



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;¹⁰⁰

Hire a chief appraiser;¹⁰¹

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

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

Appoint ARB members, except in certain counties;¹⁰⁴

Select a chairman and a secretary from among ARB members;¹⁰⁵

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

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

Have board meetings at least once each calendar quarter;¹⁰⁸

Develop and implement policies regarding reasonable access to the board;¹⁰⁹

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

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

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

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;¹¹³

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

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;¹¹⁵

Designate the CAD depository at least once every two years;¹¹⁶

Receive taxing units' resolutions disapproving board actions;¹¹⁷

Adhere to requirements regarding purchasing and contracting under Local Government Code Chapter 252;¹¹⁸

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;¹¹⁹

Adhere to laws concerning the preservation, microfilming, destruction or other disposition of records; and¹²⁰

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

¹⁰⁰ Tex. Tax Code §6.05(a).

¹⁰¹ Tex. Tax Code §6.05(c).

¹⁰² Tex. Tax Code §6.06(b).

¹⁰³ Tex. Tax Code §6.06(b).

¹⁰⁴ Tex. Tax Code §§6.41(d) and (d-1) and §6.42(a).

¹⁰⁵ Tex. Tax Code §6.42(a).

¹⁰⁶ Tex. Tax Code §6.03(l).

¹⁰⁷ Tex. Tax Code §6.04(a).

¹⁰⁸ Tex. Tax Code §6.04(b).

¹⁰⁹ Tex. Tax Code §6.04(d) and (e).

¹¹⁰ Tex. Tax Code §6.04(f).

¹¹¹ Tex. Tax Code §6.04(g).

¹¹² Tex. Tax Code §6.052(a).

¹¹³ Tex. Tax Code §6.05(i).

¹¹⁴ Tex. Tax Code §6.06(h).

¹¹⁵ Tex. Tax Code §6.063(a) and (b).

¹¹⁶ Tex. Tax Code §6.09.

¹¹⁷ Tex. Tax Code §6.10.

¹¹⁸ Tex. Tax Code §6.11.

¹¹⁹ Tex. Tax Code §6.12(a).

¹²⁰ Tex. Tax Code §6.13.

¹²¹ 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;¹²²

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

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

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;¹²⁵

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

Employ a general counsel to the CAD to serve at the will of the board;¹²⁷

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

Convey real property owned by the CAD;¹²⁹

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;¹³⁰

Authorize the chief appraiser to disburse CAD funds;¹³¹

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

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

Change the number of ARB members; and¹³⁴

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

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.¹³⁶

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

- duty to develop biennially a written plan for periodic reappraisal;¹³⁷
- duty to adopt an operating budget to reflect the board's decisions on handling appraisals;¹³⁸
- 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; and¹³⁹
- authority to approve the chief appraiser to contract with private appraisal firms to perform appraisal services.¹⁴⁰

Meetings



At the board of directors' first meeting each calendar year, the board must elect from its members a chairman and a secretary.¹⁴¹ A nonvoting TAC may serve as chairman or secretary.¹⁴² A majority of the CAD board of directors constitutes a quorum.¹⁴³ A TAC who is

¹²² Tex. Tax Code §6.02.

¹²³ Tex. Tax Code §6.031(a).

¹²⁴ Tex. Tax Code §6.04(b).

¹²⁵ Tex. Tax Code §6.05(b).

¹²⁶ Tex. Tax Code §6.05(h).

¹²⁷ Tex. Tax Code §6.05(j).

¹²⁸ Tex. Tax Code §6.051(a).

¹²⁹ Tex. Tax Code §6.051(c).

¹³⁰ Tex. Tax Code §6.06(c).

¹³¹ Tex. Tax Code §6.06(f).

¹³² Tex. Tax Code §6.061(a).

¹³³ Tex. Tax Code §6.24(a) and (b).

¹³⁴ Tex. Tax Code §6.41(b).

¹³⁵ Tex. Tax Code §6.414.

¹³⁶ Tex. Tax Code §42.02(a) and (c).

¹³⁷ Tex. Tax Code §6.05(i).

¹³⁸ Tex. Tax Code §6.06(b).

¹³⁹ Tex. Tax Code §6.05(b).

¹⁴⁰ Tex. Tax Code §25.01(b).

¹⁴¹ Tex. Tax Code §6.04(a).

¹⁴² Tex. Att'y Gen. Op. JC-0580 (2002).

¹⁴³ Tex. Tax Code §6.04.

a nonvoting member is counted in determining the presence of a quorum.¹⁴⁴

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

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.¹⁴⁷

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.¹⁴⁸ This disapproval power under Tax Code Section 6.10 does not apply to the adoption of the budget by the board.¹⁴⁹

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.¹⁵⁰ The voting taxing units must file the resolutions with the board's secretary within 15 days after the action is taken.¹⁵¹ The board action is revoked effective the day after the day on which the required number of resolutions is filed.¹⁵²

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.¹⁵³

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/.

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;¹⁵⁴
- 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; and¹⁵⁵
- prepare information of public interest describing the board's functions and procedures to file complaints and how complaints are resolved by the board.¹⁵⁶

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.¹⁵⁷ The plan is required to comply with Tax Code Section 25.18.¹⁵⁸ 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.¹⁵⁹ In summary, those activities are the following:

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

¹⁴⁴ Tex. Att'y Gen. Op. JC-0580 (2002).

¹⁴⁵ Tex. Tax Code §6.04(b).

¹⁴⁶ Tex. Tax Code §6.04(b).

¹⁴⁷ Tex. Tax Code §6.04(d).

¹⁴⁸ Tex. Tax Code §6.10.

¹⁴⁹ Tex. Tax Code §6.10.

¹⁵⁰ Tex. Tax Code §6.10.

¹⁵¹ Tex. Tax Code §6.10.

¹⁵² Tex. Tax Code §6.10.

¹⁵³ Tex. Tax Code §6.06(b).

¹⁵⁴ Tex. Tax Code §6.04(d).

¹⁵⁵ Tex. Tax Code §6.04(e).

¹⁵⁶ Tex. Tax Code §6.04(f).

¹⁵⁷ Tex. Tax Code §6.05(i).

¹⁵⁸ Tex. Tax Code §6.05(i).

¹⁵⁹ 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.¹⁶⁰

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.¹⁶¹ 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.¹⁶²

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.¹⁶³ 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.¹⁶⁴ 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.¹⁶⁵

¹⁶⁰ Tex. Tax Code §25.18(b).

¹⁶¹ Tex. Tax Code §6.05(i).

¹⁶² Tex. Tax Code §6.05(i).

¹⁶³ Tex. Tax Code §41.66(g).

¹⁶⁴ Tex. Tax Code §41.66(f).

¹⁶⁵ Tex. Tax Code §41.66(f).