

## **BILL ANALYSIS**

Senate Research Center

C.S.H.B. 670  
By: Shields (Nelson)  
State Affairs  
5-8-97  
Committee Report (Substituted)

### **DIGEST**

Currently, appraisal districts are required to share information on property that lies in multiple appraisal districts. The districts are not required to use a single valuation for property that lies within the overlap. Property owners in such areas continue to receive appraisals from different districts, which may have different values. This bill would provide that the appraisal district's boundaries are the same as the county's boundaries in regard to ad valorem taxes.

### **PURPOSE**

As proposed, C.S.H.B. 670 provides that the appraisal district's boundaries are the same as the county's boundaries in regard to ad valorem taxes.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 6.02, Tax Code, to provide that the appraisal district's boundaries are the same as the county's boundaries. Deletes existing Subsections (b)-(g). Makes conforming changes.

SECTION 2. Amends Section 41.097(a), Education Code, to provide that the total amount required under Section 41.093 for a district to purchase attendance credits under this subchapter for any school year is reduced by an amount equal to the product of the district's cost under Section 6.06, Tax Code, for each, rather than the central, appraisal district in which it participates multiplied by a percentage that is computed by dividing the total amount required under Section 41.093 by the total amount of taxes imposed in the district for that year.

SECTION 3. Amends Section 41.210(b), Education Code, to require the chief appraiser of the appraisal district in which the property is located, rather than for the school district from which the property is detached, to send a written notice of the detachment and annexation to the owner of any property taxable in a different school district as a result of the detachment and annexation.

SECTION 4. Repealers: Section 13.007, Education Code, and Sections 6.025 and 6.03(m), Tax Code (Boundary Changes Resulted in Appraisal District Changes; Overlapping Appraisal Districts, Joint Procedures; and Board of Directors).

SECTION 5. (a) Effective date: January 1, 1998, except as provided by Subsection (b).

(b) Effective date for this section: September 1, 1997.

(c) Makes application of this Act prospective to January 1, 1998.

(d) Provides that the term of each appraisal district director in an appraisal district described by Section 6.025, Tax Code, as that law existed immediately before September 1, 1997, serving a staggered term that but for this subsection would expire after January 1, 1991, expires on January 1, 1998. Requires the appraisal district board of directors to fill the vacant

directorships as soon as practicable after January 1, 1998, as provided by Section 6.03(l), Tax Code.

(e) Entitles a taxing unit, notwithstanding Section 6.03, Tax Code, to vote in 1997 for appraisal district directors for terms beginning on January 1, 1998, in each appraisal district in which the taxing unit will participate in 1998 under the law as amended by this Act. Provides that the voting entitlement of each taxing unit entitled to vote for directors in 1997 is determined by dividing the total dollar amount of property taxes imposed by the taxing unit for the 1996 tax year in the county for which the appraisal district is established by the sum of the total dollar amount of property taxes imposed in that county for that year by each taxing unit that is entitled to vote under this section in 1997, by multiplying the quotient by 1,000, and by rounding the product to the nearest whole number. Provides that that number is multiplied by the number of directorships to be filled. Provides that a taxing unit located in two or more counties is entitled to vote in the appraisal district established for each county in which it is located, but only the taxes imposed in 1996 in the county for which a district is established are used to calculate the 1997 voting entitlement in that district.

(f) Requires the chief appraiser of each appraisal district, notwithstanding Section 6.06, Tax Code, by September 15, 1997, to revise the proposed 1998 budget for the district, if necessary, to account for the changes in law made by this Act.

(g) Provides that notwithstanding Section 6.06, Tax Code, for the 1998 tax year, each taxing unit participating in an appraisal district in 1998 is allocated a portion of the amount of the 1998 budget for the district equal to the proportion that the total dollar amount of property taxes imposed in the county for which the district is established by the unit for the 1997 tax year bears to the sum of the total dollar amount of property taxes imposed in the county by each participating unit for that year. Provides that if a taxing unit participates in two or more appraisal districts in 1998, only the 1997 taxes imposed in the county for which a district is established are used to calculate the unit's cost allocations for 1998 in that district.

SECTION 6. Emergency clause.

#### **SUMMARY OF COMMITTEE CHANGES**

Revises proposed relating clause.

#### **SECTION 1.**

Amends Section 6.02, Tax Code, by revising Subsection (a) and by deleting Subsections (b)-(g). Omits proposed changes to Section 6.025, Tax Code, adding Subsections (d) and (e).

#### **SECTION 2.**

Amends Section 41.097, Education Code, by revising Subsection (a). Emergency clause originally set forth in SECTION 2 is redesignated as SECTION 6.

#### **SECTION 3.**

Amends Section 41.210, Education Code, by revising Subsection (b).

#### **SECTION 4.**

Repeals Section 13.007, Education Code, and Sections 6.025 and 6.03(m), Tax Code.

#### **SECTION 5.**

Sets forth effective dates. Sets forth session law relating to proposed changes to appraisal districts.

SECTION 6.

Emergency clause.