

LOCAL REVENUE SOURCES
APPRAISAL DISTRICT

CCH
(LEGAL)

Appraisal Function	The county appraisal district is responsible for appraising property in the appraisal district for ad valorem tax purposes of each taxing unit in the appraisal district. <i>Tax Code 6.01(b)</i>
Employment Restrictions	<p>An individual may not be employed by an appraisal district if the individual is an officer or employee of a taxing unit that participates in the appraisal district. <i>Tax Code 6.054(1)–(2)</i></p> <p>The position of school board trustee is an office within the scope of Tax Code 6.054. Thus, an employee of an appraisal district may not serve as a trustee of an independent school district that is a participating taxing entity in the appraisal district. <i>Atty. Gen. Op. KP-0329 (2020)</i></p>
Prohibited Communications	A member of the governing body, officer, or employee of a taxing unit commits an offense if the person directly or indirectly communicates with the chief appraiser or another employee of the appraisal district in which the taxing unit participates for the purpose of influencing the value at which property in the district is appraised unless the person owns or leases the property that is the subject of the communication. <i>Tax Code 6.155</i>
Notice of Boundary Change	If a new taxing unit is formed or an existing taxing unit's boundaries are altered, the unit shall notify the appraisal office of the new boundaries within 30 days after the date the unit is formed or its boundaries are altered. <i>Tax Code 6.07</i>
Appraisal District Board of Directors	The appraisal district is governed by a board of directors. Five directors are appointed by the taxing units that participate in the appraisal district as provided by Tax Code 6.03.
Eligibility	<p>To be eligible to serve on the appraisal district board, an individual other than a county assessor-collector serving as a nonvoting director must be a resident of the appraisal district and must have resided in the appraisal district for at least two years immediately preceding the date the individual takes office. An individual who is otherwise eligible to serve on the appraisal district board is not ineligible because of membership on the governing body of a taxing unit.</p> <p>An employee of a taxing unit is not eligible to serve on the appraisal district board unless the employee is also a member of the governing body or an elected official of a taxing unit that participates in the appraisal district.</p> <p><i>Tax Code 6.03(a)</i></p>
Restrictions	An individual is ineligible to serve on an appraisal district board of directors and is disqualified from employment as chief appraiser if the individual:

1. Is related within the second degree by consanguinity or affinity, as determined under Government Code Chapter 573 [see DBE], to an individual who is engaged in the business of appraising property for compensation for use in proceedings under Tax Code Title 1 (the Property Tax Code) or of representing property owners for compensation in proceedings under the Property Tax Code in the appraisal district; or
2. Owns property on which delinquent taxes have been owed to a taxing unit for more than 60 days after the date the individual knew or should have known of the delinquency unless the delinquent taxes and any penalties and interest are being paid under an installment payment agreement, or a suit to collect the delinquent taxes is deferred or abated.

Tax Code 6.035(a)

An individual is ineligible to serve on the board of directors of an appraisal district if the individual:

1. Has served as a member of the board of directors for all or part of five terms, unless the individual was the county assessor-collector at the time the individual served as a board member or the appraisal district is established in a county with a population of less than 120,000;
2. Has engaged in the business of appraising property for compensation for use in proceedings under the Property Tax Code at any time during the preceding three years;
3. Has engaged in the business of representing property owners for compensation in proceedings under the Property Tax Code in the appraisal district at any time during the preceding three years; or
4. Has been an employee of the appraisal district at any time during the preceding three years.

Tax Code 6.035(a-1)

*Conflict of
Interest*

An individual is not eligible to be appointed to or to serve on an appraisal district board if the individual or a business entity in which the individual has a substantial interest is a party to a contract with the appraisal district or a taxing unit that participates in the appraisal district, if the contract relates to the performance of an activity governed by the Property Tax Code.

A taxing unit may not enter into a contract relating to the performance of an activity governed by the Property Tax Code with a member of the appraisal district board or with a business entity in

which an appraisal district board member has a substantial interest.

An individual has a substantial interest in a business entity if the combined ownership of the individual and the individual's spouse is at least ten percent of the voting stock or shares of the business entity, or the individual or the individual's spouse is a partner, limited partner, or officer of the business entity.

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

Tax Code 6.036

Recall In accordance with Tax Code 6.033, the governing body of a taxing unit, by resolution filed with the chief appraiser, may call for the recall of a member of the appraisal district board for whom the unit cast any of its votes in the appointment of the appraisal district board. *Tax Code 6.033(a)*

**Budget and
Financing**

Each year the chief appraiser shall prepare a proposed budget for the operations of the appraisal district for the following tax year as described in Tax Code 6.06(a) and shall submit copies to each taxing unit and the appraisal district board before June 15.

Public Inspection Each taxing unit shall maintain a copy of the proposed budget for public inspection at its principal administrative office.

Budget Adoption The appraisal district board shall hold a public hearing to consider the budget. The secretary of the appraisal district board shall deliver to the presiding officer of the governing body of each taxing unit not later than the tenth day before the date of the hearing a written notice of the date, time, and place fixed for the hearing. The appraisal district board of directors shall complete its hearings, make any amendments to the proposed budget it desires, and finally approve a budget before September 15.

If governing bodies of a majority of the taxing units adopt resolutions disapproving a budget and file them with the secretary of the appraisal district board within 30 days after its adoption, the budget does not take effect, and the appraisal district board shall adopt a new budget within 30 days of the disapproval.

Amendments The appraisal district board may amend the approved budget at any time, but the secretary of the appraisal district board must deliver a written copy of a proposed amendment to the presiding officer of the governing body of each taxing unit not later than the 30th day before the date the appraisal district board acts on it.

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Allocation	<p>Each taxing unit participating in the appraisal district is allocated a portion of the amount of the budget equal to the proportion that the total dollar amount of property taxes imposed in the appraisal district by the unit for the tax year in which the budget proposal is prepared bears to the sum of the total dollar amount of property taxes imposed in the district by each participating unit for that year. Unless the governing body of a unit and the chief appraiser agree to a different method of payment, each taxing unit shall pay its allocation in four equal payments to be made at the end of each calendar quarter, and the first payment shall be made before January 1 of the year in which the budget takes effect.</p> <p><i>Tax Code 6.06(a)–(e)</i></p>
Changes in Method of Financing	<p>The appraisal district board, in accordance with Tax Code 6.061(a), may prescribe a different method of allocating the costs of operating the appraisal district unless the governing body of any taxing unit adopts a resolution opposing the different method, and files it with the appraisal district board before September 1.</p> <p>The taxing units may adopt a different method of allocating the costs of operating the appraisal district in accordance with Tax Code 6.061.</p> <p><i>Tax Code 6.061</i></p>
Disapproval of Appraisal District Board Actions	<p>If the governing bodies of a majority of the taxing units adopt resolutions disapproving an action, other than adoption of the budget, by the appraisal district board and file them with the secretary of the appraisal district board within 15 days after the action is taken, the action is revoked effective the day after the day on which the required number of resolutions is filed. <i>Tax Code 6.10</i></p>
Appraisal Review Board	<p>An appraisal review board is established for each appraisal district. This does not preclude the boards of directors of two or more adjoining appraisal districts from providing for the operation of a consolidated appraisal review board by interlocal contract.</p>
Appointment	<p>Members of the board are appointed by the local administrative law judge under Government Code Chapter 74, Subchapter D in the county in which the appraisal district is established. Members of a consolidated appraisal review board are appointed jointly by the local administrative district judges in the counties in which the appraisal districts that are parties to the contract are established.</p> <p><i>Tax Code 6.41(a), (d), (g)</i></p>
Eligibility Restrictions	<p>Appraisal review board members are subject to the eligibility restrictions described in Tax Code 6.412 and the conflict of interest provisions set forth in Tax Code 6.413.</p>

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A person is ineligible to serve on the appraisal review board if the person is a member of the board of directors, an officer, or employee of the appraisal district, an employee of the comptroller, or a member of the governing body, officer, or employee of a taxing unit.

Tax Code 6.412(c)

A person is ineligible to serve on the appraisal review board of an appraisal district established for a county with a population of 120,000 or more if the person served as a member of the governing body or officer of a taxing unit for which the appraisal district appraises property, until the fourth anniversary of the date the person ceased to be a member or officer. *Tax Code 6.412(d)(2)*

*Prohibited
Contracts*

A taxing unit may not enter into a contract with a member of the appraisal review board established for an appraisal district in which the taxing unit participates or with a business entity in which a member of the appraisal review board has a substantial interest as defined in Tax Code 6.413(d). *Tax Code 6.413(c)*