

Powers and Limitations of the Appraisal District Board of Directors

Tarrant Appraisal District Board of Directors Recent Actions

On July 22, 2024, the Tarrant Appraisal District (TAD) Board of Directors (BOD) held its first meeting to include three directors elected to their positions by voters. Elected positions on the appraisal district BODs of some counties were authorized by a constitutional amendment and created by the legislature in 2023. (See HJR 2 and SB 2, 88th Leg. 2nd C.S.)

After public comment and a lengthy executive session, the TAD BOD voted to:

- Appraise residential property every two years instead of every year;
- Set the 2025 initial value of residential property at the same amount as 2024; and
- Require “the appraisal district to obtain and rely on clear and convincing evidence of the market value of a residentially coded property whose market value has increased above a threshold level of 5% or more than the market values determined in the prior year’s appraisal rolls.”

All of these decisions are reflected in the [2025-2026 Reappraisal Plan](#) adopted by the TAD BOD on August 9, 2024.

The actions of the TAD BOD raise concerns about equal and uniform taxation, the scope of a BOD’s legal authority, and the integrity of the property tax system if other BODs follow TAD's example.

Electing Members of an Appraisal District Board of Directors

The appraisal district in each county is governed by a BOD.¹ The property tax relief package passed by the 88th Legislature divided appraisal district BODs into two categories: the familiar 5-person BOD and a newly created 9-person BOD in populous counties (those with a population of 75,000 or more).² The BODs in populous counties now include three directors elected at-large in the county and the county tax assessor-collector as a voting, ex officio director.³ All other BOD members are appointed by the taxing units served by the appraisal district.⁴

Table 1 lists the 50 Texas counties categorized as populous counties in 2023 under the new law. Only 20 of those counties (highlighted in blue) had a sufficient number of candidates to hold elections on May 4. If any of the three new BOD positions is not filled by an election, or by an individual who was uncontested in an election, the existing BOD members must appoint a qualified individual to the vacant position.⁵

According to county election results, estimated voter turnout for the BOD elections was, on average, just over 4% of the voting population of the counties that held an election. The highest turnout was in Lubbock County at almost 14.5%, and the lowest was in Harris County at 2.1%.

Since appraisal districts are funded by the taxing units they serve (see Approval of the Appraisal District Budget, below), and taxing units are funded primarily by tax revenue, the cost of BOD elections is ultimately borne by

Table 1

Texas Counties with Population =>75k				
Angelina	Coryell	Guadalupe	Lubbock	Smith
Bastrop	Dallas	Harris	McLennan	Tarrant
Bell	Denton	Hays	Midland	Taylor
Bexar	Ector	Henderson	Montgomery	Tom Green
Bowie	El Paso	Hidalgo	Nueces	Travis
Brazoria	Ellis	Hunt	Orange	Victoria
Brazos	Fort Bend	Jefferson	Parker	Walker
Cameron	Galveston	Johnson	Potter	Webb
Collin	Grayson	Kaufman	Randall	Wichita
Comal	Gregg	Liberty	Rockwall	Williamson
Populous counties holding elections				

taxpayers. Through open records requests, TTARA obtained information from the 20 appraisal districts that held BOD elections in 2024 about the cost of those elections. The cost of BOD elections on the uniform election date (May 4) ranged from \$26,000 for the Parker County Appraisal District to \$4.1 million for the Harris County Appraisal District (HCAD). For TAD, the cost of the BOD election on May 4 was \$645,000. Runoff elections, which were held in Bexar, Cameron, Ellis, Harris, Lubbock, and Nueces counties on June 15, were an additional cost to appraisal districts. For example, the cost of the BOD runoff election in Harris County was \$3.4 million, bringing HCAD’s total cost of the uniform and runoff BOD elections to \$7.5 million. Statewide, the total uniform and runoff election costs for BOD positions was approximately \$15 million, and the average cost among the 20 appraisal districts that held BOD elections was \$747,000. Forty-five percent (45%), or \$6.7 million, of the BOD election costs were borne by school districts, as shown in Chart 1, below.

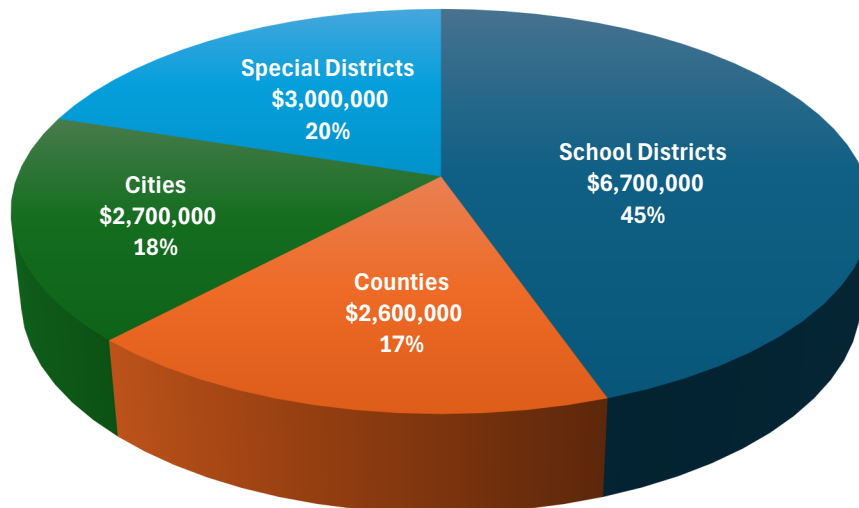
Powers and Duties of an Appraisal District Board of Directors

In 1979, Texas lawmakers passed a property tax reform measure commonly referred to as the Peveto Bill for its sponsor Rep. Wayne Peveto. The Peveto Bill created the Property Tax Code, which took effect January 1, 1982, and became the foundation of the current property tax system.⁶ The 1979 law required, for the first time, that the market value of all property be determined by applying generally accepted appraisal techniques, effectively depoliticizing and professionalizing the appraisal system.⁷

Because the three new, elected positions on the appraisal district BOD re-introduce a political element to the appraisal process, understanding the BOD’s statutory authority and responsibility is more important than ever. An appraisal district BOD in a populous county has the following four duties.

- 1. Selection of a Chief Appraiser.** A key duty of the appraisal district BOD is selecting a chief appraiser. The chief appraiser is the administrator of the appraisal office and serves at the pleasure of the BOD. To be eligible for the position, the chief appraiser must be certified as a registered professional appraiser and hold certain professional designations.⁸ The chief appraiser’s core duty is the preparation of the appraisal roll each year, and he or she is responsible for overseeing all staff, resources, and processes of the appraisal office necessary to fulfill that duty.⁹

Chart 1
Total Statewide Costs of Elected Appraisal District BOD



2. Approval of the Appraisal District Budget. The BOD approves the appraisal district’s annual budget, which is prepared by the chief appraiser. The budget of each appraisal district is funded by the county, cities, school districts, and other taxing units served by the appraisal district, with each taxing unit paying a share of the budget proportionate to its share of all property taxes imposed in the district.¹⁰ Since each taxing unit funds the appraisal district’s budget from its own tax collections, each appraisal district in Texas is ultimately funded by the taxpayers in that district.

3. Selection of Appraisal Review Board Members. Beginning in 2024, members of the ARB in populous counties are selected by majority vote of the BOD, with the condition that two of the three elected BOD members must be in the majority.¹¹ ARB members are appointed by the county’s administrative district judge only in counties with a population less than 75,000. Before 2024, the duty to appoint ARB members had been vested in the administrative district judge for some counties since 2010 and for all counties since 2022.¹² From the inception of the Property Tax Code in 1982 until 2010, all ARB members in all counties were selected by majority vote of the BOD.¹³

4. Approval of the Biennial Reappraisal Plan. The BOD must adopt a biennial plan for the reappraisal of property in the appraisal district “[t]o ensure adherence to generally accepted appraisal practices.”¹⁴ The appraisal office, which includes the chief appraiser, must implement the reappraisal plan approved by the BOD.¹⁵ The plan must provide for the following “reappraisal activities” for all real and personal property in the district at least once every three years:

- Identify properties to be appraised through physical inspection or by other reliable means of identification;
- Identify and update relevant characteristics of each property in the appraisal records;
- Define the market areas in the district;
- Identify property characteristics that affect property value in each market area;
- Develop an appraisal model that reflects the effect of property characteristics on value in the market area;
- Apply conclusions reflected in the model to the properties being appraised; and
- Review the appraisal results to determine value.¹⁶

Limitations on the BOD's Authority

Although the BOD is charged with the power and duty to govern the appraisal district, including the duty to adopt a biennial reappraisal plan, the BOD does not have authority to direct the appraisal office or the chief appraiser to contravene the Texas Constitution or other provisions of law governing the appraisal of property.

1. Equal and Uniform Taxation. The Texas Constitution requires all taxation to be equal and uniform.¹⁷ If a reappraisal plan adopted by a BOD results in a valuation that is not equal and uniform with respect to any individual property, the owner of that property may protest the appraised value through the ARB process, binding arbitration, and a lawsuit in state district court.¹⁸ Thus, a reappraisal plan that promotes anything other than equal and uniform taxation will create additional expense for the appraisal district in administering the ARB process and in defending any non-equal-and-uniform value before the ARB, an arbitrator, and the courts. In theory, if the prospect of violating the Constitution is not a deterrent, then the specter of additional expense should dissuade a BOD from adopting a reappraisal plan that will result in non-equal-and-uniform valuations. Such a plan would create additional, wasteful expense for the taxing units the BOD members represent.

2. Market Value on January 1. The Texas Constitution requires all property to “be taxed in proportion to its value,” unless an exemption authorized or required by the Constitution applies.¹⁹ The legislature is vested by the Constitution with the duty to adopt laws for determining the value of property, and under Sec. 23.01(a) of the Tax Code, all taxable property is appraised at its market value as of January 1.²⁰ Although the Tax Code does not expressly state that property must be appraised *each* January 1, “each” is implied because the property tax is imposed each year. If property is not appraised at market value on January 1 of a given year, property will not be taxed in proportion to value in that year, which would violate Art. VIII, § 1(b) of the Constitution. Section 23.01(a) must be read to require appraisal each January 1 because any other reading would violate the Constitution, and all statutes are presumed to be intended to comply with the Constitution.²¹ Indeed, in *Atascosa County v. Atascosa County Appraisal District*, the Texas Supreme explained the procedure for the appraisal of property under the Tax Code and wrote, “Subject to limited exceptions, the chief appraiser must appraise all taxable property at market value as of January 1 each year... ”²²

For the same reasons that Section 23.01(a) must be read to require appraisal of property *each* January 1 in order to satisfy the Constitution, Section 25.18(b) cannot be read to permit the reappraisal of property only every three years. Note that Section 25.18(b) requires a list of “reappraisal activities” to be conducted at least every three years, but it does not state that “appraisals” or even “reappraisals” may be conducted only every three years. If Section 25.18(b) could be read to allow a single property or a category of property to be appraised or reappraised only every three years, then logic dictates that all property in all categories could be appraised or reappraised only every third year—for example, all property could be appraised or reappraised only in 2024 and 2027, without any appraisal or reappraisal of any property in 2025 and 2026. The result would be equal and uniform taxation in proportion to value in 2024 and 2027, and non-equal-and-uniform taxation not in proportion to value in 2025 and 2026. Even common sense tells us that result would not be constitutionally permissible.

Thus, an appraisal district does not have legal authority to appraise property at any amount other than its market value on January 1, and it must appraise property each January 1. Any decision by a BOD to freeze property values or otherwise intentionally fail to appraise property at its market value each January 1 would constitute a failure to uphold the Constitution and the Tax Code and, therefore, would be a violation of the oath of office of elected BOD members.²³

3. Generally Accepted Appraisal Methods and Techniques. The Tax Code requires an appraisal district to determine the market value of property using generally accepted appraisal methods and techniques (GAAMTs) and taking into account all available evidence.²⁴ The Tax Code also provides the following exhaustive list of what constitutes GAAMTs:

- the Appraisal of Real Estate published by the Appraisal Institute;
- the Dictionary of Real Estate Appraisal published by the Appraisal Institute;
- the Uniform Standards of Professional Appraisal Practice published by The Appraisal Foundation; and
- a publication that includes information related to mass appraisal.²⁵

The stated purpose of the biennial reappraisal plan adopted by the BOD is “[t]o ensure adherence with generally accepted appraisal practices.”²⁶ An appraisal district does not have legal authority to add to, or subtract from, the content of the listed publications in determining the appraised value of property. For example, an appraisal district BOD may not add a standard of proof for initial valuations, such as clear and convincing evidence, to GAAMTs. A decision by an appraisal district BOD to require the chief appraiser to follow any procedure other than GAAMTs, as defined by the Tax Code, would constitute a failure to uphold the law and would be a violation of the oath of office of elected BOD members.²⁷

4. Professional Appraisers. The professional licensure of appraisers in Texas also limits the actions of an appraisal district BOD. The Property Taxation Professional Certification Act (the Act) requires each person engaged in appraising property for tax purposes on behalf of an appraisal district or a taxing unit—including the chief appraiser and each appraiser employed by the appraisal district—to register with the Texas Department of Licensing and Regulation (the Department).²⁸ Appraisers registered with the Department are bound by a code of ethics adopted by the Texas Commission of Licensing and Regulation.²⁹ The code of ethics requires appraisers and other property tax professionals to:

- “be guided by the principle that property taxation should be fair and uniform, and apply all laws, rules, methods, and procedures, in a uniform manner, to all taxpayers;” and
- “not accept an appraisal, assessment, or collection related assignment that can reasonably be construed as being in conflict with the registrant's responsibility to their jurisdiction, employer, or client... ”³⁰

The Act expressly prohibits an appraisal district BOD from requiring an appraiser to act in an unprofessional manner.³¹ Thus, an appraisal district BOD is prohibited from requiring the chief appraiser or any other appraiser to take an action that would violate the code of ethics, which means the BOD cannot require a chief appraiser or any appraiser to take an action that is contrary to fair and uniform taxation or that would not apply the law or GAAMTs to all taxpayers in a uniform manner.³² A BOD that does so is subject to investigation by the Department.³³ At the same time, an appraiser employed by an appraisal district cannot accept an assignment that is in conflict with the appraiser’s responsibility to their jurisdiction or employer, which suggests that an appraiser cannot ethically comply with any direction of the BOD that would violate the Constitution or the law.³⁴

To sum it up, an appraisal district BOD will encounter difficulty if it adopts a biennial reappraisal plan that intentionally promotes non-equal-and-uniform taxation or requires property appraisals at any cadence other than each January 1. The BOD itself will be subject to investigation by the Department, and the appraisers employed by the appraisal district will be ethically obligated to disregard the elements of the reappraisal plan that they know to be contrary to law.

5. Property Value Study. An appraisal district BOD may find itself limited indirectly by the Property Value Study (PVS) conducted by the Comptroller of Public Accounts. If the taxable value within a school district determined by an appraisal district is less than 95% of the taxable value determined by the PVS, the school district will be penalized through a reduction in state aid to the school district or by an increase in the amount recaptured by the state from the school district. Thus, the school districts served by an appraisal district have an interest in ensuring that values in the district are accurate, and presumably the appraisal district BOD will protect the interests of the taxing units that the appraisal district serves. (See Judicial Relief, below.)

6. Communications with ARB. An appraisal district BOD may not control or seek to influence the decisions of the ARB on the appraised value of property. Specifically, a member of an appraisal district BOD may not communicate with a member of the appraisal district's ARB with the intent to influence a decision by the member in ARB proceedings. Any such communication is a Class A misdemeanor.³⁵

7. Judicial Relief. Section 43.01 of the Tax Code permits a taxing unit to sue the appraisal district that appraises property for the unit to compel the appraisal district to comply with the Tax Code or other statutes, rules of the Comptroller, or the Constitution.

Conclusion

The 1979 Peveto Bill was a sea change in Texas property tax that transformed the appraisal system into a professional, nonpolitical process for the first time. Recent frustration with rising property tax levies has opened the door anew to political elements in the appraisal system, namely the election of some BOD members and the role of those elected members in choosing ARB members. However, bringing politics to bear on the appraisal process will not reduce property taxes. Property tax levies are driven by the budgets and tax rates adopted by taxing units, not by property values. Appraised values rise and fall as property markets rise and fall, and appraisal districts are charged with *finding* market value, not *deciding* it. Blaming the appraisal process for higher values in a rising market, or applying political pressure to stop the increase in values, makes little sense. The appraisal district BOD should resist political pressure to reduce appraised values, focus instead on governance of the appraisal district, and leave property tax appraisals to the professionals.

Endnotes

- ¹ Tex. Tax Code §§ 6.03(a-1), 6.0301(c).
- ² See 88th Leg., 2nd C.S., S.B. 2, §§ 5.02-5.03 (codified at Tex. Tax Code §§ 6.03(a), 6.0301(a)).
- ³ Tex. Tax Code § 6.0301(c).
- ⁴ Tex. Tax Code § 6.03(a-1).
- ⁵ Texas Tax Code § 6.0301(g).
- ⁶ Act of May 28, 1979, 66th Leg., R.S., ch. 841 (S.B. 621), § 1, 1979 Tex. Gen. Laws 2217 (codified at Tex. Tax Code § 1.01 *et seq.*).
- ⁷ *Id.* (codified at Tex. Tax Code § 23.01(b)).
- ⁸ Tex. Tax Code § 6.05(c).
- ⁹ Tex. Tax Code § 25.22.
- ¹⁰ Tex. Tax Code § 6.06.
- ¹¹ Tex. Tax Code § 6.41(d), (d-2-1).
- ¹² Act of June 3, 2009, 81st Leg., R.S., ch. 1267 (H.B. 1030), § 2, 2009 Tex. Gen. Laws 4008, 4009 (codified at Tex. Tax Code §§ 6.41(d), (d-1)); Act of May 30, 2011, 82nd Leg., R.S., ch. 1163 (H.B. 2702), § 112, 2011 Tex. Gen. Laws 3024, 3042 (codified at Tex. Tax Code § 6.41 (d-1)); Act of May 27, 2013, 83rd Leg., R.S., ch. 1259 (H.B. 585), § 8, 2013 Tex. Gen. Laws 3182, 3186 (codified at Tex. Tax Code § 6.41 (d-1)); Act of May 22, 2021, 87th Leg., R.S., ch. 354 (H.B. 2941), § 2, 2021 Tex. Gen. Laws 730 (codified at Tex. Tax Code §§ 6.41(d), (d-1)).
- ¹³ Act of May 28, 1979, 66th Leg., R.S., ch. 841 (S.B. 621), § 1, 1979 Tex. Gen. Laws 2217, 2232 (codified at Tex. Tax Code § 6.41(d)).
- ¹⁴ Tex. Tax Code § 6.05(i).
- ¹⁵ Tex. Tax Code § 25.18(a).
- ¹⁶ Tex. Tax Code § 25.18(b).
- ¹⁷ Tex. Const. Art. VIII, § 1(a).
- ¹⁸ Tex. Tax Code §§ 41.44(a)(2), 41A.01, 42.01(a)(1)(a).
- ¹⁹ Tex. Const. Art. VIII, § 1(b).
- ²⁰ *Id.*; Tex. Tax Code § 23.01(a).
- ²¹ Tex. Govt Code § 311.021(1).
- ²² *Atascosa County v. Atascosa County Appraisal District*, 990 S.W.2d 255, 258 (Tex. 1999); see *Atascosa County Appraisal District v. Tymrak*, 858 S.W.2d 335, 336 (Tex. 1993) (“The Tax Code provides that the appraisal district list property and its appraised value reflecting the market value as of January 1 of the tax year.”); *Dallas Central Appraisal District v. Park Stemmons, Ltd.*, 948 S.W.2d 11, 13 (Tex. App.—Dallas 1997, no writ) (“Taxing authorities appraise taxable property at market value as of January 1 of each year.”); *Anderton v. Rockwall Central Appraisal District*, 26 S.W.3d 539, 542 (Tex. App.—Dallas 2000, pet. Denied) (“In general, all taxable property is appraised at its market value as of January 1 each year.”); *Kinder Morgan Production Company v. Scurry County Appraisal District*, 637 S.W. 3d 893, 901 (Tex. App.—Eastland 2021, pet. Denied) (“Generally, all taxable property ‘is appraised at its market value as of January 1’ of each tax year.”); *Harris County Appraisal District v. Sigmor Corp.*, 2008 WL 921073, at *4 (Tex. App.—Houston 2008, no pet.) (mem. op.) (“Generally, FF&E is appraised at its market value as of January 1 of the tax year at issue.”); *Aspenwood Apartments Partners, LP v. Harris County Appraisal District*, 2022 WL 1249956, at *9 (Tex. App.—Houston 2022, no pet.) (mem. op.) (“All taxable property is appraised at its market value as of January 1 each year.”); *Amelang v. Harris County Appraisal District*, 2022 WL 4371518, at *7 (Tex. App.—Houston 2022, no pet.) (“The law requires that the properties be appraised at their fair market value on January 1 of each tax year.”).
- ²³ Tex. Const. Art. XVI, § 1(a) (“preserve, protect and defend the Constitution and laws...of this state...”); see also Tex. Govt Code § 602.001 *et seq.*
- ²⁴ Tex. Tax Code § 23.01(b).
- ²⁵ Tex. Tax Code § 23.01(h) (“Appraisal methods and techniques included in the most recent versions of the following are considered generally accepted appraisal methods and techniques for the purposes of this title...”).
- ²⁶ Tex. Tax Code § 6.05(i).
- ²⁷ See Note 23.
- ²⁸ Tex. Occ. Code § 1151.151(1)-(2).

Endnotes (cont.)

²⁹ Tex. Occ. Code § 1151.103 (“The commission shall establish standards of professional practice, conduct, education and ethics for appraisers... ”); 16 Tex. Admin. Code § 94.100(1).

³⁰ 16 Tex. Admin. Code § 94.100(1), (6).

³¹ Tex. Occ. Code § 1151.004.

³² 16 Tex. Admin. Code § 94.100(1).

³³ Tex. Occ. Code § 1151.004.

³⁴ 16 Tex. Admin. Code § 94.100(6).

³⁵ Tex. Tax Code § 6.411(b), (d).