



LOW SWINNEY EVANS & JAMES
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Recent Legislative Changes for Appraisal District BODs

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Recent Legislative History: Senate Bill 2

1

Few Changes to Tax Code during Regular Session

Due to gridlock, the 88th Legislative Session saw limited modifications to Boards of Directors or the Texas Property Tax Code.

2

Second Special Session - Senate Bill 2

SB 2 increased the Homestead exemption to \$100,000 and provided a "pilot program" for appraisal caps.

3

Board Member Selection Changes

SB 2 also modified the selection process for board members of appraisal districts in more populous counties.

Elected BOD Members Structure in Populous Counties

Appointed Members

Five appointed members

Elected Members

Three elected members

Ex Officio Member

Tax Assessor-Collector (ex officio)

In more populous counties (i.e., counties with a population of 75,000 or more), the Board of Directors (BOD) members now consist of a combination of appointed, elected, and ex officio positions.

Population Threshold Changes

Break down of the specifics of these population-based changes:

Counties Under 75,000

The "Old" Section 6.03 of the Tax Code now applies only to appraisal districts in counties with a population of less than 75,000

Counties Over 75,000

New Section 6.0301 applies to appraisal districts in counties with a population of more than 75,000

Distinct Threshold

This threshold is distinct from the one for appointing a Taxpayer Liaison Officer (TLO), which applies in counties with a population of 120,000 or more.

Board of Directors Eligibility

1

Residency Requirement

Each board member must be a resident of the appraisal district for at least two years before taking office

2

Eligibility for Service

Employees of taxing units (e.g., cities, counties, school districts) are eligible to serve as directors only if:

- They are members of the governing body of the taxing unit, or
- They hold an elected office in the taxing unit

3

Universal Application

These requirements apply to all appraisal districts, regardless of county population



Appointment of Board Members in Less Populous Counties

■ No changes to the method of appointment

The appointment process for board members in less populous counties remains unchanged, with the following key points:

■ Alternative method approval

A different method approved by three-fourths of the voting taxing units via resolutions (up to 13 members) is permitted

■ Default Rule: Based on taxing unit's share

Appointments are based on a taxing unit's share of the total dollar amount of property taxes imposed in the appraisal district

■ Non-voting Tax Assessor-Collector

Unless another method is approved, the Tax Assessor-Collector is a nonvoting ex officio member

Appointment of Board Members in More Populous Counties

1

Appointed Members

Same method as under Section 6.03, based on a taxing unit's share of total property taxes imposed

2

Elected Members

Elected by majority vote at the general election for state and county officers, by the voters of the county in which the appraisal district is established

3

Tax Assessor-Collector

Serves as ex-officio member, with voting rights

4

Restrictions

The board of directors or taxing units may not increase the number of board members, change the selection method, or alter terms of office





Electing Board Members in Populous Counties:

1

Election Process

Three members are elected by a majority vote at the general election for state and county officers, by the voters of the county in which the appraisal district is established.

2

Governing Rules

The election is governed by the Texas Election Code.

3

Application Filing

Candidates must file an application for a place on the ballot with the county judge in the county where the appraisal district is established.

4

Filing Requirements

The application must be accompanied by a filing fee or a petition in lieu of a filing fee.

Election Deadlines and Cycles

1

Initial Election Cycle (2024)

The first election under this system occurred in May 2024. Directors elected assumed office on July 1, 2024, with terms extending until December 31, 2026.

2

Regular Election Cycle (2026 and Beyond)

Beginning with the November 2026 general election, directors will be elected for four-year terms.

Appointing Board Members: Taxing Entity Voting Entitlement

1

Tax Year Division

Divide the total dollar amount of property taxes imposed in the district by the taxing unit for the preceding tax year by the sum of the total dollar amount of property taxes imposed in the district for that year by each taxing unit that is entitled to vote.

2

Apply Multiplier

Multiply the quotient by 1,000.

3

Final Rounding

Round the product to the nearest whole number.



Appointing Board Members: Process

Taxing Units

Taxing units (counties, cities/towns, school districts, junior colleges, and certain conservation/reclamation districts) select appointed directors in the fall of each odd-numbered year.

1. Voting Entitlement

Based on property tax share calculation. The chief appraiser makes this calculation and delivers notice before **October 1** of each odd-numbered year.

Each taxing unit may submit one nominee for each position to be filled before **October 15** - Except conservation/reclamation districts



Appointing Board Members: Process (Cont.)

2. Nominations Submitted

Chief Appraiser prepares a ballot before **October 30** with the timely submitted nominees - including conservation/reclamation districts if applicable

3. Voting Process

Each taxing unit must determine its vote by resolution to the Chief Appraiser by **December 15**.

In counties with a population of 120,000 or more, a taxing unit entitled to at least 5% of the total votes must submit its vote by resolution within 3 days after adoption

4. New Board Announced

Candidates with the largest cumulative vote totals become the board of directors, and the chief appraiser announces the new directors before **December 31**

Appointed Members Terms

1

Staggered Four-Year Terms

Appointed directors serve staggered four-year terms, beginning January 1 of even-numbered years

2

Transition Period

The term of a director serving on December 31, 2024, expired on January 1, 2025. Taxing units must appoint five directors to serve terms starting January 1, 2025.

3

Initial Term Structure

Two directors serve one-year terms, and three serve three-year terms

4

Long-Term Structure

After the initial term, all appointed directors will serve four-year terms



Determining Initial Terms for Directors

1

Elective Members:

At the first meeting of the board after the November 2026 election, elected directors will draw lots to determine which director will serve a two-year term and which two will serve four-year terms. After the November 2028 election, all elected directors will serve four-year terms (Section 5.13, SB 2)

2

Appointed Members:

Tax Code is silent





BOD Terms Overview for Populous Districts



Appointed Members

- Staggered four-year terms
- Begin January 1 of even-numbered years



Elected Members

- Staggered four-year terms
- Begin January 1 of odd-numbered years

Filling Board Vacancies: Appointed Positions

1

Nomination by Taxing Units

If a vacancy occurs in an appointed position, each voting taxing unit nominates a candidate by resolution

2

Submission to Chief Appraiser

Within 45 days after receiving notice of the vacancy, a taxing unit must submit the nomination to the chief appraiser

3

List Compilation

The chief appraiser provides a list of nominees to the directors within five days

4

Selection by Directors

Directors select one nominee by majority vote to fill the vacancy

Filling Board Vacancies: Elective Positions

1

Vacancy Occurs

When a vacancy occurs in an elective position, the board of directors must appoint a person to fill the vacancy by majority vote.

2

Qualification Requirements

The appointee must meet the same qualifications as a director elected at the general election.

Removing Directors

1

Appointed Directors Only

Only appointed directors may be removed from office by recall

2

Taxing Entity Authority

Recall is initiated by a taxing entity (Texas Tax Code Section 6.033)



Appointing ARB Members in Populous Counties

1 Appointment in Populous Counties

In more populous counties, ARB members are appointed by the Board of Directors of the Appraisal District

2 Selection Process

ARB members must be selected by majority vote, with at least two members of the majority being elected members of the board of directors (Texas Tax Code Section 6.41(d))

Issue: Election Is Uncontested

Uncontested Election

Only one person runs for position.

1

2

Secretary of State Guidance

Cancel the election.



Issue: No One Runs for Elective Positions

The Tax Code is Silent

When no one runs for elective positions on the Board of Directors, the Texas Tax Code does not provide specific guidance on how to proceed.

Fill the Vacancy

As per Texas Tax Code Section 6.0301, the board may fill the vacancy.

1

2

3

Secretary of State

According to SOS, the election should be cancelled; election code is unclear.

Board Member Duties - Largely Unchanged by SB 2

Only change is appointing ARB members

Primary Duties:

1. Hire Chief Appraiser
2. Adopt budget
3. Determine complaints
4. Appoint TLO (County with population of 120,000 or more)
5. Biannually develop written plan for periodic reappraisal
6. Designate Depository



Proposed Changes: House Bill 1952 Overview

Less Populous Counties

Applies to appraisal districts in a county with a population of less than 75,000. In less populous counties, two directors would be appointed; three directors would be elected; and the TAC would remain a non-voting member.

New Board Composition

In more populous counties, three directors would be appointed; five directors would be elected; and the TAC would be a voting ex officio member.

No changes to ARB composition

In less populous counties, Local Administrative District would still appoint ARB.

Unfunded Mandate

The bill provides no funding for the election.

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