

Eligibility Requirements **(Taken from the Appraisal District Director's Manual)**

To 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 could still be disqualified from serving. These reasons for disqualification ensure directors are not exposed to conflicts of interest.

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.

To be a member of the board of directors of an appraisal district in a county having a population of at least 200,000 (according to the 1990 census) bordering a county with a population of at least 2,000,000 and the Gulf of Mexico (that is, Galveston county), a person must be a member of a governing body or an elected official of a voting taxing unit. Voting taxing units are the county, school districts, cities, and certain conservation and reclamation district. Appendix A explains the selection of directors.

Effective January 1, 1998, the Tax Code provides that the county tax assessor-collector will serve on the appraisal district board of directors. The county tax assessor automatically will serve as a nonvoting district director, if the county tax assessor is not appointed to the board of directors under the regular process. If a taxing unit, such as the county commissioner's court, appoints the county tax assessor to the appraisal district board, then the county tax assessor serves as a voting member.

The county tax assessor does not have to meet the residency requirements for serving as a nonvoting director.

The County tax assessor-collector is ineligible to serve as a nonvoting or voting director if the county tax assessor also serves as the CAD's chief appraiser. The county tax assessor 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.

A school district may have annexed property from another school district in another county. The school district receiving the annexed property participates in selecting directors in each appraisal district in which the school has territory. The eligibility requirement in such situations is different: the individual must reside in the school district, and the school district must nominate the individual as a candidate for the appraisal district board.

Family Relationships

A person may not be appointed or continue to serve on the board, if related within the second degree of consanguinity or affinity to the following persons:

- * an appraiser who appraises property for use in the appraisal district's appraisal review board proceeding, or;
- * a tax representative who represents taxpayers 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.

A director who is related to an appraisal district employee within the second degree by affinity or within the third degree by consanguinity may not serve as long as the relative remains employed by the appraisal district. This provision went into effect September 1, 1989, so a director related to an appraisal district employee must either resign or the employee must resign.

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

Tax Code Section 6.035(a) does not address whether these prohibitions from serving as a director for family relationships apply to the county tax assessor-collector who serves as a nonvoting director. No attorney general opinions or court decisions deal with the question of whether a statute that generally makes individuals ineligible to serve on a board applies to an ex officio member of that board. If a county tax assessor has a relative as described above, the county tax assessor should seek the advice of legal counsel.

There are also no attorney general opinions or court decisions about whether a nepotism statute (such as Section 6.05) applies to the relative of a nonvoting director of a board.

If Section 6.05 applies to a relative of the nonvoting county tax assessor, then the county assessor-collector should consult legal counsel.

BOARD OF DIRECTORS

FUNCTIONS

Although most functions of the board of directors can be found in the Property Tax Code Chapter 6, some functions are located in other chapters. Some specific code functions include:

- The board must establish an appraisal office in the county in which the district is established. The board may create branch offices outside the county for the convenience of persons living outside the county, but must be located inside the appraisal district. (Sec. 6.05(a))
- The board of directors has the power to approve or disapprove the request of a taxing unit that lies in two or more counties to be served only in that appraisal district. (Sec 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. (Sec. 6.03(1))
- The board may change the number of directors or method of selecting directors, or both, if all voting units agree. (Sec. 6.031(a))
- The board elects from its members a chair and secretary at its first meeting of the calendar year. (Sec. 6.04(a))
- The board may contract with another appraisal office or taxing unit in the district to perform the appraisal district's duties. (Sec. 6.05(b))
- The board must appoint the chief appraiser. (Sec. 6.05©)
- In appraisal districts located in counties having populations of more than 125,000, the board must appoint a taxpayer liaison officer. (Sec. 6.052(a))
- The board must provide certain written policies. (Sec. 6.04(d), (e), (f) and (g))
- The board must adopt an annual budget before September 15, after holding a public hearing and meeting all requirements of the Property Tax Code. (Sec. 6.06(b))
- The board must 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. (Sec. 6.062(a))
- The board may amend the approved operating budget after giving notice to taxing units. (Sec. 6.06©)
- The board must adopt a new budget within 30 days after its budget is disapproved by the taxing units. (Sec. 6.06(b))
- The board may authorize the chief appraiser to disburse appraisal district funds. (Sec. 6.06(f))

- The Board must, through the chief appraiser, refund any unencumbered surplus of taxing unit funds paid in during the year by crediting each taxing unit's budget allocations for the next fiscal year. 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 board must refund the proportionate surplus amount to the taxing unit within 150 days after the end of the fiscal year. (Sec. 6.06(j))
- The board must give its advice and consent to the chief appraiser's appointments to the agricultural advisory board. (Sec. 6.12(a))
- The board must comply with records retention laws for the preservation, microfilming, destruction or other disposition of records. (Sec. 6.13)
- The board may change its fiscal year if three-fourths of the taxing units agree. (sec. 6.06(I))
- The board may adopt staggered terms if three-fourths of the taxing units agree. (Sec. 6.034(a))
- The board of directors and the taxing unit's governing body must agree to an estimated budget allocation for new taxing units. (Sec. 6.6(h))
- The board may change the appraisal district's method of financing with the consent of all taxing units. (sec. 6.061(a))
- The board designates the district depository at least once every two years. (Sec. 6.09©)
- The board receives taxing units' resolutions disapproving board actions. (Sec. 6.10)
- The board must follow competitive bidding procedures for contracts requiring expenditure of more than \$50,000. (Sec. 6.11(a))
- Through the Interlocal Cooperation Act, the governing body of a taxing unit may contract with the board of directors to assess or collect taxes. (Sec. 6.24(a))
- The board of directors must appoint appraisal review board members and has the power to change the number of appraisal review board members. (Sec. 6.41(b) and (d))
- The board may appoint auxiliary appraisal review board members to help hear taxing unit challenges and taxpayer protests, to assist the review board in performing other duties, and to recommend changes to the full review board. (Sec. 6.411(a))
- The board must also adopt and implement a policy for the temporary replacement of an appraisal review board member. (sec. 41.66(g))
- The board approves contracts with private appraisal firms to perform appraisal services – subject to approval by the chief appraiser. (Sec. 25.01(b))
- The board of directors and chief appraiser must establish a plan for reappraising all real property in the district at least once every three years. (Sec. 25.18(a) and (b))

- 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. (Sec. 6.051(a))
- 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. (Sec. 6.051©)
- The board must have an annual financial audit conducted by an independent certified public accountant. A copy of the audit must be delivered to each voting taxing unit. (Sec. 6.063)
- The board of directors may, by resolution, prescribe that particular actions of the chief appraiser concerning appraisal district finances or administration are subject to board approval. Sec. 6.06(f)
- The board may approve the chief appraiser's request to appeal an appraisal review board order to district court. (Sec. 42.02)
- The appraisal district (i.e., board of directors) may be sued by the taxing units to compel the district to comply with provisions of the Property Tax Code, Comptroller rules or other applicable law. (Sec. 43.01)