



# Board Duties, Authority and Policies

A board of directors has required duties and authority under the Property Tax Code. Other additional duties and authority are provided for in other law. Consult an attorney regarding all legal duties and authority.

## Primary Duties

The following is a nonexclusive list of the primary responsibilities of the board of directors under the Property Tax Code:

Establish the CAD's appraisal office;<sup>100</sup>

Hire a chief appraiser;<sup>101</sup>

Adopt the CAD's annual operating budget before Sept. 15 after fulfilling notice requirements and holding a public hearing;<sup>102</sup>

Adopt a new budget within 30 days after a budget is disapproved by voting taxing units;<sup>103</sup>

Appoint ARB members, except in certain counties;<sup>104</sup>

Select a chairman and a secretary from among ARB members;<sup>105</sup>

Notify taxing units of any vacancy on the board and elect by majority vote of members one of the submitted nominees;<sup>106</sup>

Elect from members a chair and secretary at the first meeting of the calendar year;<sup>107</sup>

Have board meetings at least once each calendar quarter;<sup>108</sup>

Develop and implement policies regarding reasonable access to the board;<sup>109</sup>

Prepare information describing the board's functions and complaint procedures; the information must be made available to the public and the appropriate taxing units;<sup>110</sup>

Notify those party to a complaint filed with the board of the status of the complaint unless otherwise provided;<sup>111</sup>

Appoint a taxpayer liaison officer (in counties having a population of over 125,000);<sup>112</sup>

Biennially develop a written plan for the periodic reappraisal of all property in the CAD's boundaries, hold a public hearing with the required notice, approve a plan by Sept. 15 of each even-numbered year, and distribute copies to participating taxing units and to the Comptroller as required;<sup>113</sup>

Make an agreement with newly formed taxing unit's governing body on an estimated budget allocation for the new taxing unit;<sup>114</sup>

Have prepared an annual financial audit conducted by an independent certified public accountant and deliver a copy of the audit to each voting taxing unit and made available for inspection at the CAD office;<sup>115</sup>

Designate the CAD depository at least once every two years;<sup>116</sup>

Receive taxing units' resolutions disapproving board actions;<sup>117</sup>

Adhere to requirements regarding purchasing and contracting under Local Government Code Chapter 252;<sup>118</sup>

Provide advice and consent to the chief appraiser concerning the appointment of an agricultural appraisal advisory board and determine the number of members on that advisory board;<sup>119</sup>

Adhere to laws concerning the preservation, microfilming, destruction or other disposition of records; and<sup>120</sup>

Adopt and implement a policy for the temporary replacement of an ARB member who violates ex-parte communication requirements.<sup>121</sup>

<sup>100</sup> Tex. Tax Code §6.05(a).

<sup>101</sup> Tex. Tax Code §6.05(c).

<sup>102</sup> Tex. Tax Code §6.06(b).

<sup>103</sup> Tex. Tax Code §6.06(b).

<sup>104</sup> Tex. Tax Code §§6.41(d) and (d-1) and §6.42(a).

<sup>105</sup> Tex. Tax Code §6.42(a).

<sup>106</sup> Tex. Tax Code §6.03(l).

<sup>107</sup> Tex. Tax Code §6.04(a).

<sup>108</sup> Tex. Tax Code §6.04(b).

<sup>109</sup> Tex. Tax Code §6.04(d) and (e).

<sup>110</sup> Tex. Tax Code §6.04(f).

<sup>111</sup> Tex. Tax Code §6.04(g).

<sup>112</sup> Tex. Tax Code §6.052(a).

<sup>113</sup> Tex. Tax Code §6.05(i).

<sup>114</sup> Tex. Tax Code §6.06(h).

<sup>115</sup> Tex. Tax Code §6.063(a) and (b).

<sup>116</sup> Tex. Tax Code §6.09.

<sup>117</sup> Tex. Tax Code §6.10.

<sup>118</sup> Tex. Tax Code §6.11.

<sup>119</sup> Tex. Tax Code §6.12(a).

<sup>120</sup> Tex. Tax Code §6.13.

<sup>121</sup> Tex. Tax Code §41.66(g).

## Statutory Authority

Property Tax Code Chapter 6 contains much of the statutory authority for boards of directors. The following is a non-exclusive list of boards' authority:

Provide for the operation of a consolidated CAD by interlocal contract between two or more adjoining CADs;<sup>122</sup>

Change the number of directors or method of selecting directors, or both, unless any of the voting taxing units oppose the change;<sup>123</sup>

Have board meetings at any time at the call of the chair or as provided by board rule;<sup>124</sup>

Contract with an appraisal office in another CAD or with a taxing unit in the CAD to perform the duties of the appraisal office for the CAD;<sup>125</sup>

Prescribe, by resolution, specified actions of the chief appraiser relating to CAD finances or administration that are subject to board approval;<sup>126</sup>

Employ a general counsel to the CAD to serve at the will of the board;<sup>127</sup>

Purchase or lease real property and construct improvements necessary to establish and operate an appraisal office or branch office;<sup>128</sup>

Convey real property owned by the CAD;<sup>129</sup>

Amend the approved operating budget after giving notice to participating taxing units not later than the 30th day before the date the board acts on the proposed amendment;<sup>130</sup>

Authorize the chief appraiser to disburse CAD funds;<sup>131</sup>

Change the CAD's method of financing unless any participating taxing unit opposes the change;<sup>132</sup>

Contract with the governing body of a taxing unit or county to assess and collect taxes through the Interlocal Cooperation Act;<sup>133</sup>

Change the number of ARB members; and<sup>134</sup>

Appoint auxiliary ARB members and select the number of auxiliary members by resolution, except in certain counties.<sup>135</sup>

The Property Tax Code also provides certain statutory authority to the board of directors outside of Chapter 6, including authorizing a board of directors to approve the chief appraiser to contract with private appraisal firms to perform appraisal services under Tax Code Section 25.01(b). On written approval of the board of directors, a chief appraiser is entitled to appeal certain ARB orders to district court as provided by Tax Code Section 42.02.

## Limited Appraisal Authority

The board's appraisal authority is limited. The board does not appraise property or review values on individual properties. The law assigns these tasks to the chief appraiser and the ARB, respectively. The board of directors does have the authority to give written approval for a chief appraiser to appeal certain ARB orders in court.<sup>136</sup>

The board has authority over appraisal policy through the following duties and authority:

- duty to develop biennially a written plan for periodic reappraisal;<sup>137</sup>
- duty to adopt an operating budget to reflect the board's decisions on handling appraisals;<sup>138</sup>
- authority to contract with an appraisal office in another CAD or with a taxing unit in the CAD to perform the duties of the appraisal office for the CAD; and<sup>139</sup>
- authority to approve the chief appraiser to contract with private appraisal firms to perform appraisal services.<sup>140</sup>

## Meetings



At the board of directors' first meeting each calendar year, the board must elect

from its members a chairman and a secretary.<sup>141</sup> A nonvoting TAC may serve as chairman or secretary.<sup>142</sup> A majority of the CAD board of directors constitutes a quorum.<sup>143</sup> A TAC who is

<sup>122</sup> Tex. Tax Code §6.02.

<sup>123</sup> Tex. Tax Code §6.031(a).

<sup>124</sup> Tex. Tax Code §6.04(b).

<sup>125</sup> Tex. Tax Code §6.05(b).

<sup>126</sup> Tex. Tax Code §6.05(h).

<sup>127</sup> Tex. Tax Code §6.05(j).

<sup>128</sup> Tex. Tax Code §6.051(a).

<sup>129</sup> Tex. Tax Code §6.051(c).

<sup>130</sup> Tex. Tax Code §6.06(c).

<sup>131</sup> Tex. Tax Code §6.06(f).

<sup>132</sup> Tex. Tax Code §6.061(a).

<sup>133</sup> Tex. Tax Code §6.24(a) and (b).

<sup>134</sup> Tex. Tax Code §6.41(b).

<sup>135</sup> Tex. Tax Code §6.414.

<sup>136</sup> Tex. Tax Code §42.02(a) and (c).

<sup>137</sup> Tex. Tax Code §6.05(i).

<sup>138</sup> Tex. Tax Code §6.06(b).

<sup>139</sup> Tex. Tax Code §6.05(b).

<sup>140</sup> Tex. Tax Code §25.01(b).

<sup>141</sup> Tex. Tax Code §6.04(a).

<sup>142</sup> Tex. Att'y Gen. Op. JC-0580 (2002).

<sup>143</sup> Tex. Tax Code §6.04.

a nonvoting member is counted in determining the presence of a quorum.<sup>144</sup>

The board may meet at any time at the call of the chairman or as provided by board rule.<sup>145</sup> However, the board must meet at least once each calendar quarter.<sup>146</sup>

The board must provide reasonable time at meetings for public comment on CAD and ARB policies and procedures and allow a reasonable amount of time for a taxpayer liaison officer's report if applicable.<sup>147</sup>

## Disapproval of Board Actions

At times, the board of directors may take an action with which the majority of voting taxing units may disagree. Under Tax Code Section 6.10, a majority of voting taxing units may veto any action by the board of directors.<sup>148</sup> This disapproval power under Tax Code Section 6.10 does not apply to the adoption of the budget by the board.<sup>149</sup>

To veto a board action other than the budget, the governing bodies of a majority of voting taxing units must adopt resolutions disapproving the action.<sup>150</sup> The voting taxing units must file the resolutions with the board's secretary within 15 days after the action is taken.<sup>151</sup> The board action is revoked effective the day after the day on which the required number of resolutions is filed.<sup>152</sup>

For voting taxing units to disapprove the CAD budget, a majority of the units must file a resolution with the board's secretary within 30 days after the budget is adopted.<sup>153</sup>

## Written Policies

Through its policies, the board determines the CAD's goals and operates as the decision-making body of the CAD. While the Property Tax Code requires boards of directors to develop written policies on certain issues, a written policy

covering all operational aspects of CAD operations should be considered.

Written procedures and policies are good management tools. A policy manual allows the board to make important decisions carefully and in advance, rather than in response to crisis situations. They permit the CAD's operations to continue uninterrupted if key employees leave. A policy manual also helps educate the public and others about CAD operations.

Examples of policies of boards of directors can be found at [www.window.state.tx.us/taxinfo/proptax/bodpolicies/](http://www.window.state.tx.us/taxinfo/proptax/bodpolicies/).

## Required Policies



State law requires the board to have written policies on specific issues. The board must:

- develop and implement policies that provide the public with reasonable opportunity to appear before the board to speak on any issue under the board's jurisdiction;<sup>154</sup>
- prepare and maintain a written plan that describes how a non-English speaking person or a person who has a physical, mental, or developmental disability may be provided reasonable access to the board; and<sup>155</sup>
- prepare information of public interest describing the board's functions and procedures to file complaints and how complaints are resolved by the board.<sup>156</sup>

The board must biennially develop a written reappraisal plan for the periodic reappraisal of all property in the CAD's boundaries by Sept. 15 of each even-numbered year.<sup>157</sup> The plan is required to comply with Tax Code Section 25.18.<sup>158</sup> Certain activities are required to be conducted in the reappraisal of all real and personal property located in the CAD at least once every three years.<sup>159</sup> In summary, those activities are the following:

- identifying properties by physical inspection or other reliable means of identification (such as deeds or other legal

<sup>144</sup> Tex. Att'y Gen. Op. JC-0580 (2002).

<sup>145</sup> Tex. Tax Code §6.04(b).

<sup>146</sup> Tex. Tax Code §6.04(b).

<sup>147</sup> Tex. Tax Code §6.04(d).

<sup>148</sup> Tex. Tax Code §6.10.

<sup>149</sup> Tex. Tax Code §6.10.

<sup>150</sup> Tex. Tax Code §6.10.

<sup>151</sup> Tex. Tax Code §6.10.

<sup>152</sup> Tex. Tax Code §6.10.

<sup>153</sup> Tex. Tax Code §6.06(b).

<sup>154</sup> Tex. Tax Code §6.04(d).

<sup>155</sup> Tex. Tax Code §6.04(e).

<sup>156</sup> Tex. Tax Code §6.04(f).

<sup>157</sup> Tex. Tax Code §6.05(i).

<sup>158</sup> Tex. Tax Code §6.05(i).

<sup>159</sup> Tex. Tax Code §25.18(b).

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- documentation, aerial or land-based photographs, surveys, maps, and sketches);
- identifying and updating property characteristics;
  - defining market areas;
  - identifying property characteristics affecting value in market areas (such as location and market area of property, physical attributes of property, legal and economic attributes, and legal restrictions);
  - developing an appraisal model that reflects the relationship among property characteristics affecting value in each market area and determines the contribution of individual property characteristics;
  - applying the conclusions from the model to the characteristics of individual properties; and
  - reviewing the appraisal results to determine value.<sup>160</sup>

Tax Code Section 23.01(b) provides that if a CAD determines the appraised value of a property using mass appraisal standards, those standards must comply with the Uniform Standards of Professional Appraisal Practice.

The board of directors must hold a public hearing to consider the proposed plan and provide written notice to each participating taxing unit of the hearing not later than 10th day before the hearing.<sup>161</sup> After holding the public hearing and approving a plan by Sept. 15 of each even-numbered year, the board must distribute copies of the plan to the participating taxing units and to the Comptroller within 60 days of the approval date.<sup>162</sup>

A CAD board of directors also must adopt and implement a policy for the temporary replacement of an ARB member who has communicated with another person in violation of ex parte communication provisions.<sup>163</sup> An ARB member may not communicate with another person concerning the evidence, argument, facts, merits, or any other matters related to an owner's protest, except during the hearing on the protest.<sup>164</sup> An ARB member also may not communicate with another person concerning a property that is the subject of the protest, except during a hearing on another protest or other proceeding before the board at which the property is compared to other property or used in a sample of properties.<sup>165</sup>

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<sup>160</sup> Tex. Tax Code §25.18(b).

<sup>161</sup> Tex. Tax Code §6.05(i).

<sup>162</sup> Tex. Tax Code §6.05(i).

<sup>163</sup> Tex. Tax Code §41.66(g).

<sup>164</sup> Tex. Tax Code §41.66(f).

<sup>165</sup> Tex. Tax Code §41.66(f).