

Board of Directors Policies and Procedures McLennan County Appraisal District

FORWARD

McLennan County Appraisal District is a political subdivision of the State of Texas created by the Legislature through enactment of the Texas Tax Code.

The district's primary responsibility is to develop each year an appraisal roll for use by taxing units in imposing ad valorem taxes in accordance with the Texas Property Tax Code.

Our mission is to courteously and efficiently serve the property owners and taxing entities (cities, schools, county and special districts) of McLennan County by timely producing an accurate, complete and equitable appraisal roll.

We expect excellence in the services we provide, and recognize that excellence is achieved through individual and team effort on the part of well-trained, motivated personnel. Accordingly, we are committed to creating and maintaining a work environment that provides and supports innovation and change as essential to effective performance in a constantly changing society.

This Board of Directors Policy Manual supplements the most current Appraisal District Director's Manual ("Director's Manual") published by the Texas Comptroller of Public Accounts. The Director's Manual is a comprehensive reference guide that explains constitutional requirements, state laws and rules that govern the conduct of not only appraisal district boards of directors but also the appraisal districts. The scope of this manual is much narrower. It brings together certain written policies that state law specifically requires and summary descriptions of how the board of directors fulfills other statutory requirements about which detailed written policies are not required. This policy manual is not a substitute for or a summary of the various manuals and guidelines for the district's day-to-day operations.

The board of directors governs McLennan County Appraisal District. The board's primary duties are to select the chief appraiser, to adopt the annual budget and to ensure that the district follows policies and procedures set by law. The board does not appraise property or make decisions that affect the appraisal records for particular properties.

BOD-001 COMPOSITION OF THE BOARD OF DIRECTORS

BOD-001.01 Selection

The board of directors has six members. Five voting members are appointed by the taxing units. The McLennan County Tax Assessor-Collector serves as a sixth, non-voting member of the Board.

The board of directors has not made any of the changes in board membership, selection, or recall that are permitted by the Tax Code.

BOD-001.02 Term

Members of the board serve two-year terms beginning on January 1 of even-numbered years. An exception occurs for the Tax Assessor-Collector who serves by statute with no term limitations.

BOD-001.02 Membership – Qualifications

All members of the Board of Directors, save a Tax Assessor Collector participating as a non-voting member, must be residents of the county served by the District and have been so for at least two years prior to taking office.

No employee of any constituent taxing unit of the District may serve as a member of the Board of Directors, unless that person is also a member of the governing body of a taxing unit that participates in the District. Members of governing bodies of any constituent taxing unit may serve on the Board of Directors.

No person may serve on the Board of Directors if that person owes delinquent ad valorem taxes, unless those taxes are subject to a qualified payment plan.

No person may serve on the Board of Directors who is related within the second degree of consanguinity or affinity to the Chief Appraiser or to a person engaged in the business of appraising property for compensation for use in proceedings under the Texas Property Code or representing property owners for compensation and proceedings under the Texas Property Code in the Appraisal District.

See **Appendix H** for information on interest in certain contracts that could be prohibited.

BOD-001.03 Officers of the Board

The board elects a chairman and a secretary at its first meeting each calendar year. To later fill a vacancy in one of these offices, the board elects a replacement at the first meeting after the vacancy occurs.

The duties of the Chairman include:

- Presiding at board meetings.
- Appointing committee members unless otherwise instructed by the board.
- Along with the secretary, signing all legal instruments requiring board signature.
- Performing legal duties as required by statute and functions as designated by the board.

The duties of the Secretary include:

- Presiding at meetings if the chairman is absent.
- Along with the chairman, signing all legal instruments requiring board signature.
- Performing other duties as required by statute and functions as designated by the board.

If both the chairman and secretary are absent from a meeting, the remaining members select by majority vote a temporary presiding officer. The senior board member presides for the purpose of opening the meeting and conducting that vote.

The McLennan County Tax Assessor-Collector serving as a non-voting member may serve as chairman, secretary, or temporary presiding officer.

The presiding officer, other than the McLennan County Tax Assessor-Collector serving as a non-voting member, may vote on any motion.

BOD-001.04 Compensation

Members receive no compensation for service on the board. They are entitled to reimbursement for actual and necessary expenses incurred in the performance of their duties as provided by the district's budget. When board members must travel to represent the district, they are entitled to reimbursement at the rates and by the rules applicable to district employees and set out in the district's Personnel Policy Manual.

BOD-002 OPERATION OF THE BOARD OF DIRECTORS

BOD-002.01 Meeting Schedule and Format

The board ordinarily meets quarterly at 12:30 p.m. at the District offices at 315 S. 26th Street, Waco, Texas. The board may designate a different meeting time, day, or place if needed. Meetings start promptly at the scheduled hour or as soon thereafter as a quorum is present.

A majority of the members of the board constitutes a quorum. The McLennan County Tax Assessor-Collector serving as a non-voting member is counted in determining the presence of a quorum.

The chairman may call special meetings or emergency meetings. During any meeting, the board may vote to call a special or emergency meeting.

The agenda of each meeting shall be published by the Chief Appraiser pursuant to the requirements of the Texas Open Meetings Act. Either the Chief Appraiser, or any Board member, may place an item on the agenda of the Board of Directors by notifying the Chief Appraiser of his or her desire to do so no later than 4:30 p.m. on the fourth day prior to any scheduled meeting.

The chief appraiser prepares agenda packets and meeting notices on behalf of the board. The chief appraiser normally delivers the agenda for the next meeting, supporting information, and the minutes of the last meeting to each member at least forty-eight (48) hours before each regular meeting. The chief appraiser prepares and posts meeting notices as required by law. Only items posted in the meeting notice may be acted upon at a meeting.

The board conducts its meetings under Roberts Rules of Order Revised. The board may hold a closed or executive session that excludes the public to the extent permitted by law. The first order of business at a meeting is approval of the minutes of the preceding meeting. The secretary signs the minutes when approved. The appraisal district personnel will prepare and keep the official minutes on behalf of the Board.

BOD-002.02 Public Access to Board Meetings

McLennan County Appraisal District board of directors shall conduct all meetings in accordance with the Texas Open Meetings Act. The board shall also provide regular opportunities for the public to speak to the board on issues under the board's jurisdiction.

The agenda for each regularly scheduled meeting of the board shall include an agenda item for public comments. At each such meeting, the chairman shall announce that anyone wishing to address the board on issues under the board's jurisdiction may do so. The chairman shall allow each speaker three minutes but may expand the time as needed if doing so will not interfere with the board's completing its business and adjourning its meeting at a reasonable time. The board may refuse to hear comments on subjects not reasonably related to the policies and procedures of McLennan County Appraisal District or McLennan County Appraisal Review Board and comments not reasonably related to other issues under the board's jurisdiction.

Except when the board conducts a public hearing on a particular issue, the board will receive citizen comments only during the period specified by the agenda for public comments.

Public Meeting Guidelines for Conduct

The McLennan County Appraisal District highly values the input of citizens in making important decisions that affect the District. We also believe in the right of citizens to observe Board meetings. To ensure citizens have an opportunity to attend Board meetings and offer citizen comment, and to ensure that the Board can conduct the important business of the District, speakers must observe certain basic rules of conduct. The following guidelines apply to all public comment.

1. All members of the public attending Board meetings must treat each other and the Board with respect.
2. Individuals are not permitted to engage in conduct that interferes with the ability of other citizens to watch the Board meetings, interferes with the ability of other citizens to offer citizen comment to the Board, or interferes with the ability of the Board to conduct its business.
3. Members of the public who intend to offer public comment to the Board must sign up for comment before the start of each Board meeting. The Board Chair has discretion to call on those who have signed up and set the order of. Individuals who sign up to testify to the Board must indicate the topic of their intended testimony.
4. Individuals offering citizen comment must sit at the area designated for their use.
5. Prior to beginning any testimony, individuals must state and spell their last name.
6. Members of the public should not approach the Board Members while the Board is conducting business, unless asked to do so.
7. Each citizen must limit his or her comments to three minutes to allow sufficient time for others to also offer citizen comment. The Board Chair has the discretion to limit the overall time for public comment.
8. Individuals offering citizen comment are not permitted to make personal attacks on any District employee, Board member, other testifier, or member of the public.

Accordingly, all members of the public in attendance at any Regular, Special and/or Emergency meeting shall conduct themselves with proper respect and decorum in speaking to, and/or addressing the Board of Directors; in participating in public discussion before the Board; and in all actions in the presence of the Board. Those members of the public that do not conduct themselves in an orderly and appropriate manner will be ordered to leave the meeting. Refusal to abide by the Board's order and/or continued disruption of the meeting may result in removal from the board meeting.

If a person who does not speak English or a person who communicates by American Sign Language notifies the taxpayer liaison officer in writing at least five business days before a regularly scheduled meeting that he or she desires to address the board and is unable to provide an interpreter, the district shall make reasonable efforts to secure the services of translator or interpreter at the meeting.

McLennan County Appraisal District strives to provide reasonable access to the board by disabled persons. As part of this effort, the District restricts six parking spaces to use only by disabled persons and maintains wheelchair accessibility to the customer service area and to the boardroom.

A person who needs additional assistance for entry or access should notify the taxpayer liaison officer in writing at least five business days before a regularly scheduled meeting.

BOD-002.03 Resolving Complaints

The board will consider written complaints about the policies and procedures of McLennan County Appraisal District, McLennan County Appraisal Review Board, and the McLennan CAD Board of Directors concerning matters within the board's jurisdiction.

Complaints against the appraisal district, its operations, or the Appraisal Review Board may be filed with the board's Taxpayer Liaison Officer (TLO) in accordance to complaint filing procedures established by the board. ([Appendix F](#))

The board will not consider complaints addressing any of the grounds for challenge, protest, or motion for correction of appraisal roll that are specified in Section 41.03, 41.41, and Section 25.25, respectively.

The board of directors has no authority to overrule an agreement between the chief appraiser and a property owner on a matter specified in Section 1.111(e) or a determination of McLennan County Appraisal Review Board on a challenge, protest, or motion for correction made under authority of Section 41.07, 41.47, and Section 25.25, respectively.

Written complaints addressed to the board are forwarded to the TLO. The agenda for each regularly scheduled meeting of the board shall include an agenda item for a report by the TLO. At each such meeting, the TLO shall report to the board of directors on the nature and the status of resolution of all complaints filed.

Board deliberations concerning complaints must comply with the applicable provisions of the Texas Open Meetings Act. Until final disposition of each complaint and unless doing so would jeopardize an undercover investigation, the board shall notify the parties to the complaint at least quarterly of the status of the complaint.

BOD-002.04 Authority of the Board

The board of directors establishes general policies in conformity with the requirements of state law. The board may exercise its authority only by majority vote with a quorum present in a properly posted meeting. An individual member may not bind the board by any statement or action.

The board may establish committees as needed to carry out its responsibilities. The chairman appoints committee members to serve until successors are appointed or until the committee is disbanded. A committee acts only as an adjunct to the board and may not take any action, which in any way usurps the power or responsibilities of the board of directors.

Appointments to standing committees are normally made as soon as possible after the board begins a new term. Except as otherwise stated in this policy manual, each committee establishes its own written operating procedures, subject to approval by the board of directors.

BOD-003 STATUTORY RESPONSIBILITIES OF THE BOARD

BOD-003.01 Establishment of an Appraisal Office

The administrative offices of McLennan County Appraisal District are located at 315 S. 26th Street, in Waco, Texas. The board may lease additional office spaces as needed.

The district's normal business hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday. Departments involved in public contact must maintain sufficient personnel throughout these hours. The board and the chief appraiser periodically review office space requirements, lease arrangements, and other requirements related to the establishment of appraisal district offices. (Section 6.05, Property Tax Code)

BOD-003.02 Appointment of Chief Appraiser

The chief appraiser is appointed by the board and serves as the appraisal district's chief administrative officer, implementing the goals and objectives set by board policy in compliance with Section 6.05 of the Property Tax Code, Comptroller rules, and other applicable laws. The chief appraiser is selected in accordance with procedures as approved by the board ([Appendix C](#)).

The chief appraiser is an officer of the district for purposes of the nepotism laws. The district may not employ or contract with the chief appraiser's spouse, parent or stepparent, child or stepchild, or the spouse of any of these.

The qualifications for the chief appraiser are determined by the board and set forth in the document, "Chief Appraiser Qualifications" ([Appendix A](#)). The chief appraisal is expected to competently and effectively perform his or her duties. ([Appendix B](#)).

The chief appraiser serves at the pleasure of the board of directors. The board normally evaluates the chief appraiser annually in December. The board uses a written form to assist in the evaluation of the chief appraiser ([Appendix D](#)).

BOD-003.03 Appointment of Taxpayer Liaison Officer

The board appoints a Taxpayer Liaison Officer (TLO). The TLO shall administer the public access function required by law, and is responsible for resolving disputes not involving matters that may be protested under Section 41.41 of the Texas Property Tax Code. Neither the chief appraiser nor any other person who performs appraisal services for the appraisal district for compensation is eligible to be the district's TLO.

The TLO's goal will be to improve relationships with the public and assist the public with their information needs. The TLO will work with the chief appraiser and district staff to accomplish the board's goals. The liaison will develop and implement the public access function including access to non-English speaking and handicapped persons thus enabling the public the opportunity to speak at board meetings and process complaints.

The TLO shall report to the board at each meeting on the status of all complaints filed with the board. (Section 6.04(g) PTC). The TLO is responsible only to the board of directors, and serves at the pleasure of the board. The Responsibilities of liaison officer are outlined in ([Appendix G](#)). Compensation is set by the board within limitation provided by the appraisal district budget. (Section 6.052, Property Tax Code)

BOD-003.04 Approval of Budget

Before June 15 of each year, the chief appraiser prepares a preliminary budget and delivers copies to each board member and each participating taxing unit with a request for their comments and recommendations.

The board shall consider and adopt the annual budget before September 15 of each year, after giving notice to the public and taxing units and conducting a public hearing as required by law.

Once the board adopts a budget, expenditures in excess of the total budget require budget amendment in the manner provided by Section 6.06 of the Tax Code. Fund transfers that do not increase the total amount of the budget are not considered budget amendments. The board approves all transfers of unencumbered balances between accounts. In the event that a budget amendment becomes necessary, a copy of the proposed amendment will be delivered to the presiding officer of each taxing unit participating in the district not later than the 30th day before the date the board acts on it. (Section 6.06, Property Tax Code)

In accordance with the Property Tax Code, the McLennan County Appraisal District refunds all the excess budgeted funds each year by crediting the audited amount for excess funds, as determined by the District's outside auditor, to the entities to offset their quarterly contributions toward the next year's budget (Section 6.06(j), Property Tax Code)

BOD-003.05 Annual Financial Audit

The board contracts for an annual audit by an independent certified public accountant. The chief appraiser delivers copies of the audit report to the presiding officers of the county, cities, schools, and districts participating in the district. (Section 6.063, Property Tax Code)

BOD-003.06 Designation of Depository

The board solicits bids for the district depository at least once every two years. In choosing a depository, the board selects the institution(s) that offer the most favorable terms and conditions for the handling of district funds. Funds must be secured in the manner provided by law for county funds. The board and the depository may agree to extend a depository contract for one additional two-year period. (Section 6.09, Property Tax Code)

To the extent that funds in the depository are not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, they shall be secured in the manner provided by law for the security of funds of counties. The District shall invest all funds in accordance with the approved investment tools of TEX. GOV'T CODE § 22.56.009 *et seq.*

BOD-003.07 Competitive Bidding Requirements

The district is subject to the same requirements and has the same purchasing and contracting authority as a municipality under Chapter 252, Local Government Code. (Section 6.11, Property Tax Code)

BOD-003.08 Officer Selection for Appraisal Review Board

Appraisal Review Board members are appointed by the Administrative District Judge who is assisted by the Tax Liaison Officer. See [Appendix G](#).

After individuals have been selected for the appraisal review board, the local administrative judge enters an appropriate order designating such members and setting the member's respective term of office. The Appraisal Review Board (ARB) shall consist of citizen members who serve two-year, staggered terms. (Section 6.41, Property Tax Code)

The board of directors by resolution shall select a chairman and a secretary from among the members of the ARB. The board of directors will endeavor to select as chairman of the ARB a member who has a background in law and property appraisal (Section 6.42 (a), Property Tax Code)

BOD-003.09 Appraisal Contracts

The chief appraiser, with the approval of the board, may contract annually with private appraisal firms to perform appraisal services for the District. (Section 25.01 (b)(c), Property Tax Code)

BOD-003.10 Periodic Reappraisal

The McLennan County Appraisal District performs a comprehensive reappraisal of all property within the district on a three-year basis which follows in the board of directors' Biennial Reappraisal Plan.

In addition, the appraisal district reviews market factors of all real and personal property categories on an annual basis and adjust property values as deemed necessary to update and maintain current market values. The appraisal district exercises due diligence at all times to ensure equal and uniform taxation in accordance with Article VIII, Section I of the Texas Constitution. (Section 25.18, Property Tax Code)

BOD-003.11 Agricultural Advisory Board

The chief appraiser of each appraisal district shall appoint, with the advice and consent of the board of directors, an agricultural advisory board composed of three or more members as determined by the board.

The agricultural advisory board members must be landowners of the district whose land qualifies for appraisal under Subchapter C, D, E, or H, Chapter 23, and who have been residents of the district for at least five years.

The board shall meet at the call of the chief appraiser at least once a year.

An employee or officer of an appraisal district may not be appointed and may not serve as a member of the agricultural advisory board.

A member of the agricultural advisory board is not entitled to compensation.

The board shall advise the chief appraiser on the valuation and use of land that may be designated for agricultural use or that may be open space agricultural or timber land within the district.

(Section 6.12, Property Tax Code)

BOD-003.12 Conflicts Disclosure

Each member of the board of directors shall disclose any conflicts pursuant to the requirements of TEX. LOC. GOV'T CODE § 176.003 if such is appropriate. A member of the board of directors shall file such an affidavit if the board of directors is considering entering a contract with a person with whom that member has an employment or other business relationship or a family member of the board member has such a relationship resulting in taxable income of \$2,500.00 or more during the previous twelve-month period. The board member shall also file such a disclosure if the person or entity seeking a contract with the district has given one or more gifts to that board member or family member of the board member aggregating more than \$250.00 in the preceding twelve-month period. Such disclosure shall be filed with a secretary of the board not later than the second business day on which the member becomes aware of the potential conflict. The Disclosure Statement shall comply with the provisions of TEX. LOC. GOV'T CODE § 176.004.

The requirements of this section shall also apply to the Chief Appraiser.

The names of the board of director's members shall be posted on the district's web site in an accessible form for all vendors. Furthermore, all Disclosure Statements shall similarly be made available on the district's web site.

BOD-003.13 Records Management

The board of directors appoints the Chief Appraiser to be the records management officer of the Appraisal District and instructs that the District shall operate and maintain its records in compliance with TEX. LOC. GOV'T CODE chapter 203.

BOD-003.14 Public Information

The Appraisal District shall maintain its records and make them available to the public in compliance with the Texas Public Information Act, TEX. GOV'T CODE chapter 552. The Chief Appraiser, or his designee, shall be the Public Information Officer of the Appraisal District.

BOD-004 OTHER BOARD DUTIES

BOD-004.10 Reports from Chief Appraiser

The board of directors will require and evaluate reports from the chief appraiser concerning the operations and financial status of the district.

BOD-004.02 General Operational Policies

The board will require the development and adoption of district policies for the sound operation and financial management of district funds.

BOD-004.03 District Legal Counsel

The board will select and approve the litigation firm or firms who will represent the district in legal matters. The board shall periodically review contracts of such legal firms.

BOD-004.04 Purchasing Authority

The appraisal district is subject to the purchasing and contracting authority as stated in Chapter 252 of the Texas Local Government Code.

Before the district may enter into a contract that requires an expenditure of more than \$50,000 the district must first comply with the competitive sealed bidding requirements as prescribed by Chapter 252 of the Local Government Code (LGC). In addition, the district must use the reverse auction procedure, as defined by Section 2155.062(d), Government Code, for purchasing; or comply with a method described by Chapter 252, Local Government Code.

The district may use the competitive sealed proposal procedure for high technology procurements and for the purchase of insurance.

The board of directors shall approve all contracts to which the district is a party, assuming the contract is for an expenditure of \$5,000.00 or greater or is not for a budgeted expenditure.

BOD-004.05 Authority to Settle Lawsuits

The Chief Appraiser is authorized to approve settlements of lawsuits bought under Chapter 42 of the Texas Property Tax Code.

BOD-004.06 Policies of Appraisal District

The board of directors considers and acts on policies for the McLennan County Appraisal District.

BOD-004.07 Other Duties

Performs other duties as required to govern the district and permitted by law.

BOD-004.08 Indemnification of employees

In the event that the Texas Department of Licensing and Regulation (TDLR) imposes an administrative penalty on a person who is employed by the appraisal district, resulting from an act or omission by the person in the course and scope of the person's employment with the appraisal district, the appraisal district shall indemnify the person for the amount of the administrative penalty and the costs of challenging the imposition of the administrative penalty. Notwithstanding the prior sentence, the appraisal district is not required to indemnify a person upon whom an administrative penalty is imposed if the penalty was imposed because the person acted with gross negligence or in bad faith or with conscious indifference or reckless disregard for TDLR rules or regulations or for the appraisal district's rules or policies.

BOD-004.09 Ex Parte Communications; Penalty
(Section 6.15, Texas Property Code)

A member of the board of directors of an appraisal district commits an offense if the member directly or indirectly communicates with the chief appraiser on any matter relating to the appraisal of property by the appraisal district, except in:

- (1) An open meeting of the appraisal district board of directors or another public forum; or
- (2) A closed meeting of the board of directors held to consult with the board's attorney about pending litigation, at which the chief appraiser's presence is necessary for full communication between the board and the board's attorney.

A chief appraiser commits an offense if the chief appraiser directly or indirectly communicates with a member of the board of directors of the appraisal district on any matter relating to the appraisal of property by the appraisal district, except in:

- (1) An open meeting of the board of directors or another public forum; or
- (2) A closed meeting of the board of directors held to consult with the board's attorney about pending litigation, at which the chief appraiser's presence is necessary for full communication between the board and the board's attorney.

INTEREST IN CERTAIN CONTRACTS PROHIBITED
(Section 6.036, Property Tax Code)

- (a) An individual is not eligible to be appointed to or to serve on the board of directors of an appraisal district if the individual or a business entity in which the individual has a substantial interest is a party to a contract with:
 - (1) the appraisal district; or
 - (2) a taxing unit that participates in the appraisal district, if the contract relates to the performance of an activity governed by this title.

- (b) An appraisal district may not enter into a contract with a member of the board of directors of the appraisal district or with a business entity in which a member of the board has a substantial interest.
- (c) A taxing unit may not enter into a contract relating to the performance of an activity governed by this title with a member of the board of directors of an appraisal district in which the taxing unit participates or with a business entity in which a member of the board has a substantial interest.
- (d) For purposes of this section, an individual has a substantial interest in a business entity if:
 - (1) The combined ownership of the individual's spouse is at least 10 percent of the voting stock or shares of the business entity; or
 - (2) The individual or the individual's spouse is a partner, limited partner, or officer of the business entity.
- (e) In this section, "business entity" means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or other entity recognized by law.
- (f) This section does not limit the application of any other law, including the common law relating to conflicts of interest, to an appraisal district director.

(Enacted by Acts 1989, 71st Leg., ch. 796 (H.B. 432), § 5, effective September 1, 1989)