

**SUBJECT:** Continuing the Board of Tax Professional Examiners

**COMMITTEE:** Licensing and Administrative Procedures — favorable, without amendment

**VOTE:** 8 ayes — Flores, Hamilton, Driver, Eissler, Goolsby, Homer, Jones, Wise  
0 nays  
1 absent — Raymond

**SENATE VOTE:** On final passage, April 3 — 31-0

**WITNESSES:** None

**BACKGROUND:** Under V.T.C.A., Title 132, ch. 15, the six-member Board of Tax Professional Examiners regulates elected assessor-collectors and employees of appraisal districts, counties, cities, school districts, and other taxing districts. Board members must actively be engaged in property tax administration with at least five years' experience in appraisal, assessment, or collection, and appointed by the governor with the advice and consent of the Senate. The governing chapter will transfer to Occupations Code, ch. 1151, effective June 1, 2003.

The board examines and registers elected assessor-collectors and employees of taxing districts to ensure that those who appraise real property and assess and collect property taxes achieve informed and accurate results. The board has authority to adopt rules and take disciplinary action in regulating these tax professionals. Assessor-collectors who serve counties of 1 million or more people, or whose counties have contracted to have real property assessment and collection functions performed by another taxing authority, currently are not required to be registered with the board.

In fiscal 2002-03, the board had a budget of \$343,338 and average of 3.8 full time equivalent employees. It regulated more than 4,000 tax professionals and received 13 complaints, of which it dismissed 11 for lack of jurisdiction. The Board of Tax Professional Examiners will expire September 1, 2003, unless continued by the 78th Legislature.

**DIGEST:** CSSB 276 would continue the Board of Tax Professional Examiners and its functions until September 1, 2015, and revise the Property Taxation Professional Certification Act.

The bill would reduce the board size to five members, including one public representative, and abolish on September 1, 2003, the two positions on the board that have terms scheduled to expire on March 1, 2009. The governor would appoint people to fill board vacancies for six-year terms with one or two members expiring on March 1 of each odd-numbered year. All county assessor-collectors would have to register, except those whose counties had contracted to have real property assessment and collection functions performed by another taxing authority.

The board and the comptroller would have to study the feasibility of relocating the board's offices to the Comptroller's Office and report their findings to the lieutenant governor and the House speaker not later than December 1, 2004. The board and the comptroller would form, before January 1, 2004, an interagency contract for the comptroller to provide administrative support to the board. The contract would include the terms for fees to be paid by the board for services provided by the comptroller, including:

- information on the appraisal district enforcement efforts and on educational needs of and opportunities for tax professionals;
- assistance with outreach efforts to inform taxpayers of their rights and remedies; and
- assistance with payroll, budgeting, information technology, human resources, and other services necessary for the board to perform its duties.

CSSB 276 would require the board to provide to the person filing a complaint against a person, and to each person who was the subject of the complaint, a copy of the board's policies and procedures relating to complaint investigation and resolution. The board would provide information on the status of the investigation on a quarterly basis to the person filing the complaint and to each person who was a subject of the complaint, unless it would jeopardize an undercover investigation.

The board could place on probation a person whose registration was

suspended, or reprimand a person for a violation of the Property Taxation Professional Certification Act or a rule adopted by the board. Probation could include requiring the disciplined person to report regularly to the board on matters that were the basis for probation, limit practice to areas prescribed by the board, or continue or review professional education until the person attained skills to the board's satisfaction in those areas that were the basis for probation.

The bill would add standard sunset language governing board membership, conflicts of interest, training and removal of a board member, separation of staff and policy functions, state employee incentive program, equal employment policy, alternative rule-making and dispute resolution, effective technology use, public testimony, information maintenance, continuing education policies, examination notification, and licensing out-of-state license holders.

The bill would take effect September 1, 2003.

**SUPPORTERS  
SAY:**

CSSB 276 would initiate steps necessary to make the Board of Tax Professional Examiners more efficient in performing its functions. The agency currently relies on the Comptroller's Office to provide payroll, accounting, and certain human resources services. The bill would formalize and expand this agreement by requiring the agencies to enter a contract for designated services and would encourage even greater cooperation by requiring a board relocation study. The Property Tax Division (PTD) of the comptroller's office already assesses the accuracy of appraisals on a district-by-district basis and provides information to taxpayers about their rights and remedies in regard to tax professionals. By increasing cooperation between the board and comptroller to create economies of scale, the state would save money.

**OPPONENTS  
SAY:**

The bill wrongly could suggest that the board and comptroller should begin combining more regulatory functions. While the board should be able to continue its reliance on the Comptroller's Office for administrative support, CSSB 276 should not compel the agencies to contract with one another for any particular purpose.

The licensing and disciplinary functions of the board differ substantially from

the responsibilities of the comptroller's PTD, and care should be taken to ensure that the agencies' responsibilities did not commingle. For example, PTD uses auditing and sampling techniques to determine the total taxable value of all property in each school district. As a result, the comptroller's estimate could conflict with the aggregate values of individual properties within a district as appraised by tax professionals registered under the board. A perception that the board's licensing and regulatory authority was influenced by the PTD could create a belief that appraisers must appraise property values to substantiate the comptroller's estimates of districts' property values, rather than to reflect the actual value of these properties. It would be better for the board to continue maintaining offices and all non-administrative functions separate from the comptroller.