

SB 2 / HJR 2 (88th 2nd C.S.):
Welcome to the Whole New
Property Tax World

*Changes to the Composition of
the BOD and ARB.*

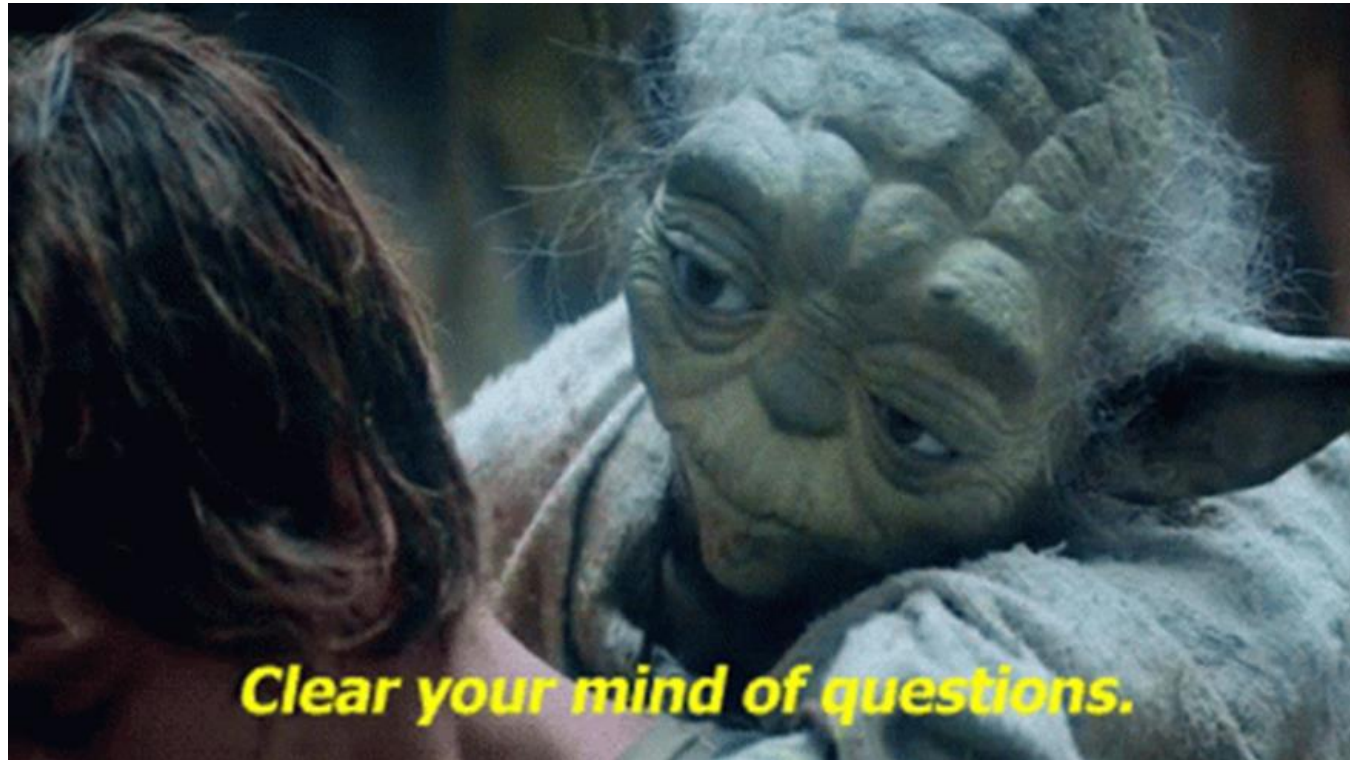


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Changes to the Composition of the BOD and ARB.



What remains to be done before the new system provided for in SB 2 (88th 2nd C.S.) begins?

Turmoil has engulfed the Republic. The taxation of property in systems is in dispute. Hoping to resolve the matter a mysterious message is broadcast throughout the galaxy ...

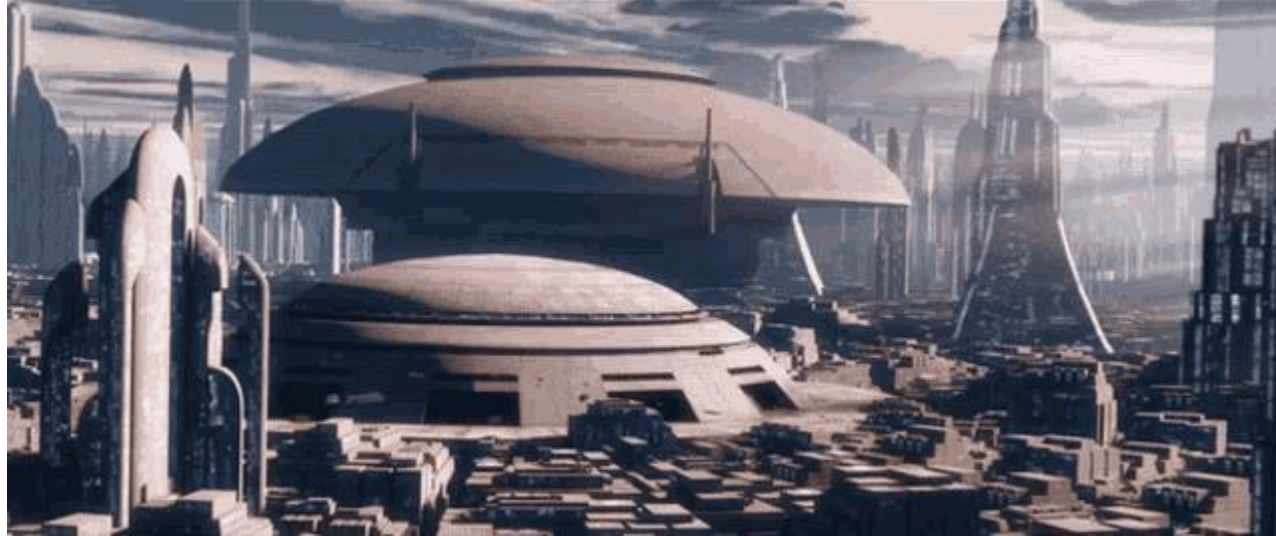
Tex. Const. Art. XVI § 30 (e): The Legislature by general law **MAY PROVIDE** that members of the governing body of an appraisal entity established in a county with a population of 75,000 or more serve terms not to exceed four years.

This transmission [H.J.R. 2 (Metcalf)] has created angst and many questions by local administrators on several systems, as the PEOPLE prepare to vote for a \$100,000 ad valorem school tax exemption.



What appraisal districts (counties) does the BOD changes in SB 2 apply to?

- CAD BODs in “populous” counties are impacted.
- Counties with a population of 75,000 or more are described as “populous” counties.
 - Per a new Tax Code Section 6.0301 created by SB 2 (88th 2nd C.S.).



If my CAD's county population is less than 75,000, what do we do?

- You are in a “less populous” county.
- You WILL NOT have to participate in this new elected BOD member process / system.
- For now, it appears you can continue to follow your current BOD set up.
 - For example, you could keep following Tax Code Section 6.03.
 - 5 Directors appointed by your taxing units.
 - If not appointed to BOD the TAC serves as a nonvoting director.
 - Must be a resident of the District for at least two years preceding the date director takes office.
 - CA calculates the number of votes for taxing units for BOD
 - 2-year term begins on January 1 of even-numbered years.
 - Vacancies filled by nominations from taxing unit and the majority vote of BOD from that list.
 - BOD or taxing units that are not “populous” can still increase the size of their BOD, not to exceed 13 members, per Tax Code Section 6.031.
 - Taxing units can provide for optional staggered terms of BOD per Tax Code Section 6.034.
 - Governing body of a majority of taxing units can disapprove of BOD actions (other than budget per Tax Code Section 6.10).
- However, you should pay attention because this may apply to you and your CAD / BOD someday.



How do I know if my District is (or is not) in a “populous” county?

- Texas Govt Code Section 311.005 states "Population" means the population shown by the most recent federal decennial census.
 - In other words, **use the 2020 US Census data.**
- Texas Association of Counties has helpful information on its website with such data and analysis.
 - <https://txcip.org/tac/census/CountyProfiles.php>



Close to being a “populous” county, but not yet.

<u>County</u>	<u>Population 2020</u>
Hood	61,598
Nacogdoches	64,653
Starr	65,920
Wise	68,632
San Patricio	68,755
Harrison	68,839



Congratulations! You just qualified to be a “populous” county.

<u>County</u>	<u>Population 2020</u>
Walker	76,400
Henderson	82,150
Coryell	83,093
Orange	84,808
Angelina	86,395
Victoria	91,319
Liberty	91,628
Bowie	92,893
Bastrop	97,216
Hunt	99,956
Rockwall	107,819
Potter	118,525



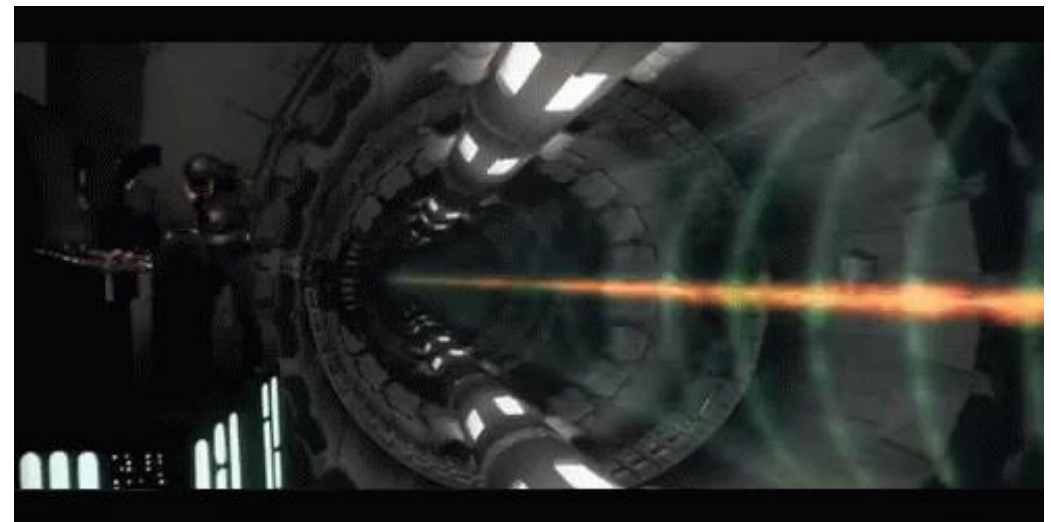
When do the SB 2 (88th 2nd C.S.) changes to a new system take effect?

- Many parts of this bill (Article V) have an effective date of July 1, 2024.
- Certain parts of the bill (Article V Sections 5.04 and 5.13) that generally deal with the preparation for elections of BOD members become effective on the 91st day after the last day of the legislative session.
 - (July 13, 2023 + 91 days = October 12, 2023).
- Consult SB 2 to make sure of the effective dates for the portion of the bill you are reviewing.



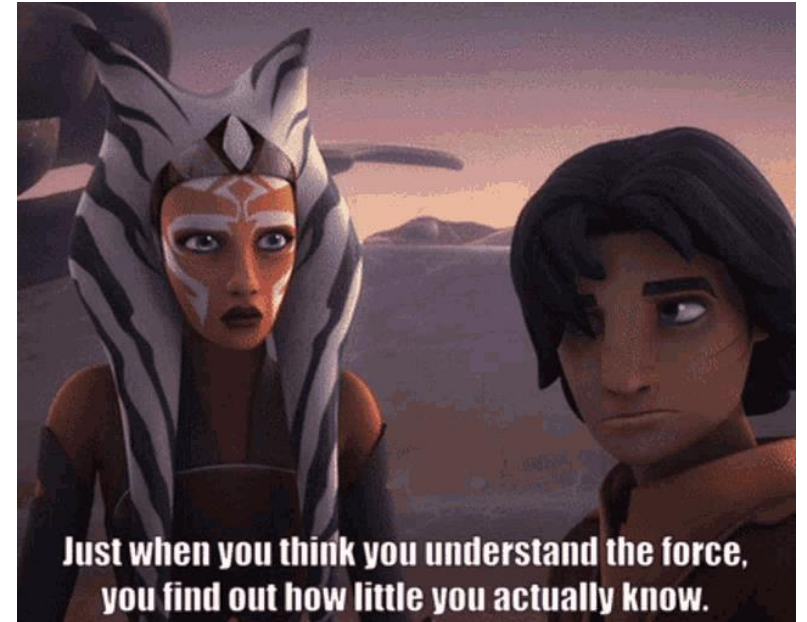
Our CAD uses the $\frac{3}{4}$ Rule and has a population of more than 75,000. What happens to us under the new SB 2 system?

- Per SB 2, **current Tax Code Section 6.031 WILL NOT apply to “populous” CADs.**
- The $\frac{3}{4}$ Rule is therefore eliminated in “populous” counties.
- **This becomes effective July 1, 2024.**



Our CAD uses the $\frac{3}{4}$ Rule and has a population of more than 75,000. What happens to us under the new SB 2 system?

- **One interpretation** is this is prospective. So just carry on with your current number of taxing unit appointed BOD members **AND ADD** the 3 elected BOD members + TAC to your group.
- It all gets culled / resorted after December 31, 2024.



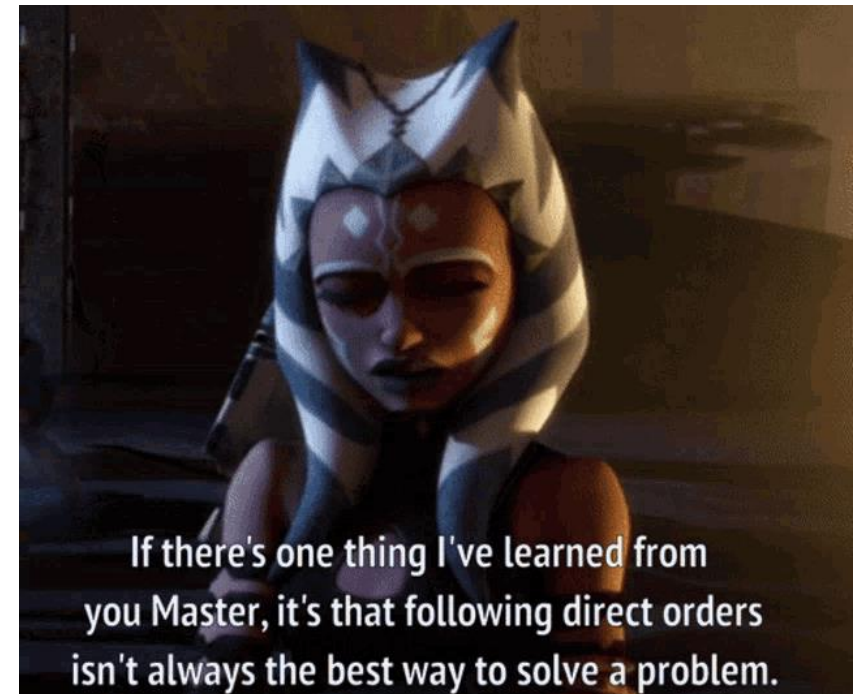
If I think things change our $\frac{3}{4}$ Rule system on July 1, 2024, how the heck in August – December 2023 do I work on converting to this new system!?! ---

- Another interpretation, maybe try to change things this year (2023), so you are ready to follow this new BOD system on July 1, 2024.
 - Perhaps eliminate your $\frac{3}{4}$ Rule in 2023?
 - Then the CAD goes back to following Tax Code Section 6.03.
 - The CA sends out nominations and voting per 6.03 in Fall of 2023.
 - Taxing Unit appointments are honored / carried out in 2024+ for 5 appointed directors.



If I think things change our $\frac{3}{4}$ Rule system on July 1, 2024, how the heck in August – December 2023 do I work on converting to this new system!?! ---

- You and your BOD should discuss this issue with your CAD attorney for their opinion.
- You and your BOD may also want to discuss this issue with your county attorney and see if they will write a letter seeking an AG opinion on how to handle this.
 - However, any answer will likely arrive too late.



What other things does SB 2 eliminate regarding BODs in populous counties?

- **SB 2 eliminates Tax Code Section 6.034** (Optional Staggered Terms for Board of Directors) in populous counties.
 - Presumably because SB 2 will mandate staggered terms for BOD members whether elected or appointed by taxing units.
- **SB 2 eliminates Tax Code Section 6.10** (Disapproval of Board Actions [other than budget adoption]) in populous counties.
 - Presumably because SB 2 creates a democratic process with units and the citizens having a voice?
 - Taxing units will have to get used to CAD BODs being able to decide more.



For populous counties under the new SB 2 system, how many members will be on the BOD? How many will be elected?

- In total, there will be **9 members** on the BOD when SB 2 (88th 2nd C.S.) is fully implemented.
 - **Three (3) BOD members will be elected by majority vote** in the county the District is established.
 - **Five (5) BOD members will be appointed by the taxing units** participating in the District.
 - **One (1) member of the BOD will be the County Tax Assessor-Collector** in an ex officio capacity.



When is the election for the 3 BOD members?

- The first election will be on the uniform election date for May 2024.
 - Saturday, [May 4, 2024](#).
- The 3 members that are elected to the BOD will **begin serving on July 1, 2024**.
- The term of the 3 elected members **expires on December 31, 2026**.
- The next election for 3 BOD members will be in November 2026.



Do term limits currently in the Tax Code apply under this new system?

- Yes.
- Tax Code Section 6.035 addresses BOD term limits.
- It was not excepted or changed per SB 2.
- Therefore, the “ineligible to serve” language should apply to:
 - Appointed BOD members by taxing units;
AND
 - Elected BOD members.



What are the term limits under the new system?

- Members will be ineligible to serve on the BOD if they have **served all or part of 5 terms in counties with a population of 120,000 or more.**
 - You will need to unlearn thinking / saying “10 years” (5 terms x 2 years for each)
 - Presumably, this term limit “shot clock” began on January 1, 2022, with the implementation of SB 63 (Nelson) from the 87th Leg.
 - BOD terms prior to SB 2 are **two (2) years.**
 - First BOD terms after SB 2 for elected dir. are almost **2.5 years.**
 - First BOD term for appointed dir. after SB 2 will be **one (1) year.**
 - Then a mix of **four (4) years.**
 - You may need to do some math and tracking to determine if the BOD member has reached all or part of 5 terms.
- Term limits **DO NOT apply** in counties with a population of less than 120,000.



What are the eligibility requirements to be on the BOD (elected or appointed) in this new system?

- To be eligible to serve on the BOD, an individual, other than the TAC, **must be a resident of the district (county)**.
- The individual, other than the TAC, must have **resided in the district (county) for at least two years immediately preceding the date of taking office**.
- **Members of a governing body or elected official of a taxing unit in the district CAN serve on the BOD.**
 - Examples:
 - Mayors;
 - School Board Trustees;
 - County Commissioners.
- **An employee of a taxing unit that participates in the appraisal district is NOT eligible to serve on the board** (unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district).
 - Examples:
 - City Firefighter, Police Officer
 - Teacher, Janitor, Librarian;
 - Deputy Sherriff, Detention Officer, Amin. Secretary.

Does Tax Code 6.035 (Restrictions on Eligibility and Conduct of Board Members and Chief Appraisers and Their Relatives) apply to elected AND appointed BOD members under the new system?

- Believe so ...
- **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.
 - This disqualification does not apply if the person is:
 - Paying the delinquent taxes and any penalties and interest under an installment payment agreement; or
 - Has deferred or abated a suit to collect the delinquent taxes.

Does Tax Code 6.035 (Restrictions on Eligibility and Conduct of Board Members and Chief Appraisers and Their Relatives) apply to elected AND appointed BOD members under the new system?

- Believe so ...
- A person is ineligible to serve on the board of directors if the individual is **related within the second degree of consanguinity (blood) or affinity (marriage) to** the following:
 - An appraiser who appraises property for use in a proceeding under the Tax Code; or
 - A person who represents property owners for compensation in proceedings under the Tax Code in the CAD.
- **Example:** A father could be appointed, and a son could be elected, and both can be on the BOD.
- **Example:** BUT a husband who was elected who has a wife that is a property tax agent for pay in county cannot be on the BOD.



Does Tax Code 6.035 (Restrictions on Eligibility and Conduct of Board Members and Chief Appraisers and Their Relatives) apply to elected AND appointed BOD members under the new system?

- Believe so ...
- A person who has appraised property for compensation for use in proceedings, represented property owners for compensation in proceedings in the CAD OR was a CAD employee at any time within the preceding three years *is ineligible to serve on the board of directors.*
- **Example:** A property tax agent in the county for compensation cannot be elected or appointed to the CAD BOD.
- **Example:** A recently retired (2 years ago) CAD employee cannot be elected or appointed to the CAD BOD.



Does Tax Code 6.036 (Interests in Certain Contracts are Prohibited) apply to elected and appointed BOD members under the new system?

- Believe so ...
- An individual **cannot be a candidate that is elected** or be **an individual who is appointed by a taxing unit to serve** on a CAD BOD **IF** that person or a business entity the person has a substantial interest in is a party to a contract with the CAD or a taxing unit participating in the CAD (if the contract relates to a performance of an activity governed by the PTC).



How will the elections work under the new system?

- Pursuant to Section 141.040 of the Election Code, **the County Judge must post a Notice of Deadline to File an Application for a Place on the Ballot.**
- This notice provides the dates of the filing period and must be posted in a public place in a building in which the county judge has an office not later than the 30th day before the first day on which a candidate may file the application.
- As a best practice, the notice should also be posted on the county's website.
- The Notice should also include notice that the positions are at large 1, 2 and 3 and that the candidate should indicate which place they are running for.
- Notice should call for a **“General Election.”**
- For the initial director election occurring on May 4, 2024, **the deadline to Post the Notice of Candidate Filing Deadline is Monday, December 18, 2023.**
- **Candidates can begin filing for election to the BOD on January 17, 2024.**



How will the elections work under the new system?

- Texas Elections Code, Chapter 144, will apply to candidates running for election to the BOD.
 - Filing deadline is by close of business (5 pm?) 78 days before uniform election date.
 - February 16, 2024.
 - Candidate's name may only appear on ballot as an independent.
 - Tex. Elections Code Section 144.002.
- To appear on the ballot for CAD BOD in populous counties one **must file an application** for a place on the ballot.
 - Should indicate what at large place they are running for 1, 2, or 3.
- The application will be **filed with the county judge's office** where the CAD is established.
 - Any employee at county judge's office can take delivery of filing documents.
 - Responsibility of reviewing filing documents and fees rests with the county judge.



How will the application and filing fee process to get a place on the ballot work in populous counties under the new system?

- In “populous” counties with a **population of 200,000 or more**, the candidate must also **pay a \$400 filing fee** when submitting their application.
- In “populous” counties with a **population of less than 200,000**, the candidate must also **pay a \$200 filing fee** when submitting their application.
- The filing fee can’t be paid via credit card.
- Filing fees will be deposited in the county treasury and credited to the county general fund.



How will the applications and petition process to get on the ballot work in populous counties under the new system?

- To appear on the ballot for CAD BOD in populous counties, one **may file a petition and collect signatures** to be placed on the ballot **instead of paying the filing fee**.
 - The petition will be filed with the county judge where the CAD is established.
- The minimum number of signatures on the petition is the lesser of:
 - 500 OR
 - 2 percent of the total vote received in the county by all candidates running for governor in the most recent general election
 - (Unless this number is less than 50. Then it will be the lesser of 50 or 20% of that total vote).



Are candidate filings subject to the Texas Public Information Act?

- An application for a place on the ballot, including an accompanying petition, is public information immediately on its filing.
 - See Tex. Elections Code Section 141.035.
 - *Date of Birth if listed on the form may be confidential.*
- However, pursuant to Section 552.1175 of the Government Code, candidates who are eligible *may request that certain information* pertaining to their candidate application *be kept confidential.*
- To that extent, these eligible candidates may also submit Form 2-67 (Request for Confidentiality for Candidates).
- This form is submitted to the county judge.



Can someone run for an elected CAD BOD position as a write-in candidate?

- Yes, write-in candidates are allowed.
- They will need to file a Declaration of Write-in Candidacy (Form 2-55)
- This form must be filed no later than 5:00 p.m. of the 74th day before election day as provided under Section 144.006 of the Election Code.
 - Here Tuesday, February 20, 2024, for 1st election.
- A person who has filed a Declaration of Write-in Candidacy is not required to submit a filing fee or a petition in lieu of a filing fee.
- Must run as an independent.



Who is the authority responsible for conducting the election?

- The CAD's BOD is ultimately responsible for conducting the election required under Section 6.0301 of the Tax Code.



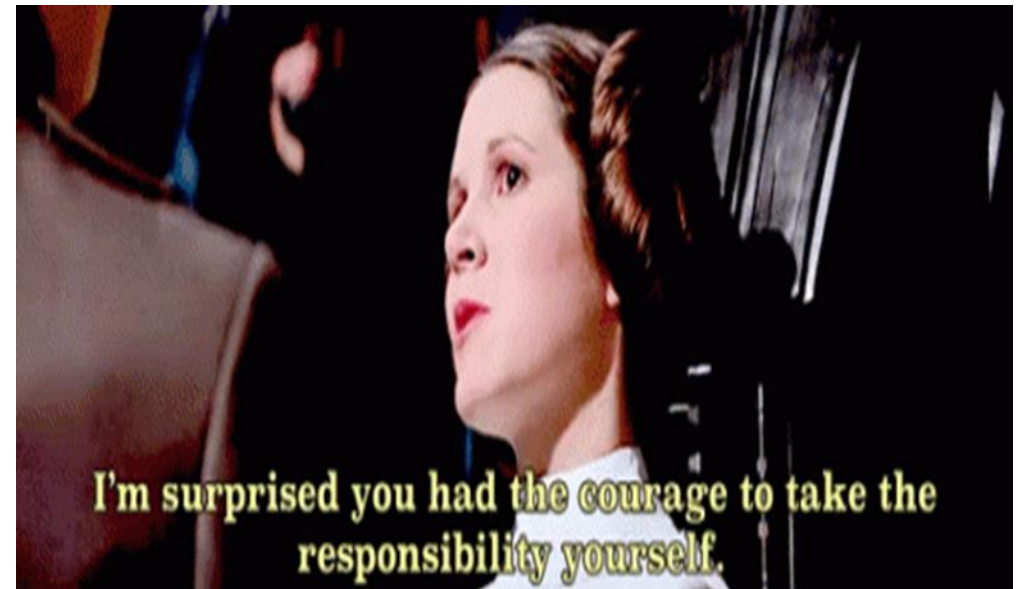
Who is the authority responsible for conducting the election?

- However, the CAD's BOD *may* contract its responsibility out.
 - The BOD and the County may agree to contract for election services under Chapter 31 of the Election Code.
 - The BOD and the County may also agree to conduct a joint election pursuant to Chapter 271 of the Election Code.
- The District is still responsible for the costs.



Who is responsible for calling this election?

- To start, the CAD's BOD is responsible for calling the election required under Section 6.0301 of the Tax Code.
 - Tex. Elections Code Section 3.004.
- Need to decide in a public meeting.
 - May want to also sign off via a Resolution.
- Call for election before the filing deadline.
 - Here, the first one is February 16, 2024.



How is the ballot structured for those running for an elected BOD position?

- IF, for example, 4 individuals run for 3 positions, are the top 3 with the most votes elected to those positions?
 - **NO.**
 - It is not like running for school board.



How is the ballot structured for those running for an elected BOD position?

- Elected Directors will run “at large” within the entire district (county).
- The CAD BOD candidates must be elected by a majority vote.
- Therefore, there must be positions for At-Large Place 1; At-Large Place 2; and At-Large Place 3.
- Candidates must indicate on their candidate application the at-large position for which they are running.
 - If they fail to indicate their position, conceivably, the county judge could disqualify them.



How is the ballot structured for those running for an elected BOD position? Are Runoffs possible?

- What happens IF no candidate for a particular Place receives the majority vote necessary?
 - Section 6.0301 of the Tax Code will provide that three directors of an appraisal district must be elected by majority vote at the general election for state and county officers by the voters of the county in which the district is establish.
 - A majority vote means that the winning candidate must receive more than fifty percent of the votes.
 - If no candidate receives more than fifty percent of the vote in an election requiring a majority, then **a runoff election** is required between the top two vote getters, pursuant to Chapter 2 of the Election Code.
 - **Runoffs mean more costs to CADs and thus taxing units.**
 - There can only be two candidates in a runoff and the one that gets more votes wins.
 - If there was a tie during the runoff, the candidates determine the winner by casting lots.



What happens if no one runs?

What happens if at least 3 people do not run for positions as an elected BOD member in a populous county under the new system?

- Presumably, this creates at least one **vacancy** on the new board.
- This position will be **filled by a majority vote of the BOD** after body is sworn in and seated.
 - Tax Code 6.0301(g)(Effective July 1, 2024).
- The vacancy must be filled by a qualified person to be elected.
 - This will be the same process if an elected member resigns during their term.



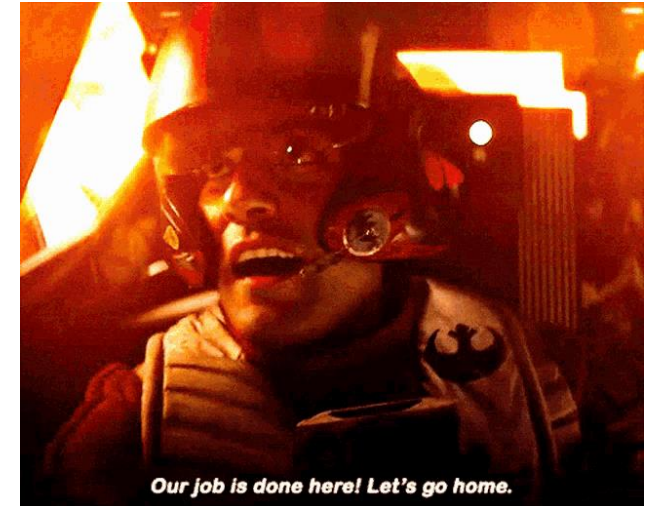
What happens if only 1 person runs for a place as an elected BOD member in a populous county under the new system?

- If only one qualified candidate runs and is unopposed for a Place, the BOD will be able to declare that person elected to that Place.



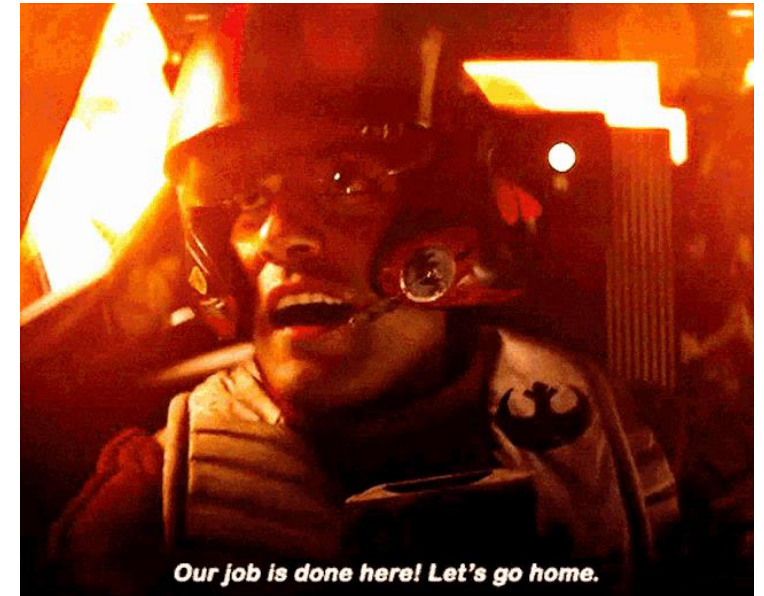
What happens if only 3 people run for the 3 positions as an elected BOD member in a populous county under the new system?

- If all of the offices up for election in the county appraisal board's election have just one person running for each place (and are unopposed), then the election could be cancelled under Chapter 2, Subchapter C of the Election Code.
- Under Section 2.052 of the Election Code, if every at-large race in the election is unopposed, then **the authority responsible for preparing the ballot** (i.e., the secretary or the presiding officer of the county appraisal board of directors, if the board does not have a secretary) **must prepare a Certification of Unopposed Status for each unopposed candidate in the election and must deliver that certification to the governing body of the political subdivision** (i.e., the county appraisal district board of directors).
- BUT a possible catch here could be if your CAD contracted with someone to handle your election.
 - If you did this, which is likely most of you, contact your elections administrator because it is possible they or someone else may be the "authority responsible for preparing the ballot" and thus the one who must prepare the certification.
 - **You want the right person preparing the Certificate!!**



What happens if only 3 people run for the 3 positions as an elected BOD member in a populous county under the new system?

- The preparation of the certification can happen after the filing deadlines for placement on the ballot and on the list of write-in candidates (Feb. 20, 2024)
 - The Form for the certification is Form 13-1f.
- Under Section 2.053 of the Election Code, according to the SOS' Advisory "on receipt of the certification, the county appraisal district board of directors would [by order in an open meeting] declare those unopposed candidates elected to their offices and cancel the election under Section 2.053 of the Election Code.
- The Form "Order" you could use is Form 13-2f.



What happens if only 3 people run for the 3 positions as an elected BOD member in a populous county under the new system?

- Q: What is the latest date we can hold the open meeting to cancel the election?
- A: There is no statutory deadline. However, it is implied that you will cancel in time to post the election day notice at the polling places. Generally, that is before early voting by mail is scheduled to begin.
- Q: Can we skip the open meeting? Isn't it enough that our filing authority certified the required number of candidates as unopposed?
- A: No. If your governing body has not performed the second step of meeting to cancel the election, it is not cancelled.
- Q: What kind of notice must be given if the election is cancelled and no separate election is being held?
- A: The law requires only that a copy of the action taken by the governing body be posted on election day at each polling place that would have been used in an election. You may simply post copies of the cancellation order (Form 13-2f) on the polling place door. We recommend posting it on your website as well.
- Q: The Election Code says that we declare the unopposed candidates "elected." Does that mean they take over immediately after the filing deadlines -- a month before election day?
- A: No.



What happens if only 3 people run for the 3 positions as an elected BOD member in a populous county under the new system?

- Q: When are the unopposed candidates sworn in?
- A: After July 1.

- Q: Is an open meeting required to issue the certificate of election after election day when an election is cancelled?
- A: No, unless required by outside law. The presiding officer of the canvassing authority issues the certificate of election. Sec. 67.016, Election Code. Since the governing body does not need to meet to canvass, the presiding officer may act alone. (But see also Sec. 31.121, Election Code if presiding officer fails to act).



Does the CAD's BOD have to do anything else, such a provide more notice, before the election?

- **The CAD's BOD should direct its Chief Appraiser to take the actions required to conduct the CAD BOD elections.**
- The CAD BOD should direct the Chief Appraiser to cause a Notice of the May 4, 2024 election to be published in a local newspaper of general circulation.
 - At least once.
 - No earlier than 30 days before the May 4, 2024 election.
 - No later than 10 days before the May 4, 2024 election.
 - Must also post on CAD bulletin board for meeting notices no later than 21 days before the May 4, 2024 election.
 - Must keep a copy of the notice along with the name of the newspaper and date of publication as a record.
 - Person making the posting must make a record of the time of posting stating the state and place of posting in accordance with Elections Code Section 4.005.
 - Perhaps consider putting all of this in your Resolution ordering the election if you do one?



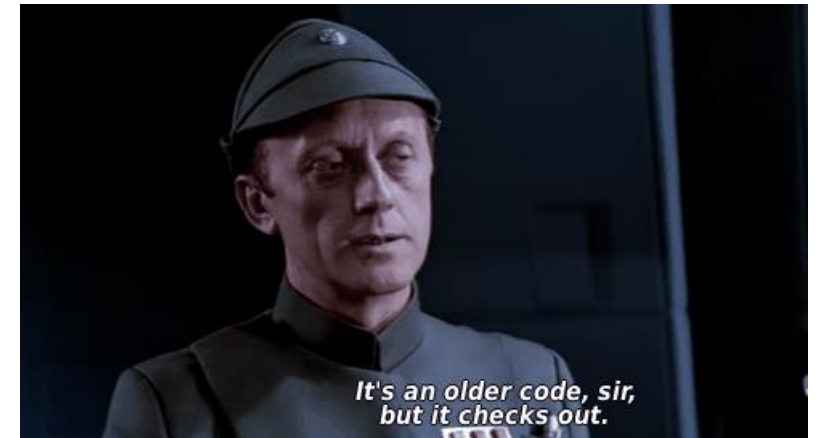
Does the CAD's BOD have to do anything else after the election?

- The BOD is required to canvass the results of the election.
- This must be done within a certain window.
 - **No later than 11 days after the election date.**
 - May 4, 2024 +11 = **May 15, 2024.**
 - **No earlier than later of ...**
 - Third day after the election = May 7, 2024 OR
 - A date where early voting ballot board has verified and counted all provisional ballots if any are cast OR
 - The date all timely received ballots cast from outside the US are counted , if a ballot to vote by mail was provided to person outside the US.
 - For November elections hereafter the window is a little different.
 - **No later than 14 days after the election date.**
 - **No earlier than later of ...**
 - Third day after the election OR
 - A date where early voting ballot board has verified and counted all provisional ballots if any are cast OR
 - The date all timely received ballots cast from outside the US are counted , if a ballot to vote by mail was provided to person outside the US.
- Two BOD members can constitute a quorum for the meeting to canvass the election and adopt a resolution of the election results and who was elected.
 - Meeting will still need to be properly posted 72 hrs+ and comply with TOMA.



Who is responsible for verifying the eligibility of individuals who run for election for CAD BOD in populous counties?

- **For elected BOD members**, Texas Elections Code 141.032 appears to place the responsibility of review of the application / filing fees / petition on the “authority with whom the application is filed.”
 - In this case that would be **the County Judge**.
 - *Not the CAD BOD or the Chief Appraiser.*
- Things the County Judge should review?
 - Was it filed timely?
 - Was it filed correctly?
 - Was everything filled out, complete, attested to?
- Typically, review is 5 days after the application is received.
- There is no process for a candidate to supplement a defective application.
- If an application does not comply with applicable requirements, the county judge must reject the application and immediately deliver to the candidate written notice of the reason for the rejection.
- An application for a place on the ballot may not be challenged for compliance with the applicable requirements as to form, content, and procedure after the 50th day before the date of the election for which the application is made.
 - Tex. Elections Code Section 141.034.



Who is responsible for verifying the eligibility of individuals who are appointed by the tax units for CAD BOD in populous counties?

- There is some ambiguity for **BOD members appointed by the taxing units.**
 - Eligibility could be corrected **by a quo warranto proceeding**, which challenges a person's right to hold a public office.
 - AG, County or Dist. Attorney file suit in the name of the State of Texas against the office holder in district court of proper county.
 - If there is a guilty verdict, the official is removed from office.
 - Tex. Civ. Practice & Remedies Code Section 66.002
- **The Chief Appraiser is an administrator and does not appear authorized to determine eligibility.**



Who pays for the election and how much could the election of the 3 BOD members in populous counties be under the new system?

- Elections Code 1.014 charges the expenses of an election to the authority who orders the election.
- Section 3.004 of the Election Code further provides that the governing body of a political subdivision, that has elective offices, is responsible for ordering an election.
 - **This appears to be the CAD.**
- Costs appear to vary based on the number of registered voters and possibly by entities who also have officers running (and thus sharing items on the ballot).
- Brent South and TAAD sent out *membercad* blasts asking for data.
 - Bell County - \$79K
 - Brazoria County - \$86K+
 - Cameron CAD - \$370K
 - Dallas County - \$1,267,000
 - Denton County \$500K
 - Galveston County - \$462K
 - Harris County - \$14,000,000
 - Parker County \$35-70K
 - Williamson County – \$300-\$350K
- Each unit would pay their percentage of CAD budget based on their percentage if the levy in the District.
- **Figure out your potential costs and start talking to your taxing units about it!**



We have already set our budget or are in the process. How do we pay for this?

- Many CADs have adopted their budgets for the 2024 fiscal year.
 - You may need to do a budget amendment pursuant to Tax Code Section 6.06(c).
 - You may unfortunately have to drain your reserves.



What if my entities refuse to pay for these elections to implement the new SB 2 system?



- Hope you just have one and the majority conform?
- In the end, CADs will have to comply.
 - Use reserves?
 - CAD files a mandamus lawsuit to force the hand of those taxing unit(s) not paying?
- When refilling account / budget if a unit refuses to pay timely they could be hit with penalties and interest (unless waived for good cause).
- Obviously a politically sensitive tightrope for a CA or BOD to walk.
 - Tread carefully!

Let's talk about the TAC.

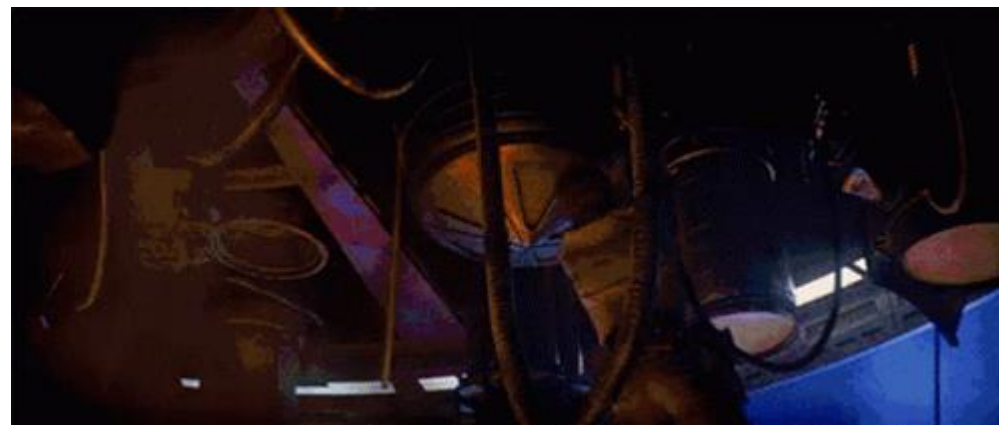
What does *ex officio* mean?

- Webster's Dictionary states "*ex officio*" means "as a result of one's status or position."
 - Therefore, as a result of being the TAC.
- Robert's Rules of Order denotes how one becomes a member of a body.
- The rights of an *ex officio* member are the same as other members unless otherwise stated in laws or rules.



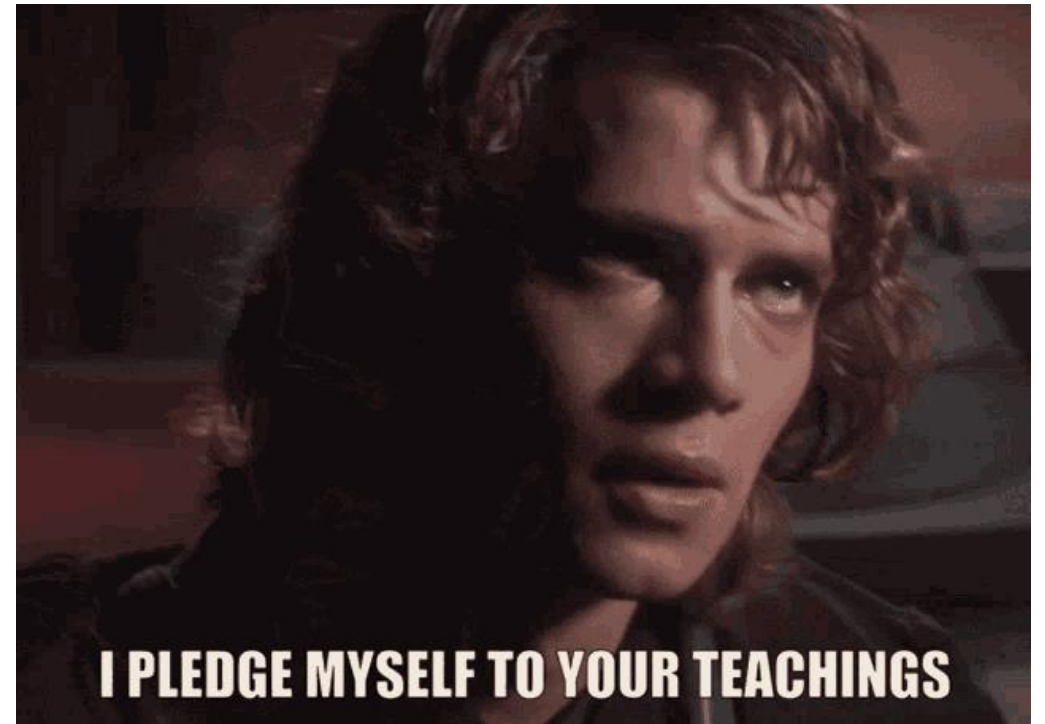
Will the TAC be a voting member on the BOD in the new SB 2 system for populous counties?

- SB 2 uses the term “*ex officio*” for the TAC on the BOD.
- But it is silent on whether the TAC is a voting member or a non-voting member.
 - Tax Code 6.03 currently states the TAC is a “nonvoting director” (if not appointed to BOD).
 - With the silence on nonvoting status in SB 2 ...
 - AND with 9 members on the BOD in new system there will be enough for a tie-breaker
 - Believe TACs will be voting members of BOD in populous counties.
 - On or after July 1, 2024.



Are appointed and elected county appraisal district directors required to take an Oath of Office and submit a Statement of Officer?

- Yes.
- All appointed and elected county appraisal district board of directors are required to take an Oath of Office and submit a Statement of Officer (anti-bribery statement), pursuant to Article 16, Section 1 of the Texas Constitution.



Will BOD terms be staggered for elected members? How will this be accomplished in the new system for populous counties?

- Yes. *Eventually there will be staggering.*
- For elected BOD members, initial elections will be held on a uniform election date in May 2024.
- **Winners who run will take office July 1, 2024.**
 - They will roughly serve a 2.5-year term.
 - **Terms expire December 31, 2026.**
- BOD members will run for election held on a uniform election date in November 2026.
 - Winners' terms will begin on January 1, 2027.
- **Staggering will start for the elected BOD members at the first meeting after the 2026 election.**
 - The **3 elected directors shall draw lots** to **determine which director shall serve a term of two years** and **which two directors shall serve a term of four years.**
- Thereafter all elected directors will serve four-year terms.
 - These will begin on January 1 of every other odd-numbered year.
- Elections will be every even numbered year.

Will BOD terms be staggered for appointed members? How will this be accomplished in the new system for populous counties?

- New Tax Code Section 6.0301 in SB 2 mandates that the **BOD members appointed by the taxing units** serve staggered terms.
- **SB 2 in section 5.13(d) of the Bill provides that all sitting appointed BOD members serving on December 31, 2024, have terms that expire on January 1, 2025.**
- **By December 31, 2024, the taxing units will appoint five (5) BOD members to staggered terms to take office on January 1, 2025.**
 - Presumably, the openings would be for appointing 2 one-year directors and 3 three-year directors.
 - How they are selected for the length of these terms is not spelled out.
 - An idea is when the CA sends out information about votes and nominations, the CA could assign place numbers and identify which places are 1 year and which are 3 year. That way the taxing units could appoint who they want to appropriate places / terms.
 - Another idea is the appointed BOD members draw lots at the first meeting in 2025 to determine who serves the 2 one-year terms and who gets the 3 three-year terms.
 - Wait and see what the Legislature, Comptroller, or an AG Opinion advise?
- Thereafter all appointed directors in populous counties will serve four-year terms.
 - Nominations process will be in every other odd numbered year.
 - Terms will begin on January 1 of every other even numbered year.

Will BOD terms be staggered?

How will this be accomplished in the new system for populous counties?

- BOD Terms will eventually be staggered.

- **Elected Members**

- May 4, 2024 3 members
- November 2026 Gen. Election Date 3 members (at 1st mtg in Jan. 2027 lots drawn to determine 1 member to serve a 2-year term and 2 members to serve a 4-year term)
- November 2028 Gen. Election Date 1 member (4-year term hereafter)
- November 2030 Gen. Election Date 2 members
- November 3032 Gen. Election Date 1 member

- **Entity Appointed Members**

- December 2023 5 members
- December 2024 5 members (2 members to a 1-year term ending 12/31/25 and 3 members to a 3-year term ending 12/31/27 – Units to decide who gets what by allocation?)
- December 2025 2 members (4-year terms hereafter)
- December 2027 3 members (4-year terms hereafter)
- December 2029 2 members
- December 2031 3 members

Will BOD terms be staggered?

How will this be accomplished in the new system for populous counties?

- **BOD Terms will eventually be 4 years...**
- December 2023 // Taxing units appoint 5 members via taxing unit election to serve a 1-year term
- January 1, 2024 // 5 entity appointed members take office for a 1-year term
- May 2024 // General election to elect 3 board members by the public bringing board to a 9-member board including TAC as an ex officio member
- July 1, 2024 // 3 members that were elected in May take office for a 2.5-year term to expire 12/31/2026
- December 2024 // Taxing units appoint 5 members. 2 members to serve a 1-year term and 3 members to serve a 3-year term
- January 1, 2025 // 5 entity appointed members take office
- December 2025 // Taxing units appoint 2 members to a 4-year term
- January 1, 2026 // 2 entity appointed members take office
- November 2026 // General election to elect all 3 elected positions
- January 1, 2027 // 3 elected members take office. At the first January board meeting, the three elected members will draw lots to determine 1 member to serve a 2-year term to expire 12/31/2028 and 2 members to serve a 4-year term to expire 12/31/2030.
- December 2027 // Taxing units appoint 3 members to serve a 4-year term
- January 1, 2028 // 3 entity appointed members take office.

If entity appointments to the BOD are staggered will the larger voting entities be able to “stack the BOD” because they will have the largest number of votes for half of the BOD?

- Yes.
 - It appears so per previous slide on appointed BOD members.



How are BOD vacancies filled in populous counties under the new system?

- A vacancy for a director appointed by the taxing units will be filled by all the governing bodies entitled to nominate and vote for directors.
 - Nominations will be submitted by those units to the CA within 45 days of notice of vacancy from the BOD.
 - The CA will prepare and deliver a list of nominees within the next five days.
 - *By majority vote, the BOD will select and appoint one of the nominees from the list to fill the vacancy.*



How are BOD vacancies filled in populous counties under the new system?

- A vacancy by an elected member to the BOD will be filled by *a majority vote of the BOD*.
 - The person filling the vacancy must meet the qualifications required of an elected director at a general election.
 - The director filling the elected member's vacant position will serve the remainder of the term.



Will there still be a recall process for appointed BOD members in populous counties under the new SB 2 system? If so, how will it work?

- Yes. There will be a recall process under the new system.
- Taxing units may still recall their appointed BOD member.
- A governing body of a participating taxing unit can recall an appointed member of the CAD BOD it casts votes for.
- The recall must be a resolution.
- It must be filed with the CA.
- It must state the taxing unit is calling for the recall of the member.
- Within 10 days after the filing by the unit with the CA, the CA shall deliver written notice of the filed resolution with the other taxing units entitled to vote in appointing the member.



Under SB 2, who will appoint Appraisal Review Board (ARB) members under the new system?

- In populous counties over 75,000 in population (new section 6.0301) ARB members will be appointed by the BOD.
 - Appointment to the ARB by the BOD must be by majority vote.
 - Also at least 2 members of the majority must be elected members of the BOD.
 - So, the elected BOD members votes count / weigh more.
 - More than a voting TAC on the BOD.
 - Is this super-voting power constitutional???
 - This also applies to qualified indiv. who would serve on ARB special panels.
 - ARB members will still serve terms, of two years, beginning on January 1.
 - ARB terms will be staggered.



Under SB 2, who will appoint Appraisal Review Board (ARB) members under the new system?

- In counties with less than 75,000 in population (Section 6.03), based on legislation from 2021, the local administrative judge will still appoint ARB members.



When does the BOD in populous counties begin appointing members of the ARB?

- SB 2 does not specify who makes appointments to the ARB on January 1, 2024.
- This portion of SB 2 becomes effective July 1, 2024.
- So, presumably it takes effect after the BOD elections in May 2024 and taking office by elected BOD members on July 1, 2024, since two elected members must approve of ARB membership.
 - You would still follow Tax Code 6.41(e) on replacing members of the ARB.



What does the Taxpayer Liaison Officer do if anything per SB 2?

- The TLO will provide clerical assistance to the BOD, deliver applications, and publicize availability of positions in “populous counties.”
 - TLO helps the BOD in “populous” counties (over 75,000 in pop.).
 - Must have a TLO in counties larger than 120,000 in population.
 - May have a TLO in counties less than 120,000.
 - Can have Deputy TLOs too.
 - Effective January 1, 2024.
- IF you have one ... the TLO will provide clerical assistance to the local administrative judge, deliver applications, and publicize availability of positions in less populous counties.
 - May have a TLO in counties less than 120,000.
 - TLO helps the LAJ in less “populous” counties (under 75,000 in pop.).

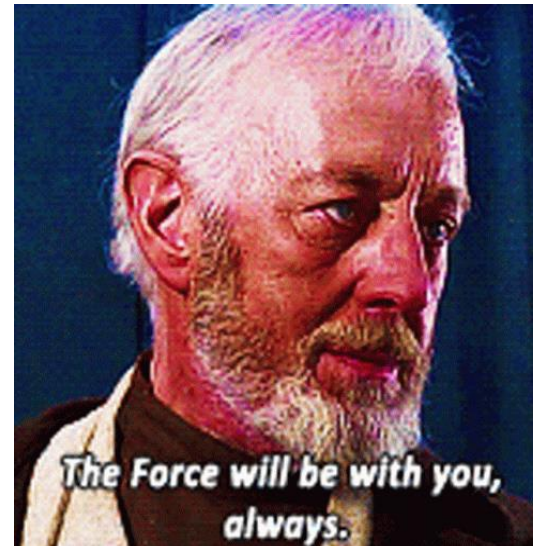


Who would appoint the ARB chair and Secretary in populous counties under SB 2's new system?

- In “populous counties,” with more than 75,000 in population, **the ARB Chair and Secretary will be by majority vote, with the additional approval of at least two members of the majority being elected members of the BOD.**



Remember – Do. Or do not.
May the Force (4th?) be with you, always.



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