The Board of Directors shall act as the general agent of the State in carrying out the will of the people in its district in the matters of appraisal district property. It shall be responsible for carrying out the mandatory laws, and shall consider, accept or reject the provisions of the permissive laws. In all lawful matters the Board of Directors shall consider itself the agent responsible for**

**establishing, maintaining, and appraising all classes of property of the district.**

**This manual is a restatement of Board Policies and Procedures of the Dallam County Appraisal District as reflected in the minutes of the CAD Board and long standing custom and practice.**

**I. Composition of the Board**

**A.** The Dallam County Appraisal District Board is comprised of six (6) members. Members are appointed pursuant to section 6.03 of the Property Tax Code, VTCA. Board Member's terms are two years.

**B. Officers**

1. The Board reorganizes and elects officers at its first regular meeting in January of each year.
2. Board Officers are a Chairman who presides at all meetings of the CAD and Secretary. The Secretary presides in the absence of the Chairman.

***Note: CAD officers are specified in § 6.04, Tax Code, VTCA; This CAD has also designated the Secretary as Vice Chairman.***

**II. Meetings**

**A. Regular Meetings**

The CAD Board meets at least quarterly on the second Monday of each meeting month at 7:00 PM.

***Note: This has been the meeting time and date for many years.***

**B. Called Meetings**

Called meetings may be held at the request of the Chief Appraiser or the Board Chairman.

### **C. Posting for Meetings**

Posting for meetings of the Board shall be at the Dallam County Courthouse location which is accessible to the public 24 hours each day. For purposes of Open Meetings compliance, the posting at the courthouse offices shall be determinate. Postings are also submitted to the Dallam County Appraisal District office.

***Note: This is currently on the window located at the South entry door of the Dallam County Courthouse and the window at the entry to the Dallam CAD office building.***

In addition, posting may, from time to time, also be made at other supplemental locations, as the Chief Appraiser or Board deems advisable.

### **D. Meeting Preparation and Agendas**

The Chief Appraiser coordinates and plans Board Meetings. The Chief Appraiser is responsible for preparing agendas. In preparing agendas, the Chief Appraiser may consult with the Chairman. Items may be placed on the agenda by the Chief Appraiser or the Board Chairman.

The Chief Appraiser shall develop enclosures including reports, data, information, communications, etc. to keep members of the board properly informed of the status and progress of the district's program and substantiate recommendations of concerning agenda items.

Prior to each regular meeting, the Chief Appraiser shall prepare specifically designed information folders and distribute to each board member in ample time for study and homework attention before the meeting. The folders shall contain the agenda and all supporting enclosures. To facilitate the efficient operation of the Board, it is the responsibility of each Board member to review meeting materials, prior to the meeting.

### **E. Absences of Board Members**

Board Members are responsible for advising the Chief Appraiser if they will be absent from a Board Meeting.

### **F. State Mandated Open Government Training**

Board Members will receive training in Open Government, pursuant to

State Law.

### **G. Quorum**

The Board is comprised of six (6) members. Therefore a quorum of the Board is three (3). (5 voting and 1 non-voting)

### **H. Meeting Place and Procedures**

The Board meets in the Dallam County Appraisal District Board Room in District's Office Building at 401 Denver Avenue, Dalhart, Texas.

### **I. Minutes**

- A. The chief appraiser is responsible for the production of board meeting minutes. If he or she is not present, an acting secretary will be appointed.
- B. Minutes shall promptly be reduced to writing, as soon as practicable after Board Meetings.

### **III. No compensation for Board Service**

Board members are reimbursed by the CAD for mileage expenses related to meeting attendance or CAD activity. Board Members receive no per diem payments, salary or other benefits from the CAD.

### **IV. Board's Relation to Chief Appraiser**

#### **A. Selection of Chief Appraiser and Board's Role**

As provided by State Law, the Board selects the Chief Appraiser. The Chief Appraiser manages and directs the operations of the CAD. The Board does not participate in the appraisal function itself nor does the Board direct the activities of CAD employees. CAD employees work under the supervision of the Chief Appraiser, who is responsible for hiring and terminating employees. However, on occasion, the Board may be compelled to directly take up issues related to CAD personnel if those issues relate to alleged violations of Civil Rights or threatened litigation.

#### **B. Evaluation of Chief Appraiser**

1. The Board shall conduct a written yearly evaluation of the Chief Appraiser. This will be done during the December board meeting. More frequent evaluations may be conducted if the

Board deems additional evaluations advisable, for any reason. The Board shall determine both the format and procedures for the evaluation of the Chief Appraiser.

2. At a minimum, the evaluation will denote areas of strength, weaknesses and what, if any, corrective action is required on the part of the Chief Appraiser. The Board will communicate the outcome of the evaluation to the Chief Appraiser, in writing. The Chief Appraiser shall maintain the personnel file resulting from Board Evaluations.

### **C. Chief Appraiser, CAD offices and Open Government**

1. The Chief Appraiser is responsible for insuring that Board records and general CAD records which are open to the public may be easily and promptly accessed by the public. The Chief Appraiser is responsible for instructing CAD staff in matters related to Open Government and how to facilitate public access to CAD records.
2. Prior to the Chief Appraiser withholding any documents from the public or releasing any documents which may be confidential by law, for example personnel records, the Chief Appraiser will consult with legal counsel experienced in dealing with issues related to open government.

### **V. Audit**

The Board shall contract for a yearly independent audit of the CAD, to be conducted by a qualified governmental auditor. The Board selects the Auditor. The Auditor shall present the audit to the Board at a regular or called meeting, as soon as practical after the completion of the audit.

### **VI. Board Cosigners on all CAD Checks, Check Detail and Financial Reports**

- A. All CAD checks will be cosigned by the Chief Appraiser, office secretary and or a Board Member. The Board will designate Board member cosigners.
- B. Financial reports, in a format acceptable to the Board, will be provided to the Board for each Board Meeting.

## **VII. Professional Services**

As the Board deems necessary and as provided by the State, the Board may contract for outside professional assistance, including but not limited to accountants, information technology specialists, appraisers or appraisal firms, attorneys, consultants or records managers.

## **VIII. Repository for Records**

The offices of the CAD are the repository for CAD records, including all records of the Board. The Chief Appraiser is the Records Management Officer of the CAD.

## **IX. Board May Directly Consider Certain Employee Grievances / Bypass**

Federal Law mandates that certain types of employee complaints may receive particular, direct attention from the Governing Body. In this connection, employee grievances related to Sexual Harassment or Discrimination on the basis of race, religion, color, sex, national origin, age, or disability, may at the employee's option, be submitted directly to the Board.

## **X. Conflicts**

The Board will abide by State Law related to conflicts pursuant to § 6.036, Property Tax Code, VTCA. In accordance with Article 988b, VTCS, whenever a Board member has a "substantial interest" in any matter pending before the Board of Directors, the Board member must:

1. Prior to any discussion or vote on the matter, file a sworn affidavit disclosing the nature of his interest in the matter
2. Abstain from participating in the discussion and vote on the matter. Failure to comply with the law can subject a violator to a fine, jail term and other penalties.

A person has a substantial interest in a business if:

1. The person owns 10 percent or more of the voting stock or shares of the business entity or owns \$5,000 or more of fair market value of the business entity; or
2. Funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year:  
or
3. A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more; or

4. An interest of a person related in the first degree by either affinity or consanguinity to the local public official is a “substantial interest.”

#### **XI. Training**

The Board may sponsor training activities related to the CAD and CAD Board functions for board members and representatives of member taxing entities.

Board Members are encouraged to participate in these activities.

#### **XII. Communication with Taxing Entities**

Each Board Member has special responsibility for facilitating and maintaining good communications between the CAD and the taxing entities which they represent.

#### **XIII. Policies for Public Access to Dallam County CAD Board**

The Board of Directors shall solicit the advice and counsel of citizens in planning and operating the appraisal district. All citizen communications to the Board of Directors shall be addressed to the board. Citizens who wish to present any matter of concern to the board shall make written request to the Chairman of the BOD or the Chief Appraiser at least seven days prior to the meeting. The board may, in case of emergency, by majority vote, give visitors have not presented a written request an opportunity to present concerns to the board. The Chairman may allot visitors a reasonable length of time for their presentation, but should not take official action concerning their requests.



# **Appraisal District**

**January 2006**

**TEXAS  
PROPERTY  
TAX**

**DIRECTOR'S  
MANUAL**

# Appraisal District

February 2006

CAROLE KEETON STRAYHORN

Texas Comptroller of Public

Accounts

TEXAS

PROPERTY

TAX

## DIRECTOR'S

## MANUAL

February 2006

Dear Fellow Public Servant:

As Comptroller, I am pleased my office is able to offer its knowledge and expertise through publications such

as this. Given the rapid rise in property values and tax rates statewide in the last few years, I understand the

frustration many Texans feel with property taxes in general. To work, the system must be fair, and that means

the appraisal districts in Texas must be fair, and must listen and respond to taxpayers who have concerns about their appraisals.

This manual explains constitutional requirements, state laws and rules that govern the conduct of appraisal

district boards of directors and appraisal districts. I hope this compilation will help you to ensure that your appraisal district conducts its operations fairly and efficiently. That is what the public demands of us and that is what we must deliver.

If you have any questions, don't hesitate to call my Property Tax Division toll free at 1-800-252-9121. My staff of

trained property tax professionals will answer your questions honestly, fairly, and quickly.

As a taxpayer, I share your concerns about how state government spends your hard-earned money. That's

why I have pledged to make sure you are receiving full value for each and every dollar you send to Austin. I

guarantee you will find the Comptroller's office is a lean and efficient operation.

Thanks for all that you do for Texas.

Sincerely,

Carole Keeton Strayhorn

Texas Comptroller

OFFICE OF THE COMPTROLLER

TEXAS

## TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. BOX 13528

AUSTIN, TEXAS 78711-3528

### Appraisal District Director's Manual Page i Introduction

..... 1	
<b>I. Eligibility Requirements</b>	<b>3</b>
Selection Process	
..... 3	
No Delinquent Taxes	
..... 3	
Prohibited Family Relationships	
..... 3	
Term of Office and Vacancy	
..... 3	
Recalling a Director	
..... 4	
Optional Staggered Terms	
..... 4	
<b>II. Organization</b>	
..... 7	
Oath of Office	
..... 7	

Board Officers	
.....	
.....	7
Compensation of Directors	
.....	
.....	7
Board Meetings and the Open Meetings Act	
.....	7
Posting Meetings	
.....	8
Emergency Meetings	
.....	
.....	8
Executive Sessions	
.....	
.....	8
<b>III. Board Policies, Procedures and Duties</b>	<b>11</b>
.....	
General Statement of Functions	
.....	
.....	11
District Policy Manual	
.....	
.....	11
Required Written Policies	
.....	
.....	11
Statutory Requirements	
.....	
.....	12
Limited Appraisal Authority	
.....	
.....	13
Local Officials' Conflict of Interest Laws	
.....	
.....	13
Conflicts Disclosure Statements	
.....	
.....	14
Disapproval of Board Actions	
.....	
.....	15
Selecting a Chief Appraiser	
.....	
.....	15
Chief Appraiser's Qualifications	
.....	
.....	15
Chief Appraiser's Duties and Responsibilities	
.....	
.....	15
Relationship with Chief Appraiser	
.....	
.....	16

Public Access Functions	
.....	
.....	16
Access to the Board	
.....	
.....	16
Handling Complaints	
.....	
.....	16
Access for Persons with Disabilities	
.....	
.....	17
Access for Non-English Speaking Persons	
.....	1
7	
Public Interest Materials	
.....	
.....	17
Taxpayer Liaison Officer	
.....	
.....	17
Public Information Act	
.....	
.....	18

# Appraisal District Director's Manual

## Table of Contents

Table of Contents	
Page ii Appraisal District Director's Manual	
<b>IV. The Appraisal Office</b>	
.....	<b>21</b>
Office Space	
.....	
.....	21
Equipment and Supplies	
.....	
.....	21
Appraisal Services	
.....	
.....	21
Computer Services	
.....	
.....	21
Mapping System	
.....	
.....	22
Records System	
.....	
.....	22
<b>V. Appraisal District Financial Affairs</b>	
.....	<b>23</b>
Annual Operating Budget	
.....	
.....	23

Public Hearing and Publication of Budget	2
3	
Allocating an Appraisal District's Costs	
.....24	
Changing the Allocation Method	
.....24	
Selecting a Depository	
.....25	
Investing Public Funds	
.....25	
Competitive Bidding, Purchasing and Contract Authority	25
Bonds	
.....25	
Financial Audit	
.....26	
Other Administrative Details	
.....26	
Internal Revenue Service (IRS)	
.....26	
Sales Tax	
.....26	
Workers' Compensation	
.....26	
Liability Insurance	
.....26	
Property Insurance	
.....26	
Group Hospitalization and Life Insurance	26
Retirement Plans	
.....26	
<b>VI. Appraisal Office Staff</b>	<b>27</b>
Personnel Policy	
.....27	
Job Descriptions, Evaluations and Salary	
27	

Professional Development	
.....	
.....	27
<b>VII. Appointing the Appraisal Review Board</b>	<b>29</b>
Membership Requirements	
.....	
.....	29
Barred from Membership	
.....	
.....	29
No Delinquent Taxes	
.....	
.....	29
Number and Term of Office	
.....	
.....	29
Temporary ARB Members	
.....	
.....	30
ARB Training	
.....	
.....	30
ARB Member Removal	
.....	
.....	30
ARB Meetings	
.....	
.....	30
Compensation	
.....	
.....	30
ARB Personnel	
.....	
.....	30
<b>VIII. Assessment and Collection Functions</b>	<b>31</b>
By Contract	
.....	
.....	31
Counties	
.....	
.....	31
Other Taxing Units	
.....	
.....	31
By Consolidation Elections	
.....	
.....	31
Annual Collection Budget	
.....	
.....	32
<b>Table of Contents</b>	
<b>Appraisal District Director's Manual Page iii</b>	
<b>IX. Certification by Board of Tax Professional Examiners</b>	<b>33</b>
.....	

Who Must Register.....	33
Requirements.....	33
Enforcement.....	33
Fees.....	33
<b>X. Role of the Comptroller to Review Appraisal Districts</b> .....	<b>35</b>
Appraisal Standards Reviews.....	35
Ratio Studies.....	35
Performance Audits.....	35
<b>Appendix A. Selection of Directors</b> .....	<b>37</b>
Chief Appraiser's Duties.....	37
Taxing Unit Duties.....	39
Changing the Selection Process.....	39
First Option - Unanimous Consent.....	39
Second Option - Three-quarters Rule.....	39
Steps for Changing the Selection Process.....	39
<b>Appendix B. Chart of Kinship</b> .....	<b>41</b>
<b>Appendix C. Notice of Public Hearing on Budget</b> .....	<b>43</b>
<b>Appendix D. Americans with Disabilities Act Contact Information</b> .....	<b>45</b>
<b>Appendix E. Statement of Elected/Appointed Officer</b> .....	<b>47</b>
<b>Appendix E. Oath of Office</b> .....	<b>48</b>
Table of Contents.....	48



**A**s an appraisal district director, you participate in

governing one of the largest and most progressive property tax systems in the nation. A variety of state laws and rules govern appraisal district operations. The Texas Constitution addresses a number of aspects of property taxation. Article VIII, Section 18, specifically requires the Legislature to provide an appraisal system that produces a single appraised value for the taxing units in a county. Article VIII, Section 20, provides that no property may be assessed for ad valorem taxes at a greater value than its fair cash market value. Other constitutional provisions provide for a number of special appraisals and exemptions. Finally, it is the Constitution that authorizes the Legislature to create local governments and provide them with taxing power.

The Property Tax Code (Code) contains most laws enacted by the Texas Legislature that deal with property taxes. First enacted in 1979, the Code was a sweeping revision of Texas property tax laws. It created appraisal districts, the State Property Tax Board (SPTB) and the modern framework for property tax administration.

In 1991, the SPTB was abolished and its responsibilities were transferred to the Comptroller. The Comptroller has statutory authority to establish minimum standards for the administration and operation of appraisal districts. The Comptroller is required to conduct studies to report on appraisal district levels of appraisal and may conduct reviews and performance audits of appraisal districts under certain conditions.

The chief appraiser and the appraisal district board of directors are responsible for ensuring that an appraisal district conducts its operations in a fair and efficient manner.

As government officials, directors must be responsive to the public and be aware of the laws and principles that apply to their office. This manual is intended to familiarize you with many of these laws and principles.

Common abbreviations used in this manual are:

ARB – appraisal review board

CAD – county appraisal district

TAC – tax assessor-collector

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# **The Appraisal District Director's Manual**

## **Introduction**

Introduction

Page 2 Appraisal District Director's Manual

Appraisal District Director's Manual Page 3

**T**o be eligible to serve on the board, a person must have

resided in the appraisal district for at least two years immediately preceding the date of taking office.

Persons who meet the basic residence test may still be disqualified from serving. These reasons for disqualification ensure directors are not exposed to conflicts of interest. For example, an employee of a taxing unit that participates in the appraisal district may not serve. However, an elected official or member of the governing body of a participating taxing unit may serve.

### **Selection Process**

Taxing units, specified by statute, select the appraisal district directors. Voting taxing units are the county, school districts, cities and certain conservation and reclamation districts. **Appendix A** explains the selection of directors. This process occurs before directors begin their service. The Tax Code provides that the county TAC serves on the appraisal district board of directors. The county TAC automatically serves as a nonvoting director if the county TAC is not appointed to the board of directors to serve as a voting director. If a taxing unit, such as the county commissioner's court, appoints the county TAC to the appraisal district board, then the county TAC serves as a voting member. The county TAC does not have to meet the residency requirements for serving as a nonvoting director. The county TAC, however, is ineligible to serve as a nonvoting or voting director if the county TAC also serves as the CAD's chief appraiser. The county TAC is ineligible to serve as a nonvoting director if the county has contracted for the assessment and collection of county taxes with another taxing unit or with the CAD.

### **No Delinquent Taxes**

Owing delinquent property taxes disqualifies a person from serving on the CAD board of directors. The person is ineligible if he or she owns property on which delinquent property taxes have been owed for more than 60 days after the date the person knew or should have known of the delinquency.

This disqualification does not apply if the person is paying the delinquent taxes under an installment payment agreement or has deferred or abated a suit to collect the delinquent taxes.

### **Prohibited Family Relationships**

A person may not be appointed or continue to serve on the board, if related within the second degree of consanguinity (blood) or affinity (marriage) to the following persons:  
an appraiser who appraises property for use in the appraisal district's appraisal review board proceeding;  
or  
a person who represents property owners for compensation before the appraisal district's appraisal

review board.

A director who continues to serve knowing he or she is related in this manner to an appraiser or tax representative commits a Class B misdemeanor.

Persons who are related to directors within the second degree by affinity or within the third degree by consanguinity may not be employed by the chief appraiser. Directors cannot serve if these relatives are employed by the appraisal district. The “continuous employment” exception provided in the general nepotism statute for persons who have been continuously employed before the appointment of a public official does not apply to appraisal district employees (see Attorney General Opinion GA-0375). A person commits an offense if the person intentionally or knowingly violates this prohibition; the offense is a misdemeanor punishable by a fine of not less than \$100 or more than \$1,000.

**Appendix B** shows the family relationships that may make a person ineligible to serve as a director.

### **Term of Office and Vacancy**

Appraisal district directors serve two-year terms. Each term begins on January 1 of an even-numbered year. All directors serve the same two-year terms unless the taxing units have adopted staggered terms. The two-year term of office does not apply to the county TAC who serves as a nonvoting director.

If a director’s vacancy occurs on the board, the board notifies the voting units of the vacancy. The voting taxing units nominate by resolution candidates to fill the vacancy. All nominations are submitted to the chief appraiser within 10 days after receiving notice from the board of directors that a vacancy exists. The chief appraiser delivers a list of the nominees to the directors within the next five days. The directors select by majority vote one of the nominees to fill the vacancy.

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## **I. Eligibility Requirements**

### **Eligibility Requirements**

#### **Page 4 Appraisal District Director's Manual**

If the method of selecting directors is changed, the resolution establishing a new selection method may provide a method for filling vacancies. If the resolution does not specify a procedure, vacancies are filled in the manner described above.

### **Recalling a Director**

A taxing unit may ask for the recall of any director the unit voted for in the appointment process. A unit may not ask for the recall of a director if the unit didn’t cast any votes for that director in the last election. Recall starts when the unit files a resolution with the chief appraiser stating that the unit is calling for the recall of a named member. Within 10 days after a unit files a recall resolution, the chief appraiser must give written notice of the resolution to the presiding officer of each voting taxing unit.

Next, a recall election takes place. Only the taxing units

that voted for the member may vote in the recall election. The recall-voting taxing unit has the same number of votes that it cast in electing the member to be recalled. The unit votes by filing a resolution casting its votes in favor of recall on or before the 30th day after the original recall resolution is filed.

Not later than the 10th day after the last day for voting in favor of the recall, the chief appraiser shall count the votes cast in favor of the recall. The director is recalled if the number of votes cast in favor of recall equals or exceeds a majority of the votes cast for the director. The chief appraiser shall immediately notify the board chair and the presiding officer of the governing body of each recall-voting taxing unit of the results. If the chair is the subject of the recall, the board secretary shall also be notified.

After a recall, the director's vacancy is filled by the taxing units that voted in the recall election. Each recall-voting taxing unit may nominate by resolution one candidate and is entitled to the same number of votes it used to appoint the recalled member. The recall-voting taxing units must submit the name of each nominee to the chief appraiser on or before the 30th day after the date the chief appraiser notified the unit of the recall election results.

On or before the 15th day after the last day provided for a nomination to be submitted, the chief appraiser shall prepare a ballot, listing the candidates alphabetically according to their last names, and shall deliver a copy of the ballot to the presiding officer of the governing body of each taxing unit that is entitled to vote. On or before the 15th day after the last day on which a taxing unit may vote, the chief appraiser counts the votes, declares the winner and notifies the chair, each taxing unit and the candidates. The chief appraiser shall resolve a tie vote by any method of chance.

If the board of directors is appointed by another method or procedure adopted under Section 6.031 of the Code,, the taxing units that voted for the director may recall him or her and appoint a new director by any method adopted by resolution of a majority of recall-voting taxing units. If the appointment was by election, the method of recall and appointing a new director to the vacancy is not valid unless it provides that each unit has the same number of votes it cast for the member being recalled.

### **Optional Staggered Terms**

The taxing units participating in the appraisal district may adopt staggered one and two-year terms. To adopt staggered terms, two events must occur. First, three-fourths of the voting taxing units are required to adopt resolutions for staggered terms. Second, the voting taxing units must have changed the method for appointing board members to end cumulative voting (casting all or part of the votes to which the taxing unit is entitled). These two events may occur simultaneously.

The resolutions proposing staggered terms must be filed with the chief appraiser after June 30 and before October 1 of an odd-numbered year. If the chief appraiser determines that enough taxing units filed resolutions for

the change, he or she must notify all taxing units of the change.

Staggered terms take effect on the following January 1. To start staggering terms, all members are appointed at one time as if staggered terms had not been adopted. As soon as possible after January 1, all members draw lots to determine who will serve one- and two-year terms.

The number of one-year and two-year members depends on whether the board has an even or odd number of members. Boards with an even number of members divide the one- and two-year terms in half. Boards with an odd number of members must have one more member with two-year terms than members with one-year terms. For example, a six-member board would choose three members to serve one-year terms. A five-member board would choose two.

Once the one-year terms expire, the voting units appoint members to fill those seats for two-year terms. Thus under staggered terms, the voting units will hold elections for part of the board every year.

The staggered term provision does not apply to the county TAC who serves as a nonvoting director.

Staggered terms may be rescinded if a majority of voting taxing units adopts resolutions rescinding the terms.

The procedure for filing a rescission resolution is essentially the same as that for adopting the change, but the rescission

#### **Eligibility Requirements**

#### **Appraisal District Director's Manual Page 5**

resolution must be filed between January 1 and October 1 of odd-numbered years rather than even-numbered years.

After a valid rescission, the terms of all current members expire on the next January 1, even if not completed.

Voting units appoint new members.

Staggered terms are automatically rescinded if the district makes a change in the method of selecting directors that returns the selection method to one using cumulative voting.

#### **Eligibility Requirements**

#### **Page 6 Appraisal District Director's Manual**

#### **Appraisal District Director's Manual Page 7**

## **II. Organization**

# **A**

newly selected board must be properly sworn into

office, select officers, assign responsibilities and schedule public meetings.

### **Oath of Office**

The Texas Constitution requires each director to sign a statement and take an oath of office before beginning a term. January 1 of the year in which the term begins is the earliest date the oath may be taken. No official board actions can be taken until the statements and oaths of office are administered.

The board member must sign a constitutionally prescribed statement found in **Appendix E**. The statement also may be located on the Secretary of State's Web site as Form 2201. Appraisal districts should retain the statement at the appraisal district office. The director signs this statement before the oath of office is administered. The oath of office must be signed and notarized, as well as administered verbally. The official oath of office is attached to this manual (**Appendix E**). It may also be found on the Secretary of State's Web site as Form 2204.

### **Board Officers**

Each year during its first meeting, the board meets to organize and choose officers. The board is required to select a chair and secretary at the first meeting, but may also appoint a vice chair and other officers. A quorum of a majority of members must be present before the board takes any official action. The board may meet at any time at the call of the chair or as provided by board rule, but may not meet less than once each calendar quarter.

While a nonvoting county TAC cannot participate in board decisions, he or she is counted in determining the presence of a quorum. In addition, the nonvoting TAC may be an officer (i.e., chair or secretary). The board may determine by rule or procedure to permit the TAC to make and second motions.

The board should adopt procedures for conducting meetings from accepted parliamentary rules of order. These procedures will dictate the responsibilities of the board officers.

### **Compensation of Directors**

Appraisal district directors may not receive a salary, per diem or other compensation for serving on the board. Directors may be reimbursed for reasonable and necessary expenses incurred in the performance of their duties if included in the appraisal district budget.

### **Board Meetings and the Open Meetings Act**

The board of directors is required to complete a training course on the Open Meetings Act not later than the 90th day after taking the oath of office. The course is offered by the Office of the Attorney General. Directors who are already on boards before January 1, 2006, must complete a course before January 1, 2007.

The board of directors must meet at least once each calendar quarter -- four times each year. It may hold more meetings. Meetings are held at the chair's call or according to the board's own procedures. Each director must be notified of the meeting in advance.

The meeting agenda should set out the time for starting the meeting, establish that a quorum of directors is present, state that the minutes from the prior meeting will be approved, provide a list of new and unfinished business, schedule reports from staff and list any other discussion or action items.

The board's meetings must allow time for the public to appear and speak about any appraisal district issue, including



district and appraisal review board policies. The board also must permit its taxpayer liaison officer (if it has one) to report on the status of any complaint received by the board.

The board is subject to the Open Meetings Act, Chapter 551, Government Code, so all board meetings are open to the public. Some meetings on specific subjects may be closed after the board convenes in an open meeting. There are three categories of meetings: regularly scheduled, called and emergency. The board, through its secretary, must comply with the Open Meetings Act before each of these meetings. Persons who believe the board violated the Open Meetings Act may sue the board in district court. If the court agrees the Act was violated, actions taken during the meeting are invalid. To protect the board's official actions, all members should be thoroughly familiar with the Act. If any question arises about the application of the Act or compliance with its provisions, the board should consult its attorney.

Open meetings may continue to the following regular business day without the need for re-posting, so long as the action is made in good faith. In addition, meetings may now be posted on the Web site of the governmental entity.

#### **Organization**

#### **Page 8 Appraisal District Director's Manual**

For more information on the Act, call the Open Government Hotline toll-free at 1-877-673-6839 or see the Open Meetings Handbook published by the Office of the Attorney General (OAG) and found its Web site at [www.oag.state.tx.us/opinopen/og\\_resources.shtml](http://www.oag.state.tx.us/opinopen/og_resources.shtml):

#### **Posting Meetings**

The board must post notice of all board meetings within a specific time and at a specific place before the meeting.

The board must post meetings as follows:

**Where to post.** Post all notices at the appraisal district office in a place convenient to the public. In addition, if the appraisal district extends into fewer than four counties, notices must also be posted with the county clerk of each county in which the district is located. The county clerk is required to post the notice on a bulletin board at a place convenient to the public in the county courthouse. In cases in which the appraisal district boundaries extend into four or more counties, notices must be posted at the appraisal district office in a place convenient to the public, as well as provided to the Texas Secretary of State and the county clerk of the county in which the appraisal district's administrative office is located. The county clerk is responsible for posting as described above. The Secretary of State shall post the notice on the Internet. The Secretary of State's address is: P. O. Box 12887, Austin, Texas 78711-2887, and its Web site is [www.sos.state.tx.us](http://www.sos.state.tx.us). The general information number is 512/463-5701.

**What to post.** All notices shall include the date, hour and place of the meeting, as well as the subject to be discussed. Emergency meeting notices must also give the reason for the emergency.

**When to post.** Post all notices for regular and called meetings at least 72 hours before the meeting. Post notice of emergency meetings at least two hours before the meeting. If members of the media have requested notification by telephone or other electronic means of any emergency meetings, the board must do so.

### **Emergency Meetings**

The board may call emergency meetings only when the reason for the meeting is to respond to an imminent threat to public health and safety or to a “reasonably unforeseeable” situation demanding immediate action. Rarely, if ever, will the board deal with matters of public health or safety. The only reason for an emergency meeting would be the reasonably unforeseeable situation.

“Reasonably unforeseeable” does not mean the board failed to post notice in time for a scheduled meeting or failed to place an item on the agenda. The “reasonably unforeseeable” situation must be one not within the control of the directors and one that could not have been anticipated. The district court may review the reason the board gives in its emergency meeting notice. If the court finds the reason was not a valid emergency, the court may invalidate any action the board takes during that meeting.

### **Executive Sessions**

To hold an “executive” or closed session, the board must give notice of the meeting as required above. The notice must include the subject of the closed session as permitted by law. A quorum must be present at the meeting, and the board must convene in an open meeting before starting the closed session. The chair must announce the section of the Open Meetings Act that authorizes closing the meeting and the topic to be discussed and then may close the meeting.

The board should carefully consider which persons it will allow to attend an executive session. The Act permits members of the board to meet, but does not state who, besides members, may be included. Generally, the board should admit only those persons whose attendance is necessary to the specific purpose of the executive session.

An executive session may be held for the following reasons:

to consult with an attorney about pending or contemplated court cases, settlement offers or other

matters covered by the attorney-client privilege;

to discuss leasing or acquiring real property, the value of real property or contracts for gifts or donations

to the board, if making the discussions public would have an adverse effect on the board’s negotiating position; or

to discuss individual personnel matters. The reason for closing this type of meeting is to protect the reputation of the employee. The employee to be discussed has a right to request that the meeting be open. In this case, the board may not hold an executive session. Because the reason is to protect



individuals, the board may not close a meeting to discuss general personnel matters, such as employee salaries.

The board must keep either a "certified agenda" or tape recording of each closed session. The certified agenda must include the chair's announcement of the beginning and end of the session, show the time and date, state the subject of the discussion and record any further action taken.

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#### **Organization**

#### **Appraisal District Director's Manual Page 9**

The purpose of the certified agenda or tape recording requirement is to aid the district court in determining whether a violation of the Open Meetings Act occurred. If the session is challenged, the district court will order production and read the agenda or listen to the tape to decide the challenge. The agenda or recording is a closed record unless the court orders its production.

The board may not take any official action during a closed session. All official actions must be taken in an open meeting. The Open Meetings Act requires the board to keep minutes or tape of all meetings, whether closed or not.

A sample open meetings notice for an appraisal district board is provided. It is a sample only and should not be used for all meetings. Legal advice should be obtained concerning the content of these notices.

#### **BOARD OF DIRECTORS, COYOTE COUNTY APPRAISAL DISTRICT**

Notice of Public Meeting of the Appraisal District Directors:

Notice is hereby given that a public meeting of the Board of Directors of the Coyote County Appraisal District will convene at 7:00 p.m. on January 5, 2006, at the appraisal district office at 901 Lavaca Street, Cactus, Texas.

The board will consider the following:

1. Call to order
2. Approval of minutes
3. Public comment on activities of the appraisal district
4. Approval of contract for appraisal of industrial properties
5. Discussion and possible vote on appointment of Agricultural Advisory Committee
6. Executive session pursuant to Section 551.074, Government Code, to consider a complaint brought against a district employee
7. Chief Appraiser's report
8. Adjournment and Announcements.

This notice is given pursuant to Texas Open Meetings Act, Chapter 551, Government Code.

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Rowdy Roadrunner  
Secretary  
Coyote County Appraisal District  
Board of Directors  
Organization

Page 10 Appraisal District Director's Manual  
Appraisal District Director's Manual Page 11

## III. Board Policies, Procedures and Duties

**T**he appraisal district's effectiveness requires planning

and cooperation among appraisal district directors, the chief appraiser, appraisal staff and taxing units. Policies and goals established by the board of directors are important to this effectiveness. In fact, the board of directors is required to develop a reappraisal plan every two years after receiving input in a public hearing. The plan must be distributed to all taxing units in the appraisal district.

### General Statement of Functions

The board of directors has the following primary responsibilities:

- establish the appraisal district's appraisal office;
- adopt the appraisal district's annual operating budget;
- contract for necessary services;
- hire a chief appraiser;
- hire a taxpayer liaison officer ( in counties having a population of over 125,000);
- appoint appraisal review board members and other committees provided by law;
- provide advice and consent to the chief appraiser concerning the appointment of an agricultural appraisal advisory board and determine the number of members to that advisory board;
- approve contracts with appraisal firms selected by the chief appraiser to perform appraisal services for the district;
- make general policies on the appraisal district's operation; and
- biennially develop a written plan for the periodic reappraisal of all property within the district's boundaries.

### District Policy Manual

Through its policies, the board determines the appraisal district's goals and operates as the decision-making body on appraisal district operations. It is responsible for developing written reappraisal plans and evaluating the effectiveness of the chief appraiser in appraising property and administering the appraisal office according to constitutional and statutory requirements.

The Code and other laws require written policies covering some specific areas. While not required by the Code, a

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written operating policy covering all operational aspects of appraisal district operations should be developed as well. There are good reasons to have appraisal district operational policies. Written procedures and policies are good management tools. They permit the district's operations to continue uninterrupted if key employees leave. A policy manual explains the law, establishes policies to meet local needs, answers questions the law leaves to interpretation and brings together the requirements of the Texas Constitution, the Code, Comptroller rules and other operational matters. A policy manual allows the board to make important decisions carefully and in advance, rather than in response to crisis situations. A policy manual also helps educate the public and others about appraisal district operations.

### **Required Written Policies**

State law requires the board to have some specific written policies. The board may include these policies in the policy manual.

In accordance with Section 6.05(i) of the Code, the board must develop a biennial written reappraisal plan and hold a public hearing to consider the plan. No later than September 15 of each even-numbered year, the appraisal district board must approve the reappraisal plan and distribute copies to the taxing units and the Comptroller within 60 days of board approval.

The plan is required to comply with the provisions of Section 25.18(b) of the Code. Certain activities are required to be conducted in the reappraisal of all real and personal property located in the appraisal district at least once every three years. In summary, those activities are:

- identifying properties by physical inspection or other reliable means of identification (such as deeds, photographs, surveys, maps, and sketches);
- identifying property characteristics;
- defining market areas;
- identifying property characteristics affecting value in market areas (such as location, physical attributes of property, legal and economic factors, and legal restrictions);
- developing an appraisal model that reflects property characteristics and market areas;
- applying the conclusions from the model to the characteristics of individual properties; and

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### **Board Policies, Procedures and Duties**

## **Page 12 Appraisal District Director's Manual**

reviewing the appraisal results to determine value.

These statutory requirements are consistent with the requirement of Section 23.01 of the Code that mandates compliance with the Uniform Standards of Professional Appraisal Practice. They are required to be included in the reappraisal plan approved by the board of directors.

An appraisal district board must develop a written plan describing how non-English speaking and disabled persons have access to the appraisal district's programs. At a minimum, such a plan should show how the district will obtain foreign language and sign language interpreters, provide access to those in wheelchairs and give telephone services to the deaf.

The board must have a written policy showing citizens how to make complaints and how the board handles and resolves complaints. The board also must prepare and make available to the public written information explaining the board's functions and protest procedures. The board must include in the complaint policy provisions the process for keeping files on all complaints and for notifying the complainant at least quarterly of the status of the complaint until resolved. The district's taxpayer liaison officer (if one is appointed) is required to implement these policies.

Finally, the board must have a policy providing the public an opportunity to appear and speak at board meetings on any subject under the board's jurisdiction. The policy must provide reasonable time for the public to speak about appraisal district and appraisal review board procedures and for a report from the taxpayer liaison, if one is appointed, about complaints. The liaison officer, if one is appointed, is responsible for carrying out these procedures.

### **Statutory Requirements**

Although Chapter 6 of the Code contains most requirements for boards of directors to follow, other responsibilities are located in other chapters of the Code and other statutory provisions. Some specific Code sections that affect board responsibilities include:

An appraisal office in the county in which the district is located shall be established. The board may create branch offices outside the county for the convenience of persons living outside the county, but they must be located inside the appraisal district. *Section 6.05(a)*

The board may purchase or lease real property or construct improvements necessary to establish an appraisal office if approved by three-fourths of the voting taxing units. *Section 6.051(a)*

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The board may convey real property owned by the district if approved by three-fourths of the voting taxing units and the proceeds are apportioned to the units according to the taxing unit's budget allocation.

*Section 6.051(c)*

The board by resolution is required to approve the participation in the district of a taxing unit that lies in two or more counties. *Section 6.02(b)*

The board is responsible for notifying all taxing units of a vacancy on the board and for selecting a replacement from nominees submitted. *Section 6.03(l)*

The board may change the number of directors or method of selecting directors, or both, if all voting units agree. *Section 6.031(a)*

The board elects from its members a chair and secretary at its first meeting of the calendar year. *Section 6.04(a)*

The board may contract with another appraisal office or taxing unit in the district to perform the appraisal district's duties. *Section 6.05(b)*

The board shall appoint the chief appraiser. *Section 6.05(c)*

The board shall develop a biennial appraisal plan after a public hearing, approve the plan by September 15 of each even-numbered year, and distribute copies of the plan to the district's taxing units. *Section 6.05(i)*

In appraisal districts located in counties having populations of more than 125,000, a taxpayer liaison officer is appointed by the board. *Section 6.052(a)*

The board is required to provide certain written policies. *Section 6.04(d), (e), (f) and (g)*

The board is required to adopt an annual budget before September 15, after holding a public hearing and meeting all requirements of the Code. *Section 6.06(b)*

The board shall give public notice of the budget and budget hearing by publishing a budget summary in a newspaper of general circulation in the appraisal district at least 10 days before the public hearing on the budget. *Section 6.062(a)*

The board may amend the approved operating budget after giving notice to taxing units. *Section 6.06(c)*

The board is required to adopt a new budget within 30 days after its budget is disapproved by the taxing units. *Section 6.06(b)*

The board may authorize the chief appraiser to disburse appraisal district funds. *Section 6.06(f)*

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**Board Policies, Procedures and Duties**  
**Appraisal District Director's Manual Page 13**

The chief appraiser is required to credit excess funds to the taxing units' payments for the following year if the payments made or due to be made by the units exceeded the amount actually spent or obligated to be spent by the appraisal district during the fiscal year for which the payments were made. If a taxing unit that participated in the appraisal district in the prior year is not participating in the district in the year a surplus is to be allocated, the chief appraiser is required to refund the proportionate surplus amount to the taxing unit within 150 days after the end of the fiscal year. *Section 6.06(j)*

The board must give its advice and consent to the chief appraiser's appointments to the agricultural advisory board and may determine the number of members of the advisory board. *Section 6.12(a)*

Laws concerning the preservation, microfilming, destruction or other disposition of records shall be followed. *Section 6.13*

The board may change its fiscal year if three-fourths of the taxing units agree. *Section 6.06(i)*

The board may adopt staggered terms if three-fourths of the taxing units agree. *Section 6.034(a)*

The board and the taxing unit's governing body shall agree to an estimated budget allocation for new taxing units. *Section 6.06(h)*

The board may change the appraisal district's method of financing with the consent of all taxing units. *Section 6.061(a)*

The board designates the district depository at least once every two years. The board and the depository may agree to extend a depository contract for one additional two-year period. *Section 6.09(c)*

The board receives taxing units' resolutions disapproving board actions. *Section 6.10*

The board is required to adhere to the same requirements as cities concerning competitive bidding procedures for purchases and contracts requiring expenditure of more than \$25,000. *Section 6.11(a)*

Through the Interlocal Cooperation Act, the governing body of a taxing unit may contract with the board to assess or collect taxes. *Section 6.24(a)*

The board of directors shall appoint appraisal review board members and has the power to change the number of appraisal review board members. *Section 6.41(b)*

The board shall also adopt and implement a policy for the temporary replacement of an appraisal review board member. *Section 41.66(g)*

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The board approves contracts with private appraisal firms selected by the chief appraiser to perform appraisal services. *Section 25.01(b)*

The board shall have prepared an annual financial audit conducted by an independent certified public accountant and deliver a copy of the audit to each voting taxing unit. *Section 6.063*

The board may, by resolution, prescribe that particular actions of the chief appraiser concerning appraisal district finances or administration are subject to board approval. *Section 6.06(f)*

The board may approve in writing the chief appraiser's request to appeal an appraisal review board order to district court. *Section 42.02*

The appraisal district (i.e., board of directors) may be sued by the taxing units to compel the district to comply with the provisions of the Property Tax Code, Comptroller rules or other applicable law. *Section 43.01*

### **Limited Appraisal Authority**

The board's authority over appraisals is limited. The board does not appraise property or review values on individual properties. The law assigns these tasks to the chief appraiser and the appraisal review board, respectively.

The board has no authority to review appraisal review board decisions. The board has no business reviewing exemptions, qualification for special appraisal or taxability determinations.

The board does have some authority over appraisal policy through its duties to contract, budget and plan reappraisals. Through its contracting authority, the board determines how appraisals are performed -- through in-house appraisal, a private appraisal firm or both. The district's operating budget reflects the board's decisions on handling appraisals. The board of directors also exercises its influence when it works with the chief appraiser to develop its biennial plan for the periodic reappraisal of all property in the

district.

The board exercises some authority over appraisals when it grants the chief appraiser its approval to appeal appraisal review board decisions to district court. The chief appraiser must be granted permission from the board of directors to appeal an appraisal review board order, settle lawsuits and direct litigation.

### **Local Officials' Conflict of Interest Laws**

Board members are subject to two conflict of interest statutes. A conflict of interest occurs when a person in government has personal or business interests that may

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#### **Board Policies, Procedures and Duties**

##### **Page 14 Appraisal District Director's Manual**

conflict with the interests of the public. Chapter 171, Local Government Code, is a conflict of interest statute that applies to all local officers, including appraisal district directors. Section 6.036 of the Code addresses conflicts of interest more specifically. The Local Government Code prohibits appraisal district directors from knowingly participating in a vote or decision on any matter involving a business entity or real estate in which the member has a substantial interest. The law defines a "substantial interest" as an interest, held by members or their relatives in the first degree by blood and marriage, that is:

10 percent or more of the voting shares or stock in a business entity;

\$15,000 or more of the fair market value of a business entity;

10 percent or more of the member's gross income for the previous year is from the business entity; or a legal or equitable ownership of real property worth at least \$2,500 of the fair market value of the property.

Business entities include corporations, partnerships, holding companies, firms, sole proprietorships, joint-stock companies, receiverships, trusts or any other entity recognized in law, including non-profit corporations.

Substantial interests also include any interest held by relatives by affinity (marriage) and by consanguinity (blood) in the first degree in business entities and real estate. A member is in conflict as to relatives' interests only if the member knows about the interest. The law does not require a member to procure financial statements from the member's relatives.

Under the Local Government Code, a director who has a substantial interest in a matter before the board must do two things:

file an affidavit declaring the extent and nature of the interest in the entity or property with the appraisal district's record keeper; and



abstain from voting or participating in discussions on any issue involving the interest.

Discussions include any talk about the subject in which the member has a substantial interest. For example, if the board of directors is involved in a lawsuit involving land in which a member has a substantial interest, the member may not participate in settlement discussions. When abstaining, the member should leave the board table and sit in the audience or leave the meeting room.

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A violation is a Class A misdemeanor. In addition to criminal penalties, the district's action involving a conflict of interest may be rendered void if the action would not have been adopted without the vote of the person who violated the act.

Directors are also subject to the prohibitions in Section 6.036 of the Code. Directors may not serve or be appointed if they have a substantial interest in a business entity that contracts with the appraisal district, or with a taxing unit that participates in the district, if the contract relates to the performance of an activity governed by the Code. The appraisal district and taxing units may not enter into a contract with a director or with a business entity in which the director has a substantial interest.

A "substantial interest" is defined in Section 6.036 as: the combined ownership of the director and the director's spouse is at least 10 percent of the voting stock or shares of the business entity; or the director or director's spouse is a partner, limited partner or officer of the business entity.

While the Local Government Code allows a governing body to contract for services or personal property with a business entity in which a member of the body has a substantial interest if that business is the only one that could provide the needed services or product or is the only one bidding on the contract, no such exception exists in the Code. The specific Code provision would prevail in a situation where a conflict of interest might exist.

When a question arises about the application of the Local Government Code and Section 6.036 of the Code, the board should consult with its attorney before acting on the matter.

### **Conflicts Disclosure Statements**

In addition to the laws related to conflicts of interest, Chapter 176 of the Local Government Code requires local government officers—or members of governing bodies of local governmental entities, such as appraisal districts, and administrators, such as the chief appraiser—to file conflicts disclosure statements under certain circumstances.

A director may be required to file a statement when certain persons or the persons' agents contract or seek to contract for the sale or purchase of property, goods, or services with the district. The statement must be filed if these persons have (1) an employment or business relationship with directors or family members of the director that results in their receiving taxable income; or (2) given a gift with a value of more than \$250 in a 12-month period preceding

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#### **Board Policies, Procedures and Duties**

#### **Appraisal District Director's Manual Page 15**

the date of contract execution or consideration. The family member is a person within the first degree by consanguinity or affinity.

The statement—prescribed by the Texas Ethics Commission—must be filed with the chief appraiser within 7 business days of directors becoming aware of the relationships and contracts. A violation of this requirement is a Class C misdemeanor.

More information concerning the statements and when they must be provided should be sought from legal counsel.

#### **Disapproval of Board Actions**

Although board members may have been elected by specific voting taxing units, each director serves all taxing units in the appraisal district. At times, the board may take an action with which the majority of voting taxing units may disagree.

A majority of voting taxing units may veto any action by the board of directors. In addition, a majority of voting taxing units may veto the board's budget.

To veto a board action, the governing bodies of a majority of voting taxing units must adopt resolutions disapproving the action. The voting taxing units must file the resolutions with the board's secretary within 15 days after the action is taken. The board action is revoked effective the day after the day on which the required number of resolutions are timely filed.

To veto the board's budget, the governing bodies of a majority of voting taxing units must adopt resolutions disapproving the budget. The voting units must file the resolutions with the board secretary within 30 days of the budget adoption. The budget then does not take effect. The directors have 30 days after the disapproval date to adopt a new budget.

#### **Selecting a Chief Appraiser**

One of the board's most critical decisions is the selection of a chief appraiser. As the district's chief administrative officer, the chief appraiser implements goals and objectives set by board policy and is required to comply with the requirements of the Code, Comptroller rules and other laws.

Appointed by the board of directors, the chief appraiser serves at the pleasure of the board and is directly accountable to the board. All other appraisal district personnel are

employed by and accountable to the chief appraiser.

### **Chief Appraiser's Qualifications**

The board sets the chief appraiser's qualifications -- necessary qualifications differ depending on the appraisal district. Large districts and those with complex property or a large number of taxing units may require a chief appraiser with advanced administrative abilities who is knowledgeable about appraisal, but is not expected to appraise property. Smaller districts with less complex properties may require a chief appraiser with broad appraisal experience. Owing delinquent property taxes disqualifies a person from serving as chief appraiser. A person is ineligible to be appointed as a chief appraiser if he or she owns property on which delinquent property taxes have been owed for more than 60 days after the date the person knew or should have known of the delinquency.

This disqualification does not apply if the person is paying the delinquent taxes under an installment payment agreement or has deferred or abated a suit to collect the delinquent taxes.

A person is also disqualified from employment as the chief appraiser if the person is related within the second degree by consanguinity or affinity to a person who appraises property for compensation for use in proceedings before the appraisal district's appraisal review board or who represents property owners for compensation before the appraisal district's appraisal review board.

A chief appraiser who remains employed knowing he or she is related in this manner to an appraiser or tax representative commits a Class B misdemeanor.

The chief appraiser is required by law to register with the Board of Tax Professional Examiners (BTPE) and have attained or be working toward a Registered Professional Appraiser (RPA) designation.

### **Chief Appraiser's Duties and Responsibilities**

The chief appraiser has statutory and administrative responsibilities. The primary statutory duty is to discover, list, review and appraise all taxable property in the appraisal district using generally accepted appraisal techniques.

These tasks include, but are not limited to:

- appraising all taxable property at market value, except as otherwise provided by law;
- determining eligibility for exemptions;
- determining eligibility for special appraisal and establishing both a market and special value on qualified property;
- studying property values and sales to determine prevailing market prices;
- creating appraisal records -- appraisal cards, tax maps, property identification system, lists, forms, applications and other items;

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**Board Policies, Procedures and Duties**  
**Page 16 Appraisal District Director's Manual**

creating procedures for equitable and uniform taxation of inventory;  
sending notices of appraised value;  
determining whether property qualified for agricultural or timber appraisal has undergone a change of use and sending a notice of change of use to the owner;  
submitting complete appraisal records of all property to the appraisal review board;  
testifying before the appraisal review board on proposed values or exemptions and other actions taken by the chief appraiser or designating a staff member to do so;  
contracting, with the approval of the board of directors, with private appraisal firms, if appropriate;  
presenting supplemental records and other items for appraisal review board consideration;  
correcting records as ordered by the appraisal review board;  
certifying an appraisal roll and other listings to each taxing unit participating in the appraisal district;  
calculating effective and rollback tax rates for taxing units, if required by contract;  
collecting taxes for taxing units, if required by contract;  
issuing statements of delinquent taxes on manufactured homes, unless contracted with county tax office;  
acting as the district's public information officer;  
issuing permits for "going out of business sales" and sending notices of such sale to other entities;  
appointing an agricultural advisory board, with the advice and consent of the board of directors;  
collecting of penalty for delinquent renditions and possibly waiving the penalty, if it is determined that reasonable diligence to comply was followed;  
serving as the chief administrator of the appraisal office with responsibility to employ and compensate professional, clerical and other personnel as provided by the budget; and  
perform other legal responsibilities or duties assigned by the board of directors.

The chief appraiser is prohibited from employing or contracting with an individual or the spouse of an individual who is related to him or her within the first degree by consanguinity or affinity.

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### **Relationship with Chief Appraiser**

The board of directors must be fully informed of appraisal district operations by reports from the chief appraiser. Open communication between the chief appraiser and the board is important. The chief appraiser must know about the board's goals and policies to implement them. The directors should know about the district's operations to ensure that the chief appraiser is implementing their policies and working to achieve their goals. Normally, the board will direct the chief appraiser to handle preparations for board meetings, including notifying members, setting the agenda, posting open meetings notices and sending information to members.

### **Public Access Functions**

To improve communications between the appraisal district and taxpayers, the Code requires the appraisal district board of directors to adopt policies for public access to the board, to inform the public of the board's duties and to provide procedures for resolving complaints. Boards of larger appraisal districts must employ a taxpayer liaison officer to assist in handling complaints from taxpayers and performing other assigned duties.

### **Access to the Board**

The board must develop and implement policies to provide the public with a reasonable opportunity to appear before the board and speak on any issue within its jurisdiction. To comply, the board must provide a reasonable time during each board meeting for public comment on appraisal district and appraisal review board policies and procedures. The board must also allow time for the taxpayer liaison officer, if appointed, to report to the directors on complaints received from property owners. The public should also be afforded time on the agenda to address the board of directors. This session may be listed on the agenda as "public comments on activities of the appraisal district." Boards should have a sign-in sheet at their meetings for persons wishing to speak.

### **Handling Complaints**

The board must make information available to the public and to taxing units on its procedures for handling and resolving complaints. The procedures should state

who receives written complaints, how the complaint will be handled by the board and any other action the board deems necessary. The board may want to incorporate the complaint procedures into its policy manual.

The board should encourage persons or entities with complaints to put them in writing. When the board receives

#### **Board Policies, Procedures and Duties**

#### **Appraisal District Director's Manual Page 17**

a written complaint that it has authority to resolve, the law requires the board to notify the parties to the complaint of the complaint's status at least quarterly until the complaint is resolved. The board may forego giving this notice if it would jeopardize an undercover investigation. The taxpayer liaison officer, if one is appointed, is responsible for handling complaints and reporting on the status to the board.

Potential complainants should receive a complete listing of the board's responsibilities to show what issues are within the board's jurisdiction. It may be helpful to include other issues, such as the open meetings and public information laws, taxpayer rights, the appraisal review process, exemption application procedures and where to go for problems with tax payments.

#### **Access for Persons with Disabilities**

The board must have a written plan for providing reasonable access to the board by persons with physical, mental or developmental disabilities. The board or its taxpayer liaison officer should determine if the board's meeting facility and the appraisal district office are barrier-free or accessible to the physically impaired. The district should eliminate, modify, or reduce the number of barriers in the physical environment, such as stairs, unreachable elevator controls, revolving doors, doors that are difficult to open. The board should also provide for designated parking for persons with disabilities.

Texas has accessibility laws for buildings and facilities.

All public facilities constructed or substantially renovated with public funds after 1969 must be accessible to the physically disabled. Cities, counties and other public entities that lease facilities are required to lease accessible facilities because the Americans with Disabilities Act (ADA) requires that all services available to the general public must also be made available to persons with disabilities.

The board should also plan for persons with hearing disabilities by making contingency plans for obtaining a sign-language interpreter, when necessary. To accommodate persons with vision disabilities, attendant animals should be permitted admittance in appraisal offices.

Additionally, the board may consider recording its general property value protest instructions and other public service information, as well as providing the information on the appraisal office Web site.

For contact information about the Americans with Disabilities Act, see **Appendix D**.

#### **Access for Non-English Speaking Persons**

The law requires the board to have a plan for dealing

with persons who do not speak English. Section 6.04 of the Code provides that reasonable access must be provided. Appraisal district officials should be aware of significant populations of non-English speaking groups in the area. The board should locate translators to help non-English speaking persons. The board should first survey appraisal district employees to determine if any of them speak a foreign language. Non-English speaking persons could also be asked to bring a friend or relative who can translate. Other possible sources for translators are foreign-language instructors in area schools and colleges, churches with non-English speaking congregations, taxing units or an immigration office.

The board should also provide the Spanish version of *Texas Property Taxes: Taxpayers' Rights, Remedies and Responsibilities* for Spanish-speaking persons.

### **Public Interest Materials**

The law requires boards to prepare information of public interest that describes the board's functions and the procedures it has set up for filing and resolving complaints. Other issues that taxpayers commonly raise may also be described in easy to understand terms.

The board may use brochures, booklets, leaflets, fact sheets, newsletters, exhibits, special events, advertisements or direct mailings to provide information to taxpayers and taxing units. The information may be included with other material the district normally mails out, such as notices of appraised value.

The board's complaint procedures must also be available in written form to taxpayers and taxing units. The material should clearly explain how to file a complaint, how the board resolves complaints and what types of complaints are within the board's jurisdiction. If the board is required to hire a taxpayer liaison officer, the information should detail the officer's duties and how to contact him.

### **Taxpayer Liaison Officer**

Boards for districts in counties with a population of more than 125,000, according to the most recent federal census, must appoint a taxpayer liaison officer. The liaison officer is responsible only to the board, with the salary set by the budget. The liaison's job is to improve relationships with the public and assist the public with their information needs.

The liaison officer's statutory duties are to handle complaints in the manner required by the board's written policy and to report to the board monthly on the status of complaints. The Code also requires the liaison to develop and implement the public access functions the board is required to adopt. These functions are the policies ensuring

#### **Board Policies, Procedures and Duties**

**Page 18 Appraisal District Director's Manual**  
access to non-English speaking and handicapped persons, giving the public the opportunity to speak at board meetings and providing a system for handling complaints. The liaison officer is not responsible for resolving protests concerning



appraisals.

The liaison officer is not necessarily the only person charged with public assistance responsibilities. Many districts have personnel responsible to the chief appraiser for providing information and assistance to property owners. Even if the district is not required by law to have a liaison officer, the board and chief appraiser should train staff to handle the types of public contacts contemplated for the liaison officer.

### **Public Information Act**

The board of directors is required to complete a training course on the Public Information Act not later than the 90th day after taking the oath of office. The course is offered by the Office of the Attorney General. Directors who are already on boards before January 1, 2006, must complete a course before January 1, 2007.

The appraisal district's records and information maintained for the appraisal district are generally open to public inspection under the Public Information Act, Chapter 552, Government Code. Information maintained for the district is open if the district either owns the record or has a right of access. With some specific exceptions, the Act requires the appraisal district to make records available to citizens during normal business hours. The Act requires the chief appraiser as the chief administrative officer of the district to serve as the public information officer.

The purpose of the Act is to open government up to the citizens it serves. For this reason, records and information are usually made confidential only when disclosure would harm an individual's reputation or safety, create difficulty in negotiation for contracts or sales, violate the attorney-client privilege or obstruct the district's ability to carry out its duties. The Act provides 23 exceptions to the rule of disclosure, but other laws and judicial decisions create additional exceptions.

As the appraisal district's governing body, the board of directors is responsible for ensuring that the district complies with the Act. To ensure compliance, the board should develop written policies for handling requests.

When the district receives a written request for disclosure, the district has 10 business days to respond, according to law. The board, through the chief appraiser, must either provide the records for inspection or request an open records decision from the attorney general, unless there has already been a decision that the records are confidential. If the district believes a record is confidential, but does not request an open records decision within 10 business days and no prior decision on the issue exists, the record is presumed open after 10 business days.

The burden of proving a record is confidential is on the district. The board's request for a decision must explain why it believes the record is confidential and be accompanied by the requested records. The attorney general will not disclose the records unless a determination is made that the information is subject to disclosure.

To request an attorney general open records decision, write: Office of the Attorney General, Attn: Opinions



Committee, P. O. Box 12548, Austin, Texas 78711-2548.  
For information on requesting an opinion, go to the Texas Attorney General's Web site at [www.oag.state.tx.us](http://www.oag.state.tx.us).  
To review detailed information about public information, see the handbook published by the Office of the Attorney General at its Web site at [www.oag.state.tx.us/opinopen/og\\_resources.shtml](http://www.oag.state.tx.us/opinopen/og_resources.shtml) or call the Open Government Hotline toll-free at 1-877-673-6839.

Violation of the Public Information Act is a criminal offense of official misconduct. Persons who deliberately or negligently fail to give access to open records or who disclose confidential records are subject to six months confinement in jail, a fine of up to \$1,000 or both. As a result, it is important to consult an attorney with any question or seek advice from the Attorney General.

**Records Custodian and Retention.** The chief appraiser is the custodian of appraisal district records. The chief appraiser may delegate responsibilities to staff, but remains accountable for the preservation and care of district records.

The custodian's responsibilities are to:

- ensure that records are available for public inspection and copying;
- protect and preserve records from deterioration, loss, theft, alteration and destruction;
- repair, renovate and rebind records when necessary;
- provide public access to public appraisal district records without asking the person making the request for any information other than personal identification and a description of the records being requested;
- provide a reasonably comfortable place for persons to use while inspecting the records; and
- give access to the requested records for 10 business days and extend that period for another 10 business days on the written request of the person inspecting the records. Records in use or in storage must be made available within a reasonable time and at a date set in writing and given to the requesting person.

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**Board Policies, Procedures and Duties**  
**Appraisal District Director's Manual Page 19**  
**Heading**

The chief appraiser's duties as custodian of the records should be set out in written procedures. Information concerning records retention laws and requirements can be found at the Texas State Library and Archives Commission's State and Local Records Management Division at [www.tsl.state.tx.us](http://www.tsl.state.tx.us) and by phone at 512/454-2705. The records retention schedule is at [www.tsl.state.tx.us/slr/recordspubs/tx.html](http://www.tsl.state.tx.us/slr/recordspubs/tx.html).

**Charging for Public Records.** The Office of the Attorney

General is responsible for developing guidelines for charging for public information records. State and local government agencies must follow the cost schedules when charging for copies of public information. Information about the charges for public information and other provisions of the law can be found at the Attorney General's Web site: [www.oag.state.tx.us/opinopen/og\\_resources.shtml](http://www.oag.state.tx.us/opinopen/og_resources.shtml)

A governmental body may choose to follow Section 552.267 of the Government Code, which mandates providing a copy of public information without a charge or at a reduced charge if the governmental body determines that is in the public interest not to charge. Finally, the governmental body may waive a public information charge if the cost of processing the payment received for the information will exceed the charge.

**Page 20 Appraisal District Director's Manual  
Heading**

**Appraisal District Director's Manual Page 21**

## **IV. The Appraisal Office**

**D**irectors need to know what facilities, equipment,

supplies, special services and records necessary to operate and maintain an appraisal office. While the administrative duties of the office the responsibility of the chief appraiser, the board is responsible for the performance of the chief appraiser and therefore must be aware of the duties. Some appraisal districts may have contracted with other appraisal offices or taxing units to perform the duties of the appraisal office for the district, as allowed by Section 6.05 of the Code. Should those districts end such a contract and decide to establish a separate office, a review of this section may be helpful.

### **Office Space**

In selecting office space, the board of directors should consider location, availability of parking, storage space, and convenience to property owners. Adequate room for appraisal review board hearings should also be provided. The board of directors may purchase or lease real property and may construct a building to establish and operate an appraisal district or branch appraisal office. The governing bodies of three-fourths of the taxing units entitled to vote on the appointment of directors must approve the purchase or sale of real property or the construction or renovation of an improvement.

Once the board of directors proposes a property transaction by resolution, the chief appraiser notifies the presiding officer of each governing body entitled to vote on the proposal, including costs of other available alternatives. Within 30 days after receiving the proposal, the taxing unit may approve or disapprove the proposal by resolution. If the governing body fails to act within 30 days or fails to file its resolution with the chief appraiser within 40 days after

receiving the proposal, disapproval by the governing body is automatic.

The board of directors must credit proceeds of the sale of real property to each taxing unit participating in the district in proportion to the unit's allocation of the appraisal district budget in the year of the sale.

### **Equipment and Supplies**

Appraisal office operations may require the purchase or leasing of special equipment and supplies. Such items may be for appraisal operations, mapping, data processing and clerical needs.

### **Appraisal Services**

The chief appraiser, with approval of the board of directors, may contract with a private appraisal firm to provide appraisal services to the district. Some appraisal districts rely on private firms for a broad range of functions. Others may contract with firms to appraise specialized properties, such as oil and gas or utilities. Still others may employ inhouse staff to handle all property appraisals.

It is essential that the chief appraiser and board of directors take the necessary steps to ensure satisfactory performance on the part of appraisal firms. Concerns to be addressed include:

- preparing specifications of the work to be done;
- defining the scope of the work, standards of performance desired and responsibilities of both the appraisal firm and the appraisal office;
- specifying the dates that the appraisals will be reviewed and completed ;
- reviewing work performance throughout the contract;
- and
- specifying other factors affecting the district's working relationship with the private firm.

### **Computer Services**

An appraisal district may operate its computer services internally or it may lease services from a private firm or another governmental agency. Services offered may vary from printing the appraisal roll to computer-assisted mass appraisal programs.

Certain computer-assisted functions are required by law. Section 1.085 of the Code provides that property owners whose property is included in 25 or more accounts are entitled to receive notices of appraised value, pursuant to Section 25.19 of the Code, in electronic format. The chief appraiser is required to enter an agreement for that purpose if requested by a property owner and shall deliver the notice in accordance with the electronic medium, format, content, and method prescribed by the Comptroller. Comptroller Rule 9.4037 provides for the format for these electronic notices. All appraisal districts are required to comply with this provision, and therefore, they must have computer capability.

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**The Appraisal Office  
Page 22 Appraisal District Director's Manual**

### **Mapping System**

In meeting the chief appraiser's principal responsibility to locate, record and appraise all property in the appraisal district, a complete set of maps is indispensable. Maps enable appraisers to locate each real property parcel, identify its size and shape and determine its relationship to factors that affect its value. Maps also serve to display market and statistical data, appraisal comparisons and land appraisals. They are also valuable when presenting evidence in court.

Comptroller Rule 9.3002 requires each appraisal office to establish and maintain a system of tax maps. Depending on the sophistication of the map system established by the appraisal district, the types of needed equipment and supplies will vary, as will the costs. However, once developed and maintained, maps will also be useful for taxing units in the district, such as for fire protection and street identification.

### **Records System**

Comptroller Rule 9.3003 requires the appraisal district to develop and maintain a uniform tax records system. Such a system must include:

- appraisal cards;
- maps;
- rendition forms;
- report of decreased value forms;
- appraisal records of all property;
- tax roll of any taxing unit for whom the appraisal office assesses or collects;
- delinquent tax roll of any taxing unit for whom the office collects;
- alphabetical index of property owners;
- partial exemption lists;
- absolute exemption lists; and
- lists of properties receiving appraisal as open-space land, agricultural use, timber use, recreational park and scenic land and public access airports.

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**The Appraisal Office  
Appraisal District Director's Manual Page 23**

## **V. Appraisal District Financial Affairs**

**P**articipating taxing units pay for all appraisal district

operations. The appraisal district directors' financial responsibilities include adopting an annual operating budget, selecting a district depository, engaging in

competitive bidding procedures, contracting, purchasing, setting accounting methods and auditing.

### **Annual Operating Budget**

Before June 15 of each year, the chief appraiser submits to the board a proposed budget for the upcoming fiscal year. The district's fiscal year is the calendar year, unless another fiscal period is designated according to the Code. The proposed budget must provide the following information:

each proposed employee position to include:  
the proposed salary of each position;  
all benefits for each position;  
each proposed capital expenditure; and  
an estimate of the amount of the budget to be allocated to each taxing unit.

Other items commonly included in the budget are:  
contract payments for services;  
reimbursement for reasonable and necessary appraisal district director expenses;  
per diem or actual expense reimbursement for appraisal review board members;  
compensation for attorneys hired for the appraisal district, appraisal review board or both;  
reimbursement of appraisal office staff for reasonable and necessary expenses;  
payment of tuition and fees incurred for courses or educational programs;  
funds for appraisal review board proceedings and operations; and  
other items necessary for appraisal district operations.

If an appraisal district performs collection or assessment services, a separate budget is required from the main appraisal district budget. Only units using these services pay for them, so the chief appraiser shall budget separately for these services. This separation requires allocating costs only to the taxing units receiving the services.

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### **Public Hearing and Publication of Budget**

The board of directors must hold a public hearing, subject to the requirements of the Open Meetings Act, to consider the budget. This hearing gives taxing units and the public an opportunity to observe and comment on how funds are being spent.

The law does not require the board to hold the hearing

on a specific date, but the budget must be finally approved before September 15. The September 15 date permits taxing units participating in the district to include their share of appraisal district cost in their own budgets.

If the fiscal year has been changed, the chief appraiser must prepare a proposed budget before the 15th day of the seventh month preceding the first day of the fiscal year established by the change. The board of directors must adopt a budget for the fiscal year before the 15th day of the fourth month preceding the first day of the fiscal year established by the change.

Before the board holds the budget hearing, the board's secretary must deliver to the presiding officer of the governing body of each taxing unit in the district written notice of the date, time and place of the hearing. The secretary must deliver this notice no later than the 10th day before the date of the budget hearing.

Not later than 10 days before the public hearing date, the chief appraiser must publish a notice of the hearing in the newspaper. The one-quarter page notice must be published in a newspaper or tabloid of general circulation in the appraisal district's county. The notice may not be published in the part of the paper in which legal notices and classified advertisements appear.

Comptroller Rule 9.3048 sets out the content of the notice. The notice must state where and when the public hearing will be held, the total amount of the proposed budget, the amount the proposed budget is increased from the current year, the number of employees compensated under the current budget and the number to be compensated under the proposed budget. The notice must also state the name, address and telephone number of the appraisal district and, at the chief appraiser's option, a statement explaining any significant differences between the current and the proposed budgets. The notice must also state that the appraisal district is supported solely by payments from taxing units in the appraisal district. In addition, the notice must contain the following statement:

**Appraisal District Financial Affairs**

**Page 24 Appraisal District Director's Manual**

"If approved by the appraisal district board of directors at the public hearing, this proposed budget will take effect automatically unless disapproved by the governing bodies of the county, school districts, cities, and towns served by the appraisal district. A copy of the proposed budget is available for public inspection in the office of each of those governing bodies."

The rule and notice form appear in **Appendix C**.

Voting taxing units may veto the approved budget. To veto, a majority of the voting taxing units must pass resolutions disapproving the adopted budget. These units must file resolutions with the board's secretary within 30 days after the date the budget is adopted. If enough veto resolutions are filed, the budget does not take effect. The board

must adopt a new budget within 30 days of disapproval. Whether a new budget publication is required before the hearing to adopt a new budget is unclear. Advice from legal counsel should be requested.

The board of directors may amend the approved budget if the board's secretary delivers to the presiding officer of each taxing unit's governing body a written copy of the amendment proposal. The secretary must deliver this notice at least 30 days before the date the board intends to act on the amendment.

Voting taxing units may disapprove a budget amendment under the general authority given to taxing units to disapprove a board action. Voting taxing units must file disapproval resolutions with the board's secretary by majority of the voting taxing units within 15 days of the amendment's adoption.

Each taxing unit must pay its share of the budget in four equal installments, due at the end of each calendar quarter (December 31, March 31, June 30 and September 30). The first payment is due before January 1 of the year in which the budget takes effect. A taxing unit's governing body and the chief appraiser, however, may agree on a different method of payment.

If a taxing unit does not pay on time, the payment becomes delinquent and incurs a penalty of 5 percent of the payment amount. Interest accrues at an annual rate of 10 percent. The appraisal district has no authority to waive or rescind the penalty and interest imposed on a delinquent payment.

If the budget is amended, any change in the amount of a unit's cost allocation is apportioned among the payments remaining.

### **Allocating an Appraisal District's Costs**

Each participating taxing unit pays a share of the appraisal district budget. Section 6.06(d) of the Code specifies how to determine each unit's share. The appraisal district's costs for assessing or collecting taxes under contract with taxing unit(s) may not be included in the district's budget for the appraisal operations. The formula for calculating a taxing unit's share of the budget is:

Unit's Tax Levy = Unit's Fractional Share

Total Tax Levy of All Units

The chief appraiser calculates the unit's share by dividing the current taxes levied by the unit on property in the appraisal district by the current total taxes levied by all taxing units on property in the district. The resulting fraction is multiplied by the total dollar amount of the budget. Only the taxes imposed by a unit on property in an appraisal district are used to calculate the unit's allocation in that district.

Section 6.06(d) provides a limitation for a taxing unit that has very few parcels of property but has a large tax levy. If the unit has less than 5 percent of the total number of parcels in the district, but imposes more than 25 percent of the taxes in the district, the unit's allocation may not exceed three times its percentage of parcels. For example,



a taxing unit has 4 percent of the parcels but imposes 30 percent of the taxes. Its normal budget share would be 30 percent, but under this rule, the share may not exceed 3 times 4 percent, or 12 percent.

If the taxing unit that is located in more than one county chooses to participate in only one appraisal district, all costs of appraisal district operations in the territory outside the county boundaries are allocated to the taxing unit that chooses to add that territory to the district. If two or more units add the same territory to the district, costs of operating in the added territory are allocated based on the proportion of taxes imposed by each unit to the total taxes imposed by all units in that territory.

Finally, a school district may have annexed property from another school district in another county for state funding purposes. The school district pays to each appraisal district in which it has territory, based on the amount of taxes levied on the property in that territory.

### **Changing the Allocation Method**

Either the board or the participating units may change the statutory allocation method. The board of directors may do so by passing a resolution making the change and delivering copies to the participating taxing units after June

#### **Appraisal District Financial Affairs**

#### **Appraisal District Director's Manual Page 25**

15 and before August 15. The change takes effect if no taxing unit files a resolution opposing it. If any taxing unit that participates in the district adopts a resolution opposing the change and files the document with the board prior to September 1, the change cannot take effect.

Voting taxing units may also change the method of allocating payment. To make the change, the governing bodies of three-fourths of the voting taxing units must adopt appropriate resolutions and file them with the chief appraiser after April 30 and before May 15.

A change in allocation method made by either the directors or by the voting taxing units remains in effect until changed or rescinded by resolution of a majority of the governing bodies of voting taxing units.

### **Selecting a Depository**

The board is required to select a depository for appraisal district funds at least once every two years and until its successor is designated and has qualified. Selection is by competitive bidding. The requirements for selecting a depository are listed below.

The depository must be a Texas or United States banking corporation or a savings and loan association with deposits insured by the Federal Savings and Loan Insurance Corporation.

The board must choose the financial institution(s) which offer the most favorable terms and conditions for handling the district's funds.

The board must solicit bids at least once in each two-year period. The board and the depository may agree to extend a depository contract for one additional



two-year period.

To the extent that funds in the depository are not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, the depository must secure funds in the manner provided by law for the security of funds of counties.

Provisions of Chapter 116, Local Government Code, concerning county depositories may apply to appraisal districts in certain cases. Advice from legal counsel should be solicited in order to ensure that funds are properly secured.

### **Investing Public Funds**

Government Code Chapter 2256, known as the Public Funds Investment Act, applies to local governments and addresses authorized investments. It also deals with public

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finance requirements generally. Each governing body of a political subdivision may purchase, sell and invest its funds as provided by this chapter. For more information about public funds investment, the text of Chapter 2256 can be found at [www.capitol.state.tx.us/statutes/gv.toc.htm](http://www.capitol.state.tx.us/statutes/gv.toc.htm). You should also consult your attorney and/or financial advisor about the legal obligations that exist.

### **Competitive Bidding, Purchasing and Contract Authority**

District directors will consider a variety of contracts for supplies, equipment, services and other work. Section 6.11 of the Code requires competitive bidding for purchases and contracts requiring an expenditure of \$25,000 or more. Specifically, the board must follow the process set out for municipalities in Chapter 252 of the Local Government Code. The Public Property Finance Act found in Chapter 271, Local Government Code, should also be consulted concerning the lease or purchase of certain personal property.

The text of these laws can be located at [www.capitol.state.tx.us/statutes/lg.toc.htm](http://www.capitol.state.tx.us/statutes/lg.toc.htm). The Interlocal Cooperation Act found in Chapter 791, Government Code, applies to local governmental entities and should be followed as well. The text of this law can be located at [www.capitol.state.tx.us/statutes/gv.toc.htm](http://www.capitol.state.tx.us/statutes/gv.toc.htm). You should consult with your attorney about bidding procedures, purchasing and contracts.

Since the Texas Constitution prohibits political subdivisions from incurring debt that extends into future fiscal years without a sinking fund, "funding out" clauses should be included in contracts that extend beyond the budget period. This clause gives the district the right to terminate the agreement if revenues do not actually become available in the future. In addition, ratification clauses should be included to permit future boards of directors to consider contracts that overlap with new board terms of office.

## **Bonds**

Neither state law nor Comptroller rules require a bond of the chief appraiser for performing appraisal services. However, a taxing unit may require a bond when the appraisal district collects for the unit.

If the chief appraiser acts as the collector for any unit other than the county under an interlocal contract, the unit may require a bond conditioned on the faithful performance of the duties as collector. The taxing unit must pay the premium for the bond.

Within the appraisal district, the board may require some employees to post bonds. Bonds should be required for those officers or employees who are authorized to handle money. Only the district chair and secretary may

### **Appraisal District Financial Affairs**

#### **Page 26 Appraisal District Director's Manual**

disburse the district's funds by written check, draft or order. If authorized by the directors, the chief appraiser may write checks. Only those employees authorized by the chief appraiser to handle funds should be covered by a fidelity bond. However, more employees should be covered if the appraisal office collects taxes.

## **Financial Audit**

An annual financial audit of the county appraisal district is required pursuant to Section 6.063 of the Code. An independent certified public accountant (CPA) or a CPA firm must prepare the audit. The board must deliver a copy of the report to the presiding officer of the governing body of each taxing unit eligible to vote on director appointments. Copies of the report should be made available at the appraisal office for public inspection.

## **Other Administrative Details**

The appraisal district directors and chief appraiser handle other financial details that affect appraisal district operations, such as reporting to the Internal Revenue Service, purchase of insurance, retirement program participation, etc. Some of these aspects are briefly discussed below.

### **Internal Revenue Service (IRS)**

The appraisal district must apply for an account with the IRS to obtain an IRS Employer Identification Number and be placed on the IRS mailing list. Funds withheld from employees' pay are calculated, deposited and reported using the proper forms required by IRS.

### **Sales Tax**

Appraisal districts, as political subdivisions of the state, are exempt from paying sales tax except on lodging secured by officials traveling on official business. The appraisal district should not charge sales tax when furnishing multiple copies of public records if the governmental body is required to furnish them under the Public Information Act. Sales tax is due on the sale of regular publications records or general information. For example, a set of tax maps for a county available for sale to the public at a set price is taxable. The district must remit collected sales tax to the Comptroller. Further information on charging sales tax may

be obtained by contacting the Comptroller's Office, Tax Assistance at 1-800-252-5555, extension 3-4600.

### **Workers' Compensation**

An appraisal district may provide workers' compensation coverage for its employees through the purchase of a workers' compensation insurance policy, becoming selfinsured or participating in a joint self-insurance fund with other districts or governmental units.

### **Liability Insurance**

The Texas Tort Claims Act provides that governmental units are liable for property damage, personal injury and death caused by employees or officers operating automobiles or motor-driven equipment while working in their employment. A district could be liable for death or personal injury caused by the condition of or use of tangible personal or real property. Many appraisal districts carry policies of liability insurance to protect against this risk.

### **Property Insurance**

The appraisal district may wish to consider insurance for burglary, robbery of money and securities, forgery and other crimes.

Insurance covering office equipment, supplies, furniture and fixtures may also be desired. Valuable papers coverage for maps, cards and records can be provided, as well as all-risk coverage for computers, software, tapes and other items.

### **Group Hospitalization and Life Insurance**

Most appraisal districts provide hospitalization, life, accident and/or other health benefits for their employees. Before selecting any type of plan, the district should complete a comparative study of available policies.

### **Retirement Plans**

Most appraisal districts have a retirement system adopted by an earlier board of directors. Chapter 810, Government Code, allows appraisal districts to establish public retirement systems. Public retirement system means a continuing, organized program or plan, including a plan qualified under Section 401(a) of the Internal Revenue Code of 1986, of service retirement, disability retirement or death benefits for officers or employees of a political entity. Appraisal district directors should consult with the district's attorney to determine whether the district's retirement plan complies with state statutes.

The appraisal district shall file all reports with the State Pension Review Board as required by Government Code Chapter 802.

### **Appraisal District Financial Affairs**

### **Appraisal District Director's Manual Page 27**

## **VI. Appraisal Office Staff**

**R**ecruiting, training and retaining competent, qualified

personnel are important elements of effective

appraisal district operations.

The chief appraiser is responsible for hiring, firing and training personnel. The board should not become involved in day-to-day personnel decisions, but may establish broad personnel policies to be implemented by the chief appraiser.

The chief appraiser has the authority to employ and compensate personnel as provided by the appraisal district budget. The board of directors adopts the budget and through the budget may control the size and qualifications of staff, as well as set the goals and objectives of the appraisal office through its personnel.

The chief appraiser should recommend personnel policies and procedures to the board of directors for adoption, then administer the district staff in a manner consistent with board policy and the approved budget.

This section addresses general personnel issues. A district should consult its legal counsel for advice about specific situations and to assist in preparing a personnel policy manual or handbook. In particular, advice must be sought concerning policies related to equal employment, discrimination, due process, civil rights, grievance procedures, harassment, liability, disabilities and other legal matters.

### **Personnel Policy**

The chief appraiser should develop a written personnel policy manual or handbook. A manual informs employees about the district's goals and objectives, policies, procedures and guidelines to follow in the course of their duties.

Courts have interpreted personnel handbooks as creating contractual protections for employees. If a handbook states that no employee will be terminated except for good cause, the employer has voluntarily given up the ability to terminate except for cause.

Similarly, oral or written statements made to an employee may limit the employer's right to terminate at will. Some courts have viewed hiring a person for a definite period – by the week or by the month – as establishing a definite term of employment. Depending on the wording, a termination might not be effective until the end of the next pay period. Each employee should have a copy of the manual. The chief appraiser should review and update the manual annually.

The personnel policy manual should state the district's general goals and objectives and may include but not be limited to the following items:

- applications for employment;
- promotion, demotion, transfer and termination policies;
- compensation plan;
- leave plans, such as vacations and sick leave;
- conditions of employment;
- work hours and overtime;
- employee benefit program;
- conduct and discipline;
- prohibitions against discrimination (gender, race, age, national origin, religion or disability) and clear guidelines for resolving complaints;
- equal employment opportunity guidelines;
- prohibition against sexual harassment and methods

to report improper conduct; and other policies directly affecting employees, such as court appearances on property tax matters.

### **Job Descriptions, Evaluations and Salary**

A written job description should define each position in the appraisal office. The chief appraiser and/or supervisors should review job descriptions periodically and update as necessary. The district should have a formal system of evaluation included in the written personnel policy manual. The board should evaluate the chief appraiser's performance regularly. Likewise, the chief appraiser should evaluate employees regularly. The district should develop a salary classification system based on the duties, qualifications and level of performance necessary for each position. The salary schedule should be realistically based on the appraisal district budget.

### **Professional Development**

Certain employees of the appraisal district register with and attain certification from the Board of Tax Professional Examiners (BTPE).

Section 5.04 of the Code requires an appraisal district to reimburse an employee for all actual and necessary expenses, tuition, fees and costs of materials incurred in attending a course or training program conducted, sponsored or approved by the BTPE. The chief appraiser must approve the course or seminar before the employee is entitled to reimbursement.

The appraisal district should budget funds to cover necessary training and education expenses, based on a careful evaluation by the chief appraiser of employee training and certification needs.

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Appraisal Office Staff

Page 28 Appraisal District Director's Manual

Appraisal District Director's Manual Page 29

## **VII. Appointing the Appraisal Review Board**

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ne of the most important parts of the property

tax system is the review of appraisal records by an impartial citizen board. The board hears protests from taxpayers and challenges from taxing units on the proposed appraisal records submitted by the chief appraiser.

The Code assigns this function to the appraisal review board (ARB) appointed by the appraisal district board of directors. District directors should be aware of the need to select citizens with high competence and with an excellent reputation for fairness and good judgment. Experience in one of the following fields may be helpful: appraisal, real estate, accounting, business, agribusiness, engineering or construction.

These fields of expertise, however, are not required.

## **Membership Requirements**

To be eligible, an individual must be a resident of the appraisal district and must have resided in the district for at least two years.

The Code provides that, in all appraisal districts, a person is ineligible to serve on the ARB if the person is a county appraisal district (CAD) director, a CAD officer or employee, a Comptroller employee or a member of the governing body, officer or employee of a taxing unit.

In counties with a population of more than 100,000, a person is ineligible to serve on the ARB if the person has served for all or part of three previous terms or is a former director, officer or employee of the CAD. A person also is ineligible to serve on the ARB in counties having a population of more than 100,000 until the fourth anniversary of the date the person ceased to serve as a member or officer of a taxing unit for which the appraisal district appraises property. In these counties, a person may not serve as an ARB member if the person has ever appeared before the ARB for compensation. In counties with a population of 100,000 or less, a person is ineligible to be appointed to the ARB for a fourth term if the person has served for all or part of three consecutive terms. The person, however, may serve in some future year.

## **Barred from Membership**

Section 6.412 of the Code bars an ARB member from serving if the member is related to a person who operates for compensation as a tax agent or a property tax appraiser in the appraisal district. Relatives barred are those within the second degree by consanguinity (blood) or affinity (marriage).

Knowing violation of this section is a Class B misdemeanor.

Section 6.413 bars a person who contracts with the appraisal district or a taxing unit that participates in the appraisal district from serving on the ARB. A person who has a substantial interest in a business that has either type of contract is also barred. "Substantial interest" is defined as either: (1) combined ownership of the person and his spouse of at least 10 percent of the voting stock or shares of the business, or (2) service by the individual or a spouse as a partner, limited partner or officer in the business entity.

This section bars an appraisal district from entering into a contract with a current ARB member or with a business entity in which the member has a substantial interest.

This section also bars a taxing unit from making a contract with a member of the ARB or a business entity in which the member has a substantial interest.

The same conflict of interest statutes that apply to appraisal district directors also apply to appraisal review board members. Additional information regarding conflicts of interest for ARB members, including Section 41.69 of the Code may be found in the *Appraisal Review Board Manual* published by the Comptroller. **Appendix B** shows the family relationships that may bar an ARB member from serving or contracting with the district or taxing unit.

## **No Delinquent Taxes**



The Code disqualifies a person from serving on an ARB if he or she owns property on which delinquent property taxes have been owed for more than 60 days after the date the person knew or should have known of the delinquency. This restriction does not apply if the person is paying the delinquent taxes under an installment payment agreement or has deferred or abated a suit to collect delinquent taxes.

### **Number and Term of Office**

The board of directors must appoint at least three members to the ARB. The appraisal district directors determine the number of ARB members to serve on the ARB, with a statutory minimum of three members. The appraisal district board may decide to change the number of ARB members annually.

Directors appoint ARB members by resolution passed by a majority of the appraisal district board. A vacancy on the ARB is filled in the same manner for the unexpired portion of the term.

ARB members serve two-year terms beginning January 1. However, terms must be staggered, so that the terms of approximately half the members expire each year. In making the initial appointments, the board of directors must designate those members who serve terms of one year.

### **Appointing the Appraisal Review Board**

#### **Page 30 Appraisal District Director's Manual**

An appointment to the ARB by the board of directors may be vetoed by a majority of the voting taxing units. A majority of the voting units must file veto resolutions with the board secretary of the appraisal district within 15 days after the action is taken.

### **Temporary ARB Members**

Appraisal district directors may appoint temporary ARB members. Section 41.66(g) of the Code provides for temporary ARB members to replace regular ARB members who may not participate in a hearing because the ARB members have communicated with another person(s) about a hearing outside that scheduled hearing.

Temporary ARB members must meet all the eligibility requirements for appointment that are required for regular ARB members. These temporary ARB members must take the oath of office and sign the required statement before serving on the ARB. The appraisal district directors appoint these ARB members for a term of the same length as regular ARB members.

The appraisal district directors must adopt and implement a plan for the temporary replacement of an ARB member. Again, temporary ARB members may be necessary when an ARB member may not participate in a hearing where the ARB member has communicated with another person about the hearing outside the scheduled hearing.

### **ARB Training**

Section 5.041 of the Code requires the State Comptroller to approve curricula, provide materials and supervise the training of ARB members. All ARB members must complete the Comptroller course or may not participate in ARB hearings.

However, an ARB member appointed after a course offering may continue to serve until the completion of a subsequent course offering.

The Comptroller may assess a fee, not to exceed \$50 per ARB member, to recover a portion of the costs incurred for the training course. The appraisal district board should provide for budgeting ARB training as part of the district's annual budget.

### **ARB Member Removal**

Section 6.41 of the Code requires the appraisal district board of directors to adopt a specific procedure for the removal of ARB members by a majority vote. The grounds for removing an ARB member are for violating:

Section 6.412 (restrictions on eligibility to serve as an ARB member),

Section 6.413 (interest in certain contracts),

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Section 41.66 (communication outside a hearing),

Section 41.69 (participating in the determination of a taxpayer protest in which the ARB member is interested or in which is related to a party by affinity within the second degree or by consanguinity within the third degree), or

Section 6.41(f)(2) (good cause relating to the failure to attend ARB meetings according to written policies adopted by a majority of the board of directors).

### **ARB Meetings**

Once the board of directors has appointed the ARB members and the members are sworn into office, their authority is independent of the control of the board of directors. The ARB selects its own chair and secretary. The ARB meets at any time at the call of the chair or as provided by ARB rule. The ARB must meet to examine the appraisal records within 10 days after the date the chief appraiser submits the records to it.

The ARB will work closely with the appraisal office in receiving information, handling requests, sending notices and handling daily administration of ARB duties. The chief appraiser may assign staff to assist the ARB.

The review board adopts its own rules of order and procedure. The board of directors does not have the authority to establish rules for the ARB.

### **Compensation**

Members of the review board are entitled to a per diem for each day the board meets as provided in the appraisal district budget. The budget may allow for reimbursing ARB members for actual and necessary expenses incurred in the performance of their duties.

### **ARB Personnel**

The ARB may employ legal counsel as provided by the district budget or use the services of the county attorney. As previously noted, the ARB may use the staff of the appraisal office for clerical assistance.



The board of directors should budget additional funds to provide such personnel or make policy guidelines for legal and clerical assistance to the ARB. Legal and clerical assistance must be independent of work done for the appraisal district or its office.

The chief appraiser, with guidance from the board of directors, may wish to establish policy on personnel assignments to the ARB, overtime issues, the allocation of regular job duties during periods when employees work with the ARB and other administrative details.

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**Appointing the Appraisal Review Board**  
**Appraisal District Director's Manual Page 31**

## **VIII. Assessment and Collection Functions**

# **A**

taxing unit may contract the assessment and collection

functions to the appraisal district, the county or to another taxing unit. The Code provides procedures for taxing units to follow to consolidate assessment and/or collection functions with the appraisal district.

The district may be responsible for these functions for one or more of the district's taxing units.

Chapter 26 of the Code provides for tax assessment. Assessment includes calculating a taxing unit's effective and rollback tax rates, publishing the unit's effective and rollback tax rates and publishing required notices of hearings held by the taxing unit to discuss and adopt a tax rate. The final assessment function is applying the adopted tax rate to the values on the appraisal roll certified by the appraisal district. The result of the assessment process is to set a tax rate and determine each property owner's tax liability.

Chapters 31, 32, 33 and 34 of the Code provide for collection of taxes. These duties include preparing and mailing tax statements, collecting current and delinquent taxes and pursuing delinquent taxpayers.

### **By Contract**

Interlocal contracts allow appraisal districts to collect and assess for a taxing unit. The contract may provide for the appraisal district to contract with an attorney to collect delinquent taxes. Section 6.24 of the Code authorizes contracts for assessment and collection between taxing units and appraisal districts.

There are two procedures for getting the necessary approval for the appraisal district to assess or collect taxes under contract: one procedure for counties and one procedure for other taxing units.

### **Counties**

The commissioners court with the approval of the county TAC may contract with the appraisal district or another taxing unit for tax assessment and collection for the county.

The Attorney General has held that the county may not contract to transfer all the county TAC's functions from that office. However, the county may contract for the county TAC to receive assessment-collection assistance from the appraisal district (or another taxing unit).

When the county such a contract, the contract must provide for the appraisal district or taxing unit to assist in assessing and collecting all taxes the county is required to assess and collect, except the county may retain the collection of the special inventory taxes outlined in Chapter 23 of the Code.

### **Other Taxing Units**

The governing body of any other taxing unit may approve a contract with either another taxing unit or the appraisal district to assess and collect taxes.

### **By Consolidation Elections**

Section 6.26 of the Code authorizes voters to consolidate collections. Voters may require either the appraisal district or an individual taxing unit to be responsible for consolidated tax assessment and collection functions. Other TAC functions, however, cannot be consolidated by election. The Attorney General has held that elections to consolidate the county TAC's functions with the appraisal district or another taxing unit are unconstitutional.

The Code permits two types of elections:

elections in which all voters in the appraisal district may vote to consolidate assessment and collection for all taxing units in the appraisal district in either the appraisal district office, the county or one taxing unit; or

elections in which voters in a taxing unit that assesses and collects taxes may vote to consolidate that function in the appraisal district, the county or another taxing unit.

An appraisal district may not be required to provide assessing and collecting services for taxing units outside its boundaries. Similarly, a taxing unit may not be required to assess and collect taxes for a unit outside the appraisal district that appraises property for the taxing unit.

Although the board does not determine the validity of a consolidation petition or call an election, members should be aware of the law on consolidation elections and petitions. In a district-wide consolidation drive, the voters must submit the petition to the county clerk of the county where the appraisal district is principally located. The commissioners court determines the validity of the consolidation petition and calls an election.

In a drive to consolidate the assessment and collection functions of an individual taxing unit, the voters submit the petition to the taxing unit's governing body. The governing

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### **Assessment and Collection Functions**

#### **Page 32 Appraisal District Director's Manual**

body determines the validity of the consolidation petition and calls an election.

A petition is valid if it:  
specifies the taxing unit or appraisal district for which the assessment and collection functions are to be consolidated;  
specifies the taxing unit, county or appraisal district that will perform the assessment and collection function;  
states the functions to be consolidated-assessment, collections or both;  
states that the petition intends to require an election on the question of consolidation of assessment, collection or both; and  
is signed by the lesser of 10,000 qualified voters or at least 10 percent of the number of qualified voters residing in the taxing unit or the appraisal district (if the election is to consolidate the assessment and collections of all taxing units), according to the most recent official voter registration list.

If the petition is valid, the commissioners' court or governing body must order an election. The election is set for the next uniform election date in the Texas Election Code that is more than 62 days from the last day the petition could have been approved or disapproved.

The ballot must permit a "yes" or "no" vote and read as follows:

Requiring the (name of entity or office) to (assess, collect, or assess and collect as applicable) property taxes for (all taxing units in the appraisal district for \_\_\_\_\_ County or name of taxing unit or units as applicable).

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If a majority votes in favor of the proposition, then assessment and collection functions will be consolidated as stated in the petition.

Consolidation begins the next time taxes are assessed and/or collected that is more than 90 days after the election date, although all entities may agree to begin consolidation in less than 90 days. In a county-wide consolidation election, a majority must vote for consolidation, but a majority of total votes does not necessarily bind all taxing units. Where the total majority votes for consolidation but less than a majority of any one taxing unit votes for consolidation, that one taxing unit is not bound by the consolidation vote. The consolidation may not be terminated within a twoyear period following the date of the election.

### **Annual Collection Budget**

When assessment and collections are consolidated, the taxing unit that consolidated its functions must pay the actual cost of performing the functions. If the appraisal district is assessing and collecting, the district should outline

the costs in a separate budget.

“Actual costs” have been defined by the Attorney General as those costs that the collecting unit incurs over and above those it would incur if it were not collecting for another unit.

If the appraisal district performs assessment and collection functions under contract, the budget should be based on the contract. If the district collects under an election, the budget should be based on actual costs among the taxing units served. Of course, the district must allocate costs only to those taxing units for which it performs assessment and collection functions.

Special items in the annual collection budget include bonds required, services of a delinquent tax attorney and court fees (if the appraisal district is handling delinquent collections).

#### **Assessment and Collection Functions**

#### **Appraisal District Director’s Manual Page 33**

## **IX. Certification by Board of Tax Professional Examiners**

**S**tate law requires that individuals in the property tax

field be competent and accountable through a program of registration and certification.

The Board of Tax Professional Examiners (BTPE) is governed by Chapter 1151, Occupations Code. The BTPE is responsible for ensuring that property taxation is practiced as a learned profession and that practitioners are accountable to the public.

Appraisal district directors should be aware of certification requirements. Chief appraisers and certain appraisal office staff must register and fulfill certification standards within a required time period to lawfully perform their duties. The district must budget funds to cover registration fees, tuition for courses and other special programs associated with this area.

### **Who Must Register**

The law requires that the following persons must register: all chief appraisers, appraisal supervisors and assistants, property tax appraisers, appraisal engineers and other persons with authority to render judgment on, recommend or certify appraised values to the appraisal review board of an appraisal district; the tax assessor-collector, tax collector or other person designated by the governing body of a taxing unit as the chief administrator of the unit’s assessment functions, collections functions or both; other persons who perform assessment or collection functions for a taxing unit who is required by the chief administrator of the unit’s tax office to register; and all persons engaged in appraising real or personal property for ad valorem tax purposes for an appraisal

district or a taxing unit.

A county assessor-collector is not required to register if the county's taxes are collected through a contract entered under Section 6.24(b) of the Code or by another taxing unit or appraisal district.

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Registrants are divided into three fields, based on current duties and responsibilities: appraisal, assessment/collections and collections only.

### **Requirements**

A registrant has a deadline to be certified. An appraiser has five years in which to complete requirements for the Registered Professional Appraiser (RPA) designation. An assessor/collector has five years to complete requirements for Registered Texas Assessor-Collector (RTA). An individual who collects has three years to become a Registered Texas Collector (RTC).

The first year of registration has identical requirements for all three fields; thereafter, the requirements differ. Additional registration information is available from BTPE, along with information concerning recertification and specialization. In addition, chief appraisers appointed after July 1, 2006, must complete a training program provided by BTPE or a provider approved by the BTPE board.

### **Enforcement**

Registration is not voluntary; it is a mandatory requirement for persons engaged in appraisal, assessing or collecting for property tax purposes. The BTPE may enforce the law and its rules regarding registration by suspending or revoking registration. Penalties are provided in law.

### **Fees**

An initial application for registration must be submitted with a nonrefundable processing fee of \$50. In addition, an annual registration fee is set by the BTPE board, to be not less than \$45 and not more than \$75. Additional costs for appraisal and collection personnel will be for tuition, fees, materials and other items associated with courses and programs.

For information, you may view BTPE's Web site at [www.txbtpe.state.tx.us](http://www.txbtpe.state.tx.us). You may contact BTPE by e-mail at [btpe@txbtpe.state.tx.us](mailto:btpe@txbtpe.state.tx.us) or call 512/305-7300.

**Certification by Board of Tax Professional Examiners**

**Page 34 Appraisal District Director's Manual**

**Appraisal District Director's Manual Page 35**

## **X. Role of the Comptroller to Review Appraisal Districts**

### **Appraisal Standards Reviews**

In 2003, the Comptroller's office was authorized to conduct appraisal standards reviews of county appraisal districts if the Comptroller finds in its annual Property Value Study (PVS) that the appraisal district has one or more "eligible" school districts. Eligible school districts are those that

meet the following conditions:

the district's values are invalid in the most recent property value study;

the district's values were valid in the two studies preceding the most recent study; and

the district's local value is above 90 percent of the lower threshold of the margin of error.

The PVS independently estimates the taxable property value in each school district to ensure that state values reflect market value, which in turn ensures that school districts have approximately the same number of dollars to spend per student, regardless of the school district's property wealth or lack of property wealth. School districts with less taxable property value per student receive more state dollars for each pupil than districts with more value per student.

The state's fair distribution of school funding depends largely on the Comptroller's taxable value findings.

An appraisal standards review (ASR), authorized by Section 5.102 of the Code, examines and evaluates appraisal practices including appraisal planning, procedures and methodology, and application and adherence to appraisal standards. The Tax Code and Comptroller rules are the major criteria used to measure the appraisal district's performance.

The evaluation of the appraisal district's appraisal methods are based on a comparison of local methods and procedures to those generally accepted by the mass appraisal industry in Texas. The Tax Code dictates certain appraisal procedures or standards such as the USPAP, specifically Standard 6: *Mass Appraisal* and Standard 7: *Personal Property*. Also the IAAO *Standards on Assessment* are used as guidelines on the operation of an assessment office.

The two principal focuses of the review are to determine why a school district served by the CAD was deemed eligible and to make recommendations to improve appraisal practices so the school district's values can be determined valid in future studies. The review evaluates five broad functional areas of CAD operations, including information

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processing systems, district staffing, property mapping and discovery, appraisals and appraisal standards.

The review methodology includes a self-assessment completed by the chief appraiser and board of directors, staff interviews, reviews of written policies, procedures, plans, financial and management audits, and assessments of manual and automated records systems. Involvement by the board of directors in the process is important to ensure that the findings of the ASR are accurate and the recommendations suitable.

Failure of the board of directors and chief appraiser to follow the recommendations could result in the appointment of a board of conservators to exercise supervision and control of the CAD until all school districts for which the CAD appraises property are determined to have valid local

values in the PVS.

## **Ratio Studies**

The Comptroller is also required to conduct an annual study of appraisal uniformity in each CAD. Section 5.10 of the Code, requires that the Comptroller conduct ratio studies to determine the median level of appraisal within each major category of property. The annual study provides information that helps chief appraisers determine whether appraisals within their district follow legal requirements.

## **Performance Audits**

Section 5.12 of the Code requires performance audits by the Comptroller of appraisal districts that fail to meet specified standards for two consecutive studies. Existence of any one of the following conditions for two consecutive years triggers the audit:

the overall median level of appraisal for properties in the Comptroller study is less than 0.75;

the coefficient of dispersion around the median of the overall property sample is greater than 0.30;

the difference between median levels of appraisal for any two property classes is greater than 0.45.

An appraisal district does not have to miss the same standard for each year. For example, having an overall median less than 0.75 in year one and a coefficient of dispersion greater than 0.30 in the second year would trigger a performance audit even if the CAD had an overall median greater than 0.75 in year two.

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## **Role of the Comptroller to Review Appraisal Districts**

### **Page 36 Appraisal District Director's Manual**

Section 5.12(b) of the Code specifies that a majority of the taxing units or voting taxing units served by an appraisal district may request a performance audit. Section 5.12(c) allows the owners of at least 10 percent of the property in a single class to petition for a performance audit (but only if the class makes up at least 5 percent of the total property value in the district). Further, on written request, the property owners representing not less than 10 percent of the appraised value of all the property in the district belonging to a single class of property (the 5 percent condition also applies) also may request an audit. Section 5.12(d) prohibits property owners from requesting an audit if:

the overall median for all property in the Comptroller study is more than 0.90 and less than 1.10;

the coefficient of dispersion for the overall property sample in the study is less than 0.15; and

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the difference between the highest and lowest median appraisal levels for the various property classes is less than 0.20.

A CAD must meet all three standards before the Code will prohibit taxing units or taxpayers from requesting a



performance audit. Districts subject to an automatic audit must bear the cost of the audit. Districts subject to an audit by the governing body's request must also pay for the audit. The cost of a taxpayer-requested audit is borne by the requesting taxpayers. However, the district must pay for a taxpayer-requested audit if the audit's results show that the median level of appraisal for a class of property exceeds 1.10 or the median level of appraisal for one class of property varies by at least 10 percent from the level of property in the district. The law provides the procedure the district must follow to reimburse taxpayers in this case.

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**Role of the Comptroller to Review Appraisal Districts**  
**Appraisal District Director's Manual Page 37**

## **Appendix A. Selection of Directors**

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axing units—counties, cities/towns, school districts,

and certain conservation and reclamation districts—select directors in the fall of odd-numbered years.

Other special districts, such as hospital districts, emergency services districts and junior college districts, do not participate in the selection of directors. The chief appraiser announces the new directors before December 31. The selection method may be changed in the same manner as changes in the number of directors.

Conservation and reclamation districts may participate in this process if a proper request for participating in the director's selection process has been filed for the current year. These districts may also participate if they were entitled to vote in the last director selection. These districts are created under Article III, Section 52 or Article XVI, Section 59, Texas Constitution, or enabling legislation. The most common forms are water districts, municipal utility districts, and road districts. To become voting taxing units, at least one conservation and reclamation district in the appraisal district must make a request to nominate and vote on the board of directors.

The request must be in writing and delivered to the chief appraiser on or before June 1 of an odd-numbered year.

Section 6.03 of the Code establishes the selection process for appraisal district directors. This process is not an "election" governed by the Texas Election Code, but an independent procedure unique to the property tax system. This section describes the features of the selection process.

A board of five directors typically governs each county appraisal district, plus the county TAC as a nonvoting director, if not appointed as a voting director. The number of directors can be increased to 13 by action of the previous board or by three-fourths of the voting units acting through resolutions.

Throughout the selection process, the Code specifies dates for action by the chief appraiser and the voting units.

These dates are directory and not mandatory — that is, minor delays in the nominations or voting process may be ignored. Advice of legal counsel should be obtained, however,



in these situations.

### **Chief Appraiser's Duties**

#### **Certify a list of eligible conservation and reclamation districts (when applicable).**

After receiving a request, the chief appraiser must certify a list of all eligible conservation and reclama-

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tion districts that are imposing taxes and that participate in the appraisal district. The chief appraiser must certify the list by June 15 of the year the request is made. To determine whether a district is authorized under the Code's definition, chief appraisers should ask each district involved for a citation to the statute or constitutional provision authorizing the district. If not convinced of the district's right to participate in the process, the chief appraiser should consult the appraisal district's attorney.

#### **Calculate the votes and notify the conservation and reclamation districts.**

If the proper request has been made, the chief appraiser must calculate the number of votes to which each eligible conservation and reclamation district is entitled and deliver written notice of each district's voting entitlement and right to nominate a director to the presiding officer of each district on or before June 30 of an odd-numbered year. The number of votes to which each eligible conservation and reclamation district is entitled is calculated in the same manner as other voting taxing units.

#### **Prepare a ballot for the conservation and reclamation districts.**

On or before July 31, the chief appraiser prepares a nominating ballot. The ballot must list all the nominees of each conservation and reclamation district alphabetically by surname. The chief appraiser must deliver a copy of the nominating ballot to the presiding officer of each district.

#### **Count the votes to determine the conservation and reclamation districts' nominee.**

The chief appraiser must count the votes and determine the conservation and reclamation district's nominee.

The person with the most votes wins the nomination, but only if he or she receives more than 10 percent of the votes that could have been cast by the districts.

Tie votes are resolved by any method of chance.

An alternate procedure is followed if no person receives more than 10 percent of the conservation and reclamation district's votes. In this case, the chief appraiser must notify the presiding officer of the board of each district of the failure to select a nomi-

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**Appendix A**

**Page 38 Appraisal District Director's Manual**

nee on or before August 31. Each district may then submit a nominee following the original procedure discussed above. Each district must submit a nominee to the chief appraiser on or before September 15. The chief appraiser submits a second nominating ballot to the districts on or before October 1.

Districts must vote as discussed above on or before October 14. This time around, the nominee with the most votes wins a place on the board of director's ballot. There is no requirement that one person achieve at least 10 percent of the votes. Again, tie votes are resolved by any method of chance.

**Obtain prior year tax levies for all eligible voting units.**

The number of votes allocated to a voting unit is based on the ratio of its tax levy in the preceding year to the total tax levy of all voting units. The chief appraiser uses the most recent official tabulation of each voting unit's prior year levy. This is the amount levied, not the amount collected, by the voting unit. If a multi-county unit has chosen only one appraisal district, that appraisal district uses all tax levy in calculating the unit's votes. If a taxing unit participates in several appraisal districts, the chief appraiser uses only the tax levied in that appraisal district.

The county tax levy includes taxes for the general fund, farm-to-market roads or flood control and special road and bridge funds.

Further, the chief appraiser does not include payments received in lieu of taxes in the tax levy of a voting unit, since by definition such payments do not constitute tax levies.

**Calculate voting entitlement for each voting unit.**

Before October 1 of an odd-numbered year, the chief appraiser must calculate the number of votes for each voting unit. To determine the votes, the chief appraiser must:

Divide the amount of the preceding year's property taxes imposed by each unit by the sum of the total amount of preceding year's property taxes imposed by all voting units.

Multiply the quotient in No. 1 by 1,000 and round to the nearest whole number.

Multiply the whole number in No. 2 by the number of seats on the appraisal district board that will be filled.

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The formula looks like this:

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$$V = T \times 1,000 \times D$$

V = the number of votes for a given voting unit.

U = the amount of preceding year's property taxes imposed by the given voting unit.

T = the total amount of preceding year's property taxes imposed by all voting units within the appraisal district.

D = the number of directors that will be selected this year (ordinarily five, unless the number of directors has increased).

**Notify each voting unit.**

Before October 1 of an odd-numbered year, the chief appraiser must notify each voting taxing unit of the number of votes it may cast. The chief appraiser will send a notice of the votes to the following individuals: to the county judge and each county commissioner; to the presiding officer of the governing body of each city or town and to the city manager, city secretary or city clerk (as applicable); and to the presiding officer of the governing body of each school district and each school superintendent.

Each voting unit may nominate one candidate for each position to be filled by October 15. Thus, the unit may nominate from one to five candidates, provided the board of directors consists of five members.

The unit may nominate more candidates if the size of the board has been increased.

**Prepare the ballot.**

Before October 30, the chief appraiser must prepare a ballot listing all nominees alphabetically by each candidate's last name. The chief appraiser must deliver a copy of this ballot to the presiding officer of the governing body of each voting unit.

**Count all votes and announce the directors.**

The chief appraiser must count the votes and declare the candidates who received the largest vote totals before December 31. The chief appraiser notifies all taxing units (voting and non-voting) and all the candidates (winners and losers) of the outcome. If a tie occurs, the chief appraiser must resolve it through any method of chance.

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**Appendix A**

**Appraisal District Director's Manual Page 39**

**Taxing Unit Duties**

The governing bodies of the voting units have certain responsibilities in selecting appraisal district directors. Each governing body of a conservation and reclamation district entitled to vote may nominate by resolution a candidate for the board of directors. The district's presiding officer must submit its nominee to the chief appraiser on or before July 14 of an odd-numbered year. Final selection of the conservation and reclamation

district candidate must be submitted by resolution to the chief appraiser on or before August 14. File a resolution of opposition with the board of directors before September 1 if the unit objects to a change in the selection process that the board has made. File a resolution with the chief appraiser after June 30 and before October 1 if the unit wishes to change the selection process.

Nominate one candidate for each position on the board of directors. Submit the names and addresses of the nominees to the chief appraiser before October 15.

Cast votes for any of the candidates on the ballot. Send the resolution to the chief appraiser before December 15. The voting unit may cast all of its votes for one candidate or may distribute the votes among a number of candidates. Some voting units may have enough votes to select several directors to the board. To share representation, several units may wish to vote for the same candidate. A voting unit must cast its votes for a person nominated and named on the ballot. There is no provision for write-in candidates. Nominate a person to fill a vacancy on the board of directors within 10 days after notice of the vacancy. Send the name of the nominee to the chief appraiser.

### **Changing the Selection Process**

Section 6.031 of the Code allows appraisal districts to change the number of directors or the method of selection, or both, subject to veto by any voting unit. A second option is called the “three-quarters rule” because at least three-quarters of the voting units must decide to change the process.

#### **First Option - Unanimous Consent**

The appraisal district board may increase its number of directors to a maximum of 13, change the selection procedure or both. To do so, the directors must pass a resolution stating the change and send it to all taxing units in the appraisal district before August 15 of a year in which directors are selected.

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Any voting unit—county, school district, city or town—may veto the change by adopting a resolution of opposition and filing it with the board of directors before September 1.

Upon receipt of a veto resolution, the board of directors must notify all taxing units in writing before September 15. This deadline allows sufficient time for taxing units to invoke the second option—the three-quarters rule.

#### **Second Option - Three-quarters Rule**

A voting unit that holds a majority of the votes in the

normal selection process may not have its voting strength reduced to less than a majority unless it adopts a resolution supporting the change.

For example, a school district with 85 percent of all calculated votes must agree to any proposed change that decreases its voting percentage to less than 50 percent of all votes. If the school does not agree, the new method is void, even if approved by three-quarters of the remaining units.

No unit's voting strength may be reduced to less than one half of the number of votes it holds in the normal selection process without its consent, unless the unit's appraisal district budget allocation is reduced in the same proportion as its voting strength.

For example, a city has 40 percent of all calculated votes and does not support the resolution to change the selection process. The new method can reduce that city's voting strength to 20 percent without any budget adjustment. However, if the new method reduces the strength to less than 20 percent, then the appraisal district reduces the city's budget allocation by the same proportion.

The procedure may not be used to expand the types of units that vote.

### **Steps for Changing the Selection Process**

After June 30 and before October 1 in a year of selecting directors, at least three-quarters of the voting units must adopt and file their resolutions with the chief appraiser for changing the selection process.

Before October 5, the chief appraiser determines whether a sufficient number of voting units have adopted the resolution to change the selection process. If this is the case, the chief appraiser must notify taxing units of the change before October 10. Once adopted, any replacement procedure remains in effect for subsequent elections until either the resolution changes in accordance with the requirements and provisions of Section 6.031 (the statute for changing the process); or a majority of the voting units rescind the resolution that approved the change.

### **Appendix A**

#### **Page 40 Appraisal District Director's Manual**

#### **Appraisal District Director's Manual Page 41**

#### **By Consanguinity**

- Grandparents
- Grandchildren
- Brothers & sisters

#### **By Affinity**

- Spouses of relatives listed by consanguinity
- Spouse's grandparents
- Spouse's grandchildren
- Spouse's brothers & sisters

#### **By Consanguinity**

- Great grandparents
- Great grandchildren
- Nieces & nephews
- Aunts & uncles

#### **By Affinity**

NO PROHIBITIONS

**By Consanguinity**

- Parents
- Children

**By Affinity**

- Spouses of relatives listed under consanguinity
- Spouse
- Spouse’s parents
- Spouse’s children
- Stepparents
- Stepchildren

**Appendix B. Chart of Kinship**

The Degrees of Consanguinity and Affinity Prohibitions

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**Restrictions on Eligibility of Chief Appraisers, Directors, Appraisal Review Board Members and Others**

- Chief appraisers are disqualified from employment if related within the second degree by consanguinity or affinity to someone engaged in the business of appraising property for compensation for use in proceedings before the appraisal district or appraisal review board or of representing property owners for compensation in that district. *Section 6.035 (a), Tax Code*
- Directors of appraisal districts are ineligible to serve if related within the second degree by consanguinity or affinity to someone engaged in the business of appraising property for compensation for use in proceedings before the appraisal district or appraisal review board or of representing property owners for compensation in that district. *Section 6.035 (a), Tax Code*
- Chief appraisers or individuals related to chief appraisers within the second degree by consanguinity or affinity may not prepare appraisals to be used as evidence in protests or challenges concerning property that is taxable in the appraisal district in which the chief appraiser is employed. *Section 6.035 (d), Tax Code*
- Directors of appraisal districts are ineligible to serve if they or their spouses have substantial interests in contracts with the appraisal district or taxing units participating in the district. *Section 6.036 (d), Tax Code*
- Persons may not be employed by the appraisal district if they are related to a member of the board of directors within the second degree by affinity or within the third degree by consanguinity. *Section 6.05 (f), Tax Code*
- Persons or their spouses may not be employed by or contract with the appraisal district if they are related to the chief appraiser within the first degree by consanguinity or affinity. *Section 6.05 (g), Tax Code*
- Appraisal review board members are ineligible to serve if they are related within the second degree by consanguinity or affinity to someone engaged in the business of appraising property for compensation for use in proceedings before the appraisal district or appraisal review board or of representing property owners for compensation in that district. *Section 6.412 (a), Tax Code*
- Appraisal review board members are ineligible to serve if they or their spouses have substantial interests in

contracts with the appraisal district or taxing units participating in the district. *Section 6.413 (a), Tax Code*

• Appraisal review board members may not participate in a taxpayer protest in which they are related to a party

by affinity within the second degree or by consanguinity within the third degree. *Section 41.69, Tax Code*

#### **Appendix B**

**Page 42 Appraisal District Director's Manual**

**Appraisal District Director's Manual Page 43**

## **Appendix C. Notice of Public Hearing on Budget**

Form 50-196 (8-00/2)

#### **Appendix C**

50-196  
(8-00/2)

## **Notice of Public Hearing on Budget**

*(insert name of appraisal district)*

The *(insert name of appraisal district)* will hold a public hearing on a proposed budget for the fiscal year.

The public hearing will be held on *(insert date and time)* at *(insert meeting place)*.

A summary of the appraisal district budget follows:

The total amount of the proposed budget. \$ \_\_\_\_\_

The total amount of increase over the current year's budget. \$ \_\_\_\_\_

The number of employees compensated under the proposed budget. \_\_\_\_\_

*(full-time equivalent)*

The number of employees compensated under the current budget. \_\_\_\_\_

*(full-time equivalent)*

*(Insert explanation of differences in current and proposed budgets if applicable.)*

The appraisal district is supported solely by payments from the local taxing units served by the appraisal district.

If approved by the appraisal district board of directors at the public hearing, this proposed budget will take effect automatically unless disapproved by the governing bodies of the county, school districts, cities and towns served by the appraisal district.

A copy of the proposed budget is available for public inspection in the office of each of those governing bodies. A copy is also available for public inspection at the appraisal district office.

*(Insert appraisal district name, address and telephone number.)*

**Page 44 Appraisal District Director's Manual**

**Link to form on Web page at**

[www.window.state.tx.us/taxinfo/taxforms/50-196.pdf](http://www.window.state.tx.us/taxinfo/taxforms/50-196.pdf)

### **Comptroller Rule**

#### **Section 9.3048. Publication of Budget.**

(a) In publishing the notice summarizing the appraisal district budget under the Tax Code, Section 6.062, the chief

appraiser shall include the following:

- (1) the time, date and place of the public hearing on the proposed budget;
- (2) the total amount of the proposed budget;
- (3) the amount of increase proposed from the budget adopted for the current year;
- (4) the number of employees compensated under the current budget and the number of employees to be compensated

under the proposed budget, provided that the number of employees shall be expressed as the number of

full-time equivalent employees;

(5) the name, address and telephone number of the appraisal district; and

(6) at the chief appraiser's option, a statement explaining any significant differences between the current and the

proposed appraisal district budget.



(b) The chief appraiser may duplicate Model Form 6.062 [50-196] or use a different form that sets out the information

listed in subsection (a) of this section in the same language and sequence as the model form.

(c) In special circumstances the chief appraiser may use a form that provides additional information, deletes information

required by this section, or sets out the required information in different language or sequence than that required by

this section if the form has been previously approved by the [Comptroller of Public Accounts].

(d) The [Comptroller of Public Accounts] adopts by reference Model Form 6.062 [50-196]. Copies may be obtained from

the [Comptroller's Property Tax Division, P.O. Box 13528, Austin, Texas 78711-3528].

**Appraisal District Director's Manual Page 45**

## **Appendix D. Americans with Disabilities Act Contact Information**

### **Local government services**

Department of Justice

Disability Rights Section - NYAV

Civil Rights Division

950 Pennsylvania Avenue NW

Washington, D. C. 20530

Telephone: 1-800-514-0301; 1-800-514-0383 (TDD)

Texas Governor's Committee on People with Disabilities

1100 San Jacinto, Austin, Texas 78711

512/463-5739 (Voice) 512/463-5746 (TDD) 512/463-5745 (Fax)

1-800-relay-vv (voice); 1-800-relay-tx (TDD)

[www.governor.state.tx.us/disabilities](http://www.governor.state.tx.us/disabilities)

### **Employment**

Equal Employment Opportunity Commission

1801 L Street NW

Washington, D. C. 20507

Telephone: 1-800-669-3362; 1-800-669-6820 (TDD)

[www.eeoc.gov](http://www.eeoc.gov)

Job Accommodation Network

P. O. Box 6080

Morgantown, WV 26506-6080

Telephone: 1-800-526-7234 (V/TTY); 1-800-ADA-WORK (V/TTY)

[www.jan.wvu.edu](http://www.jan.wvu.edu)

### **Telecommunications**

Federal Communications Commission

445 12th Street SW

Washington, D. C. 20024

Telephone: 1-888-225-5322; 1-888-835-5322 (TDD)

### **Accessible design in new construction and alterations**

Architectural and Transportation Barriers Compliance Board

1331 F Street NW, Suite 1000

Washington, D. C. 20004

Telephone: 1-800-USA-ABLE(872-2253)

Texas Department of Licensing and Regulation

P. O. Box 12157

Austin, TX 78711-2157

Telephone: 512/463-3211; 1-800-803-9202

[www.license.state.tx.us/ab/ab.htm](http://www.license.state.tx.us/ab/ab.htm)

E-mail: [architectural.barriers@license.state.tx.us](mailto:architectural.barriers@license.state.tx.us)

### **Appendix D**

**Page 46 Appraisal District Director's Manual**



## Appendix E. Statement of Elected/Appointed Officer

### STATEMENT OF ELECTED/APPOINTED OFFICER

(Pursuant to Tex. Const. art. XVI, §1(b), amended 2001)

I, \_\_\_\_\_, do solemnly swear (or affirm), that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment for the giving or withholding of a vote at the election at which I was elected or as a reward to secure my appointment or confirmation, whichever the case may be, so help me God. UNDER PENALTIES OF PERJURY, I DECLARE THAT I HAVE READ THE FOREGOING STATEMENT AND THAT THE FACTS STATED THEREIN ARE TRUE.

\_\_\_\_\_  
Date Officer's Signature

\_\_\_\_\_  
Position to Which Elected/Appointed City and/or County  
Form No. 2201

PLEASE TYPE OR PRINT LEGIBLY  
PROVIDE ALL REQUESTED INFORMATION

#### Appendix E

Page 48 Appraisal District Director's Manual

## Appendix E. Oath of Office

In the name and by the authority of

**The State of Texas**

### OATH OF OFFICE

I, \_\_\_\_\_, do solemnly swear (or affirm), that I will faithfully execute the duties of the office of

\_\_\_\_\_ of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.

\_\_\_\_\_  
Affiant

SWORN TO and subscribed before me by affiant on this \_\_\_\_\_ day of

\_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature of Person Administering Oath

(Seal) \_\_\_\_\_

Printed Name

\_\_\_\_\_  
Title

Form #2204

See Reverse Side  
for Instructions

Revised August 1999

#### Appendix E

Texas Comptroller of Public Accounts

Publication #96-301—February 2006

*For additional copies, write:*  
Texas Comptroller of Public Accounts  
Property Tax Division  
P.O. Box 13528  
Austin, Texas 78711-3528  
<http://www.window.state.tx.us/taxinfo/proptax/director06/>