

Governance

Composition of Board of Directors

The board of directors is composed of five members.⁴ The number of directors can be increased up to 13 by action of the board of directors.⁵ However, in most cases, the board of directors may not make this change if a voting taxing unit adopts a resolution opposing the change.⁶

Taxing units participating in the CAD may increase the number of directors up to 13 members if three-fourths of voting taxing units adopt resolutions.⁷ A change is not valid if it reduces the voting entitlement of one or more taxing units (unless the taxing unit adopts one of two specified resolutions) or if it expands the types of taxing units that are entitled to vote on the appointment of directors.⁸

The county TAC is a nonvoting director, if not appointed as a voting director.⁹ If a commissioner's court of the county enters into a contract for assessment and collections under Tax Code Section 6.24(b) or if the CAD board of directors enters into a contract for appraisal under Tax Code Section 6.05(b), then the county TAC is ineligible to serve on the board of directors.¹⁰

Board members may not receive compensation for service on the board but are entitled to reimbursement for actual and necessary expenses incurred in the performance of their duties.¹¹ This reimbursement is as provided by the budget adopted the board of directors.¹²

⁴ Tex. Tax Code §6.03(a)

⁵ Tex. Tax Code §6.031(a)

⁶ Tex. Tax Code §6.031(a)

⁷ Tex. Tax Code §6.031(b)

⁸ Tex. Tax Code §6.031(c)

⁹ Tex. Tax Code §6.03(a)

¹⁰ Tex. Tax Code §6.03(a)

¹¹ Tex. Tax Code §6.04(c)

¹² Tex. Tax Code §6.04(c)



Appointment, Eligibility and Terms

Appointment: Taxing units—counties, cities/towns, school districts, junior colleges and certain conservation and reclamation districts—select directors in the fall of odd-numbered years.¹³ Conservation and reclamation districts may participate in this process if at least one conservation and reclamation district in the CAD delivers to the chief appraiser a written request to nominate and vote on the board of directors by June 1 of each odd-numbered year.¹⁴ On request, the chief appraiser must certify all eligible conservation and reclamation districts that are imposing taxes and that participate in the CAD by June 15.¹⁵

The board of directors is selected by appointment; it is not an election governed by the Texas Election Code.¹⁶ The method or procedure for appointing members can be changed by the board of directors or by three-fourths of the voting taxing units acting through resolutions.¹⁷

The voting entitlement of a taxing unit is determined by a calculation that takes into account a taxing unit's share of the total dollar amount of property taxes imposed in the CAD.¹⁸ The chief appraiser makes this calculation for each taxing unit (other than conservation and reclamation districts) and delivers written notice before Oct. 1 of each odd-numbered year of the number of votes to which each taxing unit is

¹³ Tex. Tax Code §6.03

¹⁴ Tex. Tax Code §6.03(c)

¹⁵ Tex. Tax Code §6.03(c)

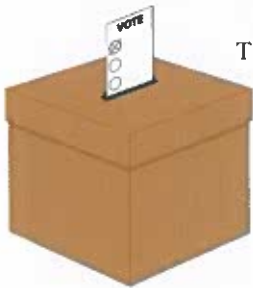
¹⁶ Tex. Att'y Gen. Op. JM-166 (1984)

¹⁷ Tex. Tax Code §6.031(a) and (b)

¹⁸ Tex. Tax Code §6.03(d)

entitled.¹⁹ Each taxing unit (other than a conservation and reclamation district) that is entitled to vote may submit to the chief appraiser one nominee for each position to be filled before Oct. 15.²⁰

The chief appraiser also must calculate the number of votes that an eligible conservation and reclamation district is entitled to and must deliver before July 1 of each odd-numbered year, a written notice to the district of its voting entitlement and right to nominate one candidate for director.²¹ All eligible conservation and reclamation districts must submit the name of the district's nominee to the chief appraiser before July 15 of each odd-numbered year.²² Before Aug. 1, the chief appraiser must prepare a nominating ballot listing all the nominees of conservation and reclamation districts and deliver a ballot to the presiding officer of the board of directors of each district.²³ The board of directors of each district must submit its vote for the nominee of conservation and reclamation districts before Aug. 15.²⁴ The winning nominee of the conservation and reclamation districts in the CAD becomes a nominee for CAD director.²⁵



The chief appraiser must prepare a ballot before Oct. 30 with candidates whose names were timely submitted, including the nominee of conservation and reclamation districts, if applicable.²⁶ Each taxing unit entitled to vote must determine its vote by resolution and submit it to the chief appraiser before

Dec. 15.²⁷ The five candidates who receive the largest cumulative vote totals become the board of directors.²⁸ The chief appraiser announces the new directors before Dec. 31.²⁹ Ties must be resolved by the chief appraiser by any method of chance.³⁰

In counties with a population of 120,000 or more, a taxing unit entitled to cast at least five percent of the total votes is required to determine its vote by resolution adopted at the first or second meeting held after the chief appraiser delivers the ballot. The taxing unit must submit its vote not later than the third day following the date the resolution is adopted.³¹

Both the board of directors and taxing units may propose to change the method or procedure for appointing directors.³² If the board of directors makes the proposal, a voting taxing unit may veto the proposal by adopting a resolution opposing the change before Sept. 1.³³ If a participating taxing unit proposes a change, the change is adopted if three-fourths of the voting taxing units adopt resolutions providing for the change.³⁴ A resolution to change the method or procedure for appointing directors must be filed with the chief appraiser after June 30 and before Oct. 1 of a year in which members are appointed, or the resolution is ineffective.³⁵

Throughout the selection process, the Tax Code specifies dates for action by the chief appraiser and the taxing units. The dates provided in Tax Code Section 6.03(f) and (g) are directory and not mandatory.³⁶ However, the advice of legal counsel should be obtained in such situations.

Eligibility: To be eligible to serve on a board of directors, an individual must be a resident of the CAD and must have resided in the CAD for at least two years immediately preceding the date of taking office.³⁷ This residency requirement does not apply to a county TAC serving as a nonvoting director.³⁸

An employee of a taxing unit that participates in the CAD is not eligible to serve on the board of directors, unless that individual also is a member of the governing body of the taxing unit or an elected official of a taxing unit.³⁹ Membership on the governing body of a taxing unit does not make an otherwise eligible individual ineligible to serve on the board of directors.⁴⁰

¹⁹ Tex. Tax Code §6.03(e)

²⁰ Tex. Tax Code §6.03(g)

²¹ Tex. Tax Code §6.03(f) and (h)

²² Tex. Tax Code §6.03(h)

²³ Tex. Tax Code §6.03(h)

²⁴ Tex. Tax Code §6.03(h)

²⁵ Tex. Tax Code §6.03(h)

²⁶ Tex. Tax Code §6.03(j)

²⁷ Tex. Tax Code §6.03(k)

²⁸ Tex. Tax Code §6.03(k)

²⁹ Tex. Tax Code §6.03(k)

³⁰ Tex. Tax Code §6.03(k)

³¹ Tex. Tax Code §6.03(k-1)

³² Tex. Tax Code §6.031(a) and (b)

³³ Tex. Tax Code §6.031(a)

³⁴ Tex. Tax Code §6.031(b)

³⁵ Tex. Tax Code §6.031(c)

³⁶ Tex. Att'y Gen. Op. JM-166 (1984)

³⁷ Tex. Tax Code §6.03(a)

³⁸ Tex. Tax Code §6.03(a)

³⁹ Tex. Tax Code §6.03(a)

⁴⁰ Tex. Tax Code §6.03(a)

Degrees of Consanguinity and Affinity

1st DEGREE	2nd DEGREE	3rd DEGREE
<p>By Consanguinity</p> <ul style="list-style-type: none"> • Parents • Children <p>By Affinity</p> <ul style="list-style-type: none"> • Spouses of relatives listed under first degree consanguinity • Spouse • Spouse's parents • Spouse's children • Stepparents • Stepchildren 	<p>By Consanguinity</p> <ul style="list-style-type: none"> • Grandparents • Grandchildren • Brothers & sisters <p>By Affinity</p> <ul style="list-style-type: none"> • Spouses of relatives listed by second degree consanguinity • Spouse's grandparents • Spouse's grandchildren • Spouse's brothers & sisters 	<p>By Consanguinity</p> <ul style="list-style-type: none"> • Great grandparents • Great grandchildren • Nieces & nephews • Aunts & uncles <p>By Affinity</p> <ul style="list-style-type: none"> • No prohibitions

Owing delinquent property taxes disqualifies a person from serving on the CAD board of directors.⁴¹ 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.⁴² 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.⁴³

A person is ineligible to serve on an appraisal district's board of directors if the individual served as a member of the board of directors for all or part of five terms, unless they were a county assessor-collector at the time of service or the appraisal district is established in a county with a population of less than 120,000.⁴⁴

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.⁴⁵

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.⁴⁶

A director who continues to hold office knowing he or she is related in this manner to the above named persons commits a Class B misdemeanor offense.⁴⁷

An individual is not eligible to be appointed to or to serve on the board of directors if an individual has a substantial interest in a business entity that is party to a contract or the individual is a party to a contract with the CAD.⁴⁸ This prohibition also applies to contracts with a taxing unit that participates in the CAD if the contract relates to the performance of an activity governed by the Tax Code.⁴⁹ A CAD may not enter into a contract with a board member or with a business entity in which a board member has a substantial interest.⁵⁰ A taxing unit may not enter into a contract relating to the performance of an activity governed by the Tax Code with a board member in which

⁴¹ Tex. Tax Code §6.035(a)(2)

⁴² Tex. Tax Code §6.035(a)(2)

⁴³ Tex. Tax Code §6.035(a)(2)

⁴⁴ Tex. Tax Code §6.035(a-1)

⁴⁵ Tex. Tax Code §6.035(a-1)

⁴⁶ Tex. Tax Code §6.035(a)(1)

⁴⁷ Tex. Tax Code §6.035(b)

⁴⁸ Tex. Tax Code §6.036(a)

⁴⁹ Tex. Tax Code §6.036(a)

⁵⁰ Tex. Tax Code §6.036(b)

the taxing unit participates or with a business entity in which a board member has a substantial interest.⁵¹

An individual has substantial interest in a business entity if:

- 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.⁵²



Term of Office and Vacancy: CAD directors serve two-year terms.⁵³ Each term begins on Jan. 1 of an even-numbered year.⁵⁴ The two-year term of office does not apply to the county TAC who serves as a nonvoting director.⁵⁵

Voting taxing units may adopt staggered one and two-year terms.⁵⁶ To adopt staggered terms, taxing units must take two actions.⁵⁷ First, at least three-fourths of the voting taxing units are required to adopt resolutions for staggered terms.⁵⁸ Second, the voting taxing units must have changed the method for appointing members to end cumulative voting (casting all or part of the votes to which the taxing unit is entitled). These two actions may be proposed concurrently.⁵⁹

A resolution proposing staggered terms must be filed with the chief appraiser after June 30 and before Oct. 1.⁶⁰ If the chief appraiser determines that enough taxing units filed valid resolutions, he or she must notify all taxing units of the change before Oct. 10.⁶¹ Staggered terms take effect on Jan. 1 of the next even-numbered year.⁶² To start staggering terms, all members are appointed for that year without regard to staggered terms.⁶³ At the earliest practical date after Jan. 1, the board

determines by lot which of its members will serve one- and two-year terms.⁶⁴

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 a two-year term than members with one-year terms.⁶⁵ For example, a six-member board would choose three members to serve one-year terms. A five-member board would choose two.

For each director's term that expires on Jan. 1, the CAD must annually appoint directors for a term that begins on that Jan. 1.⁶⁶

Staggered terms may be rescinded by resolution of a majority of voting taxing units.⁶⁷ The resolution must be adopted and filed with the chief appraiser after June 30 and before Oct. 1 of odd-numbered years.⁶⁸ After a valid rescission, the terms of all current members expire on the next Jan. 1, even if a member will have only served one year of a two-year term.⁶⁹ The entire board will be appointed for two-year terms on that date.⁷⁰ Staggered terms are automatically rescinded if the CAD makes a change in the method of appointing board members that results in a method of using cumulative voting.⁷¹



If a vacancy occurs on the board, each voting taxing unit nominates by resolution a candidate to fill the vacancy.⁷² Within 45 days after receiving notice from the board of directors that a vacancy exists, a taxing unit must submit the nomination to the chief appraiser.⁷³ The chief appraiser delivers a list of the nominees to the directors within the next five days.⁷⁴ Directors select by majority vote one of the nominees to fill the vacancy.⁷⁵ If a vacancy occurs for a board with staggered terms, the vacancy is filled by appointment of the

⁵¹ Tex. Tax Code §6.036(c)

⁵² Tex. Tax Code §6.036(d)

⁵³ Tex. Tax Code §6.03(b)

⁵⁴ Tex. Tax Code §6.03(b)

⁵⁵ Tex. Tax Code §6.03(b)

⁵⁶ Tex. Tax Code §6.034(a)

⁵⁷ Tex. Tax Code §6.034(a)

⁵⁸ Tex. Tax Code §6.034(a)

⁵⁹ Tex. Tax Code §6.034(a)

⁶⁰ Tex. Tax Code §6.034(b)

⁶¹ Tex. Tax Code §6.034(c)

⁶² Tex. Tax Code §6.034(d)

⁶³ Tex. Tax Code §6.034(d)

⁶⁴ Tex. Tax Code §6.034(d)

⁶⁵ Tex. Tax Code §6.034(d)

⁶⁶ Tex. Tax Code §6.034(e)

⁶⁷ Tex. Tax Code §6.034(g)

⁶⁸ Tex. Tax Code §6.034(g)

⁶⁹ Tex. Tax Code §6.034(g)

⁷⁰ Tex. Tax Code §6.034(g)

⁷¹ Tex. Tax Code §6.034(h)

⁷² Tex. Tax Code §6.03(l)

⁷³ Tex. Tax Code §6.03(l)

⁷⁴ Tex. Tax Code §6.03(l)

⁷⁵ Tex. Tax Code §6.03(l)

voting taxing unit that nominated the person whose departure caused the vacancy.⁷⁶

Conflicts of Interest

Board members are subject to conflict of interest provisions in law, including Tax Code Section 6.036 which excludes certain individuals from serving on the board of directors. Local Government Code Chapter 171 applies to all local officials, including boards of directors of CADs. Local Government Code Chapter 176 applies to officers of political subdivisions of the state.⁷⁷

For more information, see the Texas Ethics Commission's conflict of interest forms at ethics.state.tx.us/forms/conflict.

Ex Parte Communications

A board member commits a Class C misdemeanor offense if the member directly or indirectly communicates with the chief appraiser on any matter relating to the appraisal of property by the CAD.⁷⁸ However, this type of communication is allowed in:

- an open meeting of the CAD board of directors or another public forum; or
- a closed meeting of the board of directors held to consult with its attorney about pending litigation, at which the chief appraiser's presence is necessary for full communication between the board and its attorney.⁷⁹

These ex parte communication provisions do not apply to a routine communication between the chief appraiser and the county TAC relating to the administration of an appraisal roll, including a communication made in connection with the certification, correction or collection of an account.⁸⁰ This exception applies regardless of whether the county TAC was appointed to the board of directors or serves as a nonvoting director.⁸¹

These ex parte communication provisions do not prohibit a CAD board member from transmitting in writing to a chief

appraiser, without comment, a complaint by a property owner or taxing unit about the appraisal of a specific property.⁸²

A board member, officer or employee of a taxing unit commits a Class A misdemeanor offense if they directly or indirectly communicate with the chief appraiser or another employee of the CAD for the purpose of influencing an appraised property value, unless they own or lease the property themselves.⁸³

Oath of Office

The Texas Constitution requires all elected and appointed officers to sign an anti-bribery statement and take an oath of office before beginning the duties of the office.⁸⁴



The constitutionally prescribed anti-bribery statement is located on the Secretary of State's web-

site as Form 2201 at sos.state.tx.us/statdoc/forms/2201.pdf. A director signs this statement before the oath of office is administered.⁸⁵ Directors should retain the statement in the official records of the appraisal district.⁸⁶

The official oath of office is found on the Secretary of State's website as Form 2204 at sos.state.tx.us/statdoc/forms/2204.pdf.

Recalling a Director

A taxing unit may ask for the recall of any director the taxing unit voted for in the appointment process.⁸⁷ A recall starts when a taxing unit files a resolution with the chief appraiser stating that the taxing unit is calling for the recall of a named member.⁸⁸ Within 10 days after a taxing unit files a recall resolution, the chief appraiser must give written notice of the filing of the resolution to the presiding officer of each voting taxing unit.⁸⁹

⁷⁶ Tex. Tax Code §6.034(i)

⁷⁷ Tex. Local Government Code §§171.001(1) and 176.001(3) and (4)

⁷⁸ Tex. Tax Code §6.15(a) and (d)

⁷⁹ Tex. Tax Code §6.15(a)

⁸⁰ Tex. Tax Code §6.15(c)

⁸¹ Tex. Tax Code §6.15(c)

⁸² Tex. Tax Code §6.15(c)

⁸³ Tex. Tax Code §6.155

⁸⁴ Tex. Const. XVI, §1(a) and (b)

⁸⁵ Tex. Const. XVI, §1

⁸⁶ Tex. Const. XVI, §1(c)

⁸⁷ Tex. Tax Code §6.033(a)

⁸⁸ Tex. Tax Code §6.033(a)

⁸⁹ Tex. Tax Code §6.033(a)

Only the taxing units that voted for the member may vote.⁹⁰ A recall-voting taxing unit has the same number of votes in the recall that it cast in appointing the board member.⁹¹ A taxing unit votes by submitting a resolution to the chief appraiser on or before the 30th day after the recall resolution is filed.⁹²

Not later than the 10th day after the last day for voting in favor of the recall, the chief appraiser must count the casted votes.⁹³ A director is recalled if the number of votes cast in favor of recall equals or exceeds a majority of the votes cast appointing the board member.⁹⁴ The chief appraiser must immediately notify in writing the presiding officer of the board of directors and the governing body of each recall-voting taxing unit of the results.⁹⁵ If the chair is the subject of the recall, the board secretary shall also be notified.⁹⁶

After a recall, the director's vacancy is filled by the recall-voting taxing units appointing a new board member.⁹⁷ Each recall-voting taxing unit may nominate by resolution one candidate and is entitled to the same number of votes it originally cast to appoint the recalled member.⁹⁸

On or before the 15th day after the last day nominations must be submitted, the chief appraiser must prepare a ballot and deliver a copy of the ballot to the presiding officer of the governing body of each taxing unit that is entitled to vote to fill the vacancy.⁹⁹ A taxing unit determines its vote by resolution and submits it to the chief appraiser.¹⁰⁰ The chief appraiser counts the votes on or before the 15th day after the last day on which a taxing unit may vote, declares the winner who received the largest vote total and notifies the chair of the board of directors, each taxing unit and the candidates.¹⁰¹ The chief appraiser must resolve a tie vote by any method of chance.¹⁰²

If the board of directors is appointed by another method or procedure adopted under Tax Code Section 6.031, the taxing units that voted for or participated in the appointment of 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.¹⁰³ 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 taxing unit is entitled to the same number of votes it cast for the member being recalled.¹⁰⁴

⁹⁰ Tex. Tax Code §6.033(b)

⁹¹ Tex. Tax Code §6.033(b)

⁹² Tex. Tax Code §6.033(b)

⁹³ Tex. Tax Code §6.033(c)

⁹⁴ Tex. Tax Code §6.033(c)

⁹⁵ Tex. Tax Code §6.033(c)

⁹⁶ Tex. Tax Code §6.033(c)

⁹⁷ Tex. Tax Code §6.033(d)

⁹⁸ Tex. Tax Code §6.033(d)

⁹⁹ Tex. Tax Code §6.033(d)

¹⁰⁰ Tex. Tax Code §6.033(d)

¹⁰¹ Tex. Tax Code §6.033(d)

¹⁰² Tex. Tax Code §6.033(d)

¹⁰³ Tex. Tax Code §6.033(e)

¹⁰⁴ Tex. Tax Code §6.033(e)