

BILL ANALYSIS

Senate Research Center
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S.B. 1170
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Finance
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As Filed

DIGEST

Currently, a taxing unit with territory in more than one county is provided with an option per Section 6.02, Tax Code, to choose the appraisal district(s) that will appraise its property. A multi-county taxing unit may choose to participate in each appraisal district in which it is located. A taxing unit that has chosen to participate in a single appraisal district is allowed to make a one-time decision to participate in another single appraisal district. Taxing units are responsible for the costs of appraising property outside the county for which the appraisal district is established. S.B. 1170 would set forth provisions appraising property for ad valorem tax purposes.

PURPOSE

As proposed, S.B. 1170 sets forth provisions appraising property for ad valorem tax purposes.

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 (a), (b), (c), (d), (e), (f), and (g), regarding a taxing unit's boundaries.

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 costs under Section 6.06, Tax Code, for each appraisal district, rather than the central appraisal district, in which it participates multiplied by a certain amount.

SECTION 3. Amends Section 41.210(b), Education Code, to require, as soon as practicable after the detachment and annexation of property, the chief appraiser of the appraisal district in which the property is located, rather than 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.

SECTION 4. Repealers:

- (1) Section 13.007, Education Code (Boundary Changes Resulting in Appraisal District Changes).
- (2) Section 6.025, Tax Code (Overlapping Appraisal Districts; Joint Procedures).
- (3) Section 6.03(m), Tax Code (Provides that if a school district participates in an appraisal district in which the only property of the school district located in the appraisal district is property annexed to the school district under certain chapters of the Education Code, and an individual who does not meet the residency requirements of Subsection (a) is eligible to be appointed to the board of directors of the appraisal district under certain conditions.).

SECTION 5. (a) Effective date, except as provided by Subsection (b): January 1, 2000.

(b) Effective date of this section: September 1, 1999.

(c) Makes application of this Act prospective.

(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, 1999, serving a staggered term that but for this subsection would expire after January 1, 2000, expires on January 1, 2000. Requires the appraisal district board of directors to fill the vacant directorships as soon as practicable after January 1, 2000, as provided by Section 6.03(1), Tax Code.

(e) Provides that notwithstanding Section 6.03, Tax Code, a taxing unit is entitled to vote in 1999 for appraisal district directors for terms beginning on January 1, 2000, in each appraisal district in which the taxing unit will participate in the year 2000 under the law as amended by this Act. Provides that the voting entitlement of each taxing unit entitled to vote for directors in 1999 is determined for each appraisal district 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 for directors of that appraisal district under this subsection in 1999, by multiplying the quotient by 1,000, and by rounding the product to the nearest whole number. Provides that the number is then 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 1998 in the county for which a district is established are used to calculate the 1999 voting entitlement in that district.

(f) Requires the chief appraiser, notwithstanding Section 6.06, Tax Code, not later than September 15, 1999, to revise the proposed 2000 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 2000 tax year, each taxing unit participating in an appraisal district in the year 2000 is allocated a portion of the amount of the 2000 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 1999 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. If a taxing unit participates in two or more appraisal districts in 2000, only 1999 taxes imposed in the county for which a district is established are used to calculate the unit's cost allocations for 2000 in that district.

Effective date: 90 days after adjournment.