

ANGELINA COUNTY APPRAISAL DISTRICT

2021 LOCAL ANNUAL REPORT

The Angelina County Appraisal District has prepared and published this report to notify and inform the Board of Directors, taxing entities, and citizens of Angelina County of pertinent information containing the activities, accomplishments, and policies of the appraisal district, as well as statistical information of public interest for the current tax year. This report is prepared annually by the chief appraiser and is completed in compliance with the *International Association of Assessing Officers' Standard on Public Relations*.

Valuation & Administrative Standards and Policies

The Angelina County Appraisal District is a political subdivision of the State of Texas created effective January 1, 1980. The provisions of the Texas Property Tax Code govern the legal, statutory, and administrative requirements of the appraisal district. The appraisal district is responsible for local property tax appraisal and exemption administration for all jurisdictions or taxing units in the county. The appraisal district updates values each year to assure that all properties are valued at fair market value as of the appraisal date (January 1). The Appraisal District is governed by a board of 10 directors who are elected by the taxing units within the boundaries of Angelina County. The chief appraiser, appointed by the Board of Directors, is the chief administrator and chief executive officer of the appraisal district. The Board of Directors approves the budget and reviews expenditures over the course of each fiscal year. Additionally, the BOD, with local judicial approval, also appoints the Appraisal Review Board and Agricultural Advisory Board.

The taxing entities are as follows: Angelina County, Angelina College, City of Diboll, City of Hudson, City of Huntington, City of Lufkin, City of Zavalla, Central I.S.D., Diboll I.S.D., Hudson I.S.D., Huntington I.S.D., Lufkin I. S. D., Zavalla I. S. D., Colmesneil I.S.D., Wells I.S.D., Angelina County Fresh Water Districts 1 and 4. In 2017, the Angelina Fresh Water District 3 was dissolved and combined with FWD1 according to state legislation.

The appraisal district's standards and policies of valuation and administration are available upon request. The District determines the market value of a property using mass appraisal standards and techniques which comply with the *Uniform Standards of Professional Appraisal Practices* (USPAP). All manuals comply with the *Texas Property Tax Code*, *Uniform Standards of Professional Appraisal Practice*, *International Association of Assessing Officers' Standards*, as well as other generally accepted standards. The appraisal district operates using appraisal manuals specific to general types of property, office administration manuals, assessment appeals manuals, and personnel policies and procedures manuals. The reappraisal of property is completed in accordance with the appraisal district's most recently adopted reappraisal plan. Standards and policies for the valuation process of the appraisal district comply with the *Texas Property Tax Code*, as well as other generally accepted appraisal methods and techniques. All property is appraised in an equal and uniform manner. All property must be appraised at market value, as defined by the *Texas Property Tax Code*. To determine the value of taxable property, the appraisal district uses the cost, market, and income approaches to value.

Appraisers hired by the District, are subject to requirements set forth by the Property Taxation Professional Certification Act which was passed by the 68th Legislature. Appraisers are required to register with the Texas Department of Licensing and Regulation (TDLR) before performing appraisals. Appraisers are required to successfully complete a series of educational courses towards certification and designation as a Registered Professional Appraiser (RPA). In order to obtain an RPA designation, appraisers must effectively complete the course requirements within five years from the date of registration. Once an appraiser has obtained their certification, they must recertify on a biannual basis, and must include two hours of ethic training, seven hours of USAP, and a law and rule update course set by the state legislature. The District currently employs 4 certified RPA's and 3 appraisers working towards their certification.

2021 Valuation Summary

- Residential Parcels
 - 19.32% increase in value from the previous year with 467 new accounts and new market value of \$66,007,312.
- Commercial Parcels
 - 0.94% increase in value from the previous year with 28 new accounts and new value market of \$12,374,650.
- Agricultural Parcels
 - 29.75% increase in value from the previous year with a decrease of 0.32% in acreage (-1214.1089 acres) and value increase of \$28,359,706.

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Total Values

The Angelina CAD serves the following taxing jurisdictions: Beside each taxing entity is the total market value and taxable value for each as of certification. The chart below identifies the parcel count, Category A (Residential) values, Category F (Commercial) values, Category D (Agriculture and Timber) values, and total amount of exemptions for each taxing jurisdiction.

Taxing Unit	2021 Total Tax rate	Market Value	Taxable Value (before freeze)
Angelina County	0.4371200	\$7,983,275,575	\$5,231,697,795
Angelina College	0.1640330	\$7,979,220,215	\$5,420,737,744
City of Diboll	0.6165440	\$308,372,205	\$221,978,351
City of Hudson	0.3066000	\$229,522,442	\$194,045,011
City of Huntington	0.5759539	\$99,059,990	\$71,794,514
City of Lufkin	0.5311350	\$2,738,865,177	\$2,361,495,676
City of Zavalla	0.3761380	\$30,645,120	\$18,060,953
Central ISD	1.1158520	\$628,896,485	\$361,422,316
Colmesneil ISD	0.9321000	\$12,608,880	\$665,470
Diboll ISD	1.2107150	\$703,191,998	\$349,927,364
Hudson ISD	1.1367000	\$1,003,144,346	\$685,443,784
Huntington ISD	1.2928000	\$962,335,075	\$422,358,814
Lufkin ISD	1.2533000	\$3,882,901,143	\$3,020,883,485
Wells ISD	1.1686000	\$19,038,684	\$10,180,999
Zavalla ISD	1.2838120	\$769,509,775	\$147,070,388
FWD 1	0.4900890	\$33,146,130	\$19,788,215
FWD 4	0.8185950	\$4,184,950	\$3,877,497

Taxing Unit	Parcel Count	Residential Category A Market Value	Commercial & Industrial Category F Market Value	Agriculture and Timber Category D Market Value	Total Amount of Exemptions
Angelina County	65,190	3,062,794,671	709,653,881	1,257,675,645	1,417,384,124
Angelina College	65,186	3,062,794,671	709,653,881	1,257,675,645	1,224,288,815
City of Diboll	2,108	103,595,915	29,706,030	3,585,325	79,178,667
City of Hudson	2,361	161,902,813	20,072,490	6,985,810	18,721,983
City of Huntington	2,192	53,219,740	11,203,140	2,948,870	22,809,002
City of Lufkin	19,397	1,289,355,377	571,600,798	30,156,552	314,545,913
City of Zavalla	774	12,488,419	2,499,840	1,819,460	10,336,479
Central ISD	8,285	250,464,100	16,636,461	174,480,447	83,753,747
Diboll ISD	5,148	212,897,937	38,536,780	172,220,790	180,151,252
Hudson ISD	6,767	532,852,205	60,931,660	155,070,660	140,230,327
Huntington ISD	9,673	265,280,290	15,237,610	327,437,431	217,692,372
Lufkin ISD	29,806	1,684,461,279	570,191,630	262,091,492	546,520,151
Zavalla ISD	5,334	114,932,960	7,332,020	158,501,242	469,180,523
Freshwater District 1	1,203	16,661,628	299,060	5,626,130	6,933,684
Freshwater District 4	107	3,647,180	-	-	12,000

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Local Appraisal Sales Ratio Study Analysis

The appraisal district is required by the *Texas Property Tax Code* to appraise all taxable property at market value as of January 1st of each year. The sales ratio determines the degree of uniformity and the median level of appraisal by the appraisal district within major categories of properties.

- Residential Median Ratio – 1.0007
- ACAD does not perform ratio studies for Commercial or Agricultural sales due to the small number of sales producing unreliable results.

Types of Property in County

All property in the District's appraisal records is classified and assigned to one property category as established by the State Comptroller's office. Listed below are each property category and the type of property found within each category and the total market value for the county for each category.

Category	Market Value
Category A – Single Family Residential	\$3,062,794,671
Category B – Multifamily Residential	\$107,668,550
Category C – Vacant Lots	\$109,596,243
Category D – Rural Land (Agriculture & Timber)	\$1,257,675,645
Category F – Commercial & Industrial	\$709,653,881
Category G – Oil, Gas, Minerals	\$211,977,636
Category J – Utilities	\$275,551,620
Category L – Personal Property	\$701,512,270
Category M – Mobile Homes	\$75,945,252
Category O – Inventory	\$2,228,470
Category S – Special Inventory	\$32,664,490
County Total Market Value	\$7,983,275,575

Appeal Data

The following is an overview of the appeals filed with Appraisal Review Board (ARB) under Section 41 of the Property Tax Code. This year the ARB held its formal hearings from 06/16/2021 to 07/20/2021.

The appraisal district received 4736 protests filed under Section 41 of the Property Tax Code. The Appraisal Review Board heard 46 protests for which the Review Board determined and issued a value. The appraisal district settled 3171 of the protests filed during the informal hearings process and 269 protests were withdrawn with no changes. The remaining 1244 property accounts for which a protest was filed did not show for their scheduled ARB hearing and the appraisal district was unable to make any further contact with the owners/agents for the accounts.

Legislative Changes

This section highlights recent legislative changes related to property tax. This section does not highlight all legislative changes; this information is provided solely as an informational resource. Legislative changes that became effective on or after January 1, 2021 are listed below.

Tax Code

Chapter 5. State Administration

- Section 5.03 SB 63 and HB 3786 add subsection (d) allowing the Comptroller, after giving notice, to send and require submission of documents, payments, notices, reports or other items electronically. The Comptroller may adopt rules to administer electronic submission and delivery, including rules specifying format. Effective Sept. 1, 2021.
- Section 5.041 SB 63 and HB 3788 amend subsections (b) and (e-1) to allow distance training and education for an appraisal review board training course. The bills add subsection (i) to authorize the Comptroller to adopt rules implementing distance training and education, including establishing criteria for course availability and for demonstrating course completion. Effective Sept. 1, 2021 (SB 63). Effective Jan. 1, 2022 (HB 3788).

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- Section 5.103 HB 988 amends subsection (d) to require an appraisal review board to incorporate model hearing procedures prepared by the Comptroller when adopting hearing procedures. An appraisal review board may adopt procedures that supplement the model hearing procedures, provided they do not contradict or circumvent the model hearing procedures. The bill adds subsection (e) to require the Comptroller to review the hearing procedures adopted by each appraisal review board. Effective June 15, 2021.
- Section 5.104 HB 988 amends subsection (l) to require the Comptroller to include a summary of comments, complaints, and suggestions forwarded by taxpayer liaison officers, results of the Comptroller's review of appraisal review board hearing procedures, and results of requests for limited binding arbitration in the appraisal review board survey report. Effective June 15, 2021.

Chapter 6. Local Administration

- Section 6.03 HB 988 adds subsection (k-1) to require the governing body of a taxing unit entitled to cast at least five percent of the total votes to determine its vote for its appraisal district's board of directors by resolution adopted at the first or second open meeting held after the date the chief appraiser delivers the ballot in counties with a population of 120,000 or more. The governing body must submit its vote to the chief appraiser not later than the third day following the date the resolution is adopted. Effective Jan. 1, 2022, and applies only to the selection of board of directors members to terms beginning on or after Jan. 1, 2022.
- Section 6.035 SB 63 amends subsection (a-1) to provide that an individual is ineligible to serve on an appraisal district's board of directors if the individual served as a member of the board of directors for all or part of five terms, unless the individual was the county assessor-collector at the time the individual served as a board member or the appraisal district is established in a county with a population of less than 120,000. The bill further modifies eligibility criteria for individuals who serve on the board of directors. Individuals who, in the preceding three years, appraised property or represented property owners for compensation during property tax proceedings in the appraisal district, or who were employed by the appraisal district, are ineligible to serve. Effective Sept. 1, 2021. Service as an appointed member of the board of directors before Jan. 1, 2022 does not count toward the five-term limit. Eligibility restrictions only apply to the appointment of board of director members to a term after the effective date of the act.
- Section 6.052 HB 988 amends subsection (a) to require the taxpayer liaison officer receive and include complaints filed by the chief appraiser, a property owner, or a property owner's agent concerning certain matters in the list of comments and suggestions forwarded to the Comptroller. The bill codifies the current practice of the taxpayer liaison officer forwarding this list to the Comptroller not later than December 31 of each year. The bill makes conforming changes to subsection (b) 2 and (c) to include complaints. The bill adds subsection (g) to provide a taxpayer liaison officer does not commit an offense under this chapter if the officer communicates with the chief appraiser or another employee or agent of the appraisal district, a member of the appraisal review board, a member of the board of directors, a property tax consultant, a property owner, an agent of a property owner, or another person if the communication is made in good faith exercise of the officer's statutory duties. Effective June 15, 2021. HB 2941 makes conforming changes to subsection (f) by removing the reference to Tax Code Section 6.41(d-1) (county with a population of 120,000 or more) but continuing to require the taxpayer liaison officer to provide clerical assistance to the local administrative district judge in the selection of appraisal review board members. Tax Code Section 6.41(d-5) continues to require the appraisal district to provide whatever reasonable assistance is requested by the local administrative district judge. Effective June 7, 2021.
- Section 6.054 SB 63 adds subdivision (3) to prohibit an individual from being employed by an appraisal district if the individual has served as a member of the appraisal review board for the appraisal district at any time during the preceding two years. Effective Sept. 1, 2021, and applies only to a former member of an appraisal review board first employed by an appraisal district on or after the effective date.
- Section 6.155 HB 988 adds this section to provide that a member of the governing body, officer, or employee of a taxing unit commits an offense if the person directly or indirectly communicates with the chief appraiser or another employee of the appraisal district in which the taxing unit participates for the purpose of influencing the value at which property in the district is appraised unless the person owns or leases the property that is the subject of the communication. An offense under this section is a Class A misdemeanor. Effective Jan. 1, 2022.
- Section 6.41 HB 2941 amends subsections (d), (d-1), (d-2), (d-3), and (e) to provide that appraisal review board members in all counties are appointed by the local administrative law judge. The bill amends subsection (f) to authorize the local administrative district judge or the judge's designee remove a member of the board, rather than removal by a majority vote of the appraisal district board of directors. The bill amends subsection (g) specifying that appraisal review board members of a consolidated board are appointed jointly by the local administrative district judges in the counties of the appraisal districts party to the contract. The bill strikes subsections (i) and (j) making certain ex parte communication restrictions applicable to all appraisal districts, instead of only those with a population of 120,000 or more. Effective June 7, 2021. The changes in law to Tax Code Section 6.41, as amended by this bill apply only to the appointment of appraisal review board members to terms beginning on or after Jan. 1, 2022, and does not affect the term of an appraisal review board member serving on Dec. 31, 2021, if the member was appointed before that date to a term that began before Dec. 31, 2021, and expires Dec. 31, 2022. SB 63 amends subsection (f) to require the appraisal district board of

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directors, local administrative district judge, or judge's designee that appointed a member of the appraisal review board, as applicable, to remove the member or find by official action that the member's removal is not warranted not later than the 90th day after the date such an official learns of a potential ground for removal of the member. Effective Sept. 1, 2021, and applies only to a potential ground for removal of an appraisal review board member that an appraisal district board of directors, local administrative district judge, or local administrative district judge's designee, as applicable, first learns of on or after the effective date.

- Section 6.412 HB 2941 makes conforming changes to subsection (d) by removing the reference to Tax Code Section 6.41(d-1) and instead specifically stating the eligibility restrictions for serving on the appraisal review board in that section apply for the appraisal review board of an appraisal district established for a county with a population of 120,000 or more if the person meets certain criteria. Effective June 7, 2021.

Chapter 11. Taxable Property and Exemptions

- Section 11.13 SB 1 (3rd CS) amends subsection (b) to increase the existing mandatory homestead exemption on school district property taxes from \$25,000 to \$40,000. Effective May 7, 2022, contingent on voter approval of SJR 2 (3rd CS), and applies beginning with the 2022 tax year.
- Section 11.131 SB 794 amends subsection (b) to modify the eligibility for a total property tax exemption for the homestead of a 100 percent or totally disabled veteran to a disabled veteran who has been awarded by (rather than receives from) the United States Department of Veterans Affairs 100 percent disability compensation. Effective Jan. 1, 2022, and the changes in law made by this bill apply only to a tax year that begins on or after the effective date.
- Section 11.133 SB 611 amends the title of the section to "Residence Homestead of Surviving Spouse of Member of Armed Services Killed in Line of Duty." The bill amends subsection (b) to provide that the surviving spouse of a member of the armed services of the United States who is killed or fatally injured in the line of duty (rather than killed in action) is entitled to an exemption from taxation of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the death of the member of the armed services. Effective Jan. 1, 2022, contingent on voter approval of SJR 35, and applies only to a tax year beginning on or after the effective date.
- Section 11.145 SB 1449 amends the title of the section to "Income-Producing Tangible Personal Property Having Value of Less than \$2,500." The bill amends subsection (a) to increase the taxable value below which tangible personal property held or used for the production of income is exempt from property taxation from \$500 to \$2,500. Effective Jan. 1, 2022, and applies only to taxes imposed for a tax year beginning on or after the effective date.
- Section 11.18 HB 115 amends subsection (p) to expand the existing property tax exemption for a charitable organization providing housing and related services to homeless individuals. The bill increases the required number of years to 20 that a charitable organization located in a county with a population of more than 1 million and less than 1.5 million (Travis) must be in existence to qualify for the exemption. It removes the requirement that the housing be located on a single campus, instead requiring the housing to be permanent and located on a tract of land at least 15 acres in size that was either owned by the organization on July 1, 2021 or acquired or donated and owned by the organization on Jan. 1, 2023. The bill adds a charitable organization that has been in existence for 2 years and is located in a city with a population of more than 100,000 and less than 150,000 part of which is located in a county with less than 5,000 (Midland) to qualify for the property tax exemption.. Effective Jan. 1, 2022, and applies only to a tax year that begins on or after the effective date.
- Section 11.20 HB 1197 amends subsection (j) to extend the current property tax exemption for a tract of land owned for religious worship expansion purposes that is contiguous to the tract of land on which the religious organization's place of regular worship is located from six years to ten years. Effective Jan. 1, 2022, and applies only to taxes imposed for a tax year beginning on or after the effective date.
- Section 11.211 HB 3610 adds this section to grant a property tax exemption on the portion of real property that is leased to an independent school district, community college district, or open enrollment charter school. It includes a requirement that the property be used exclusively for the operation or administration of the school and be determined reasonably necessary for that purpose by the school's governing body. Effective Sept. 1, 2021, and applies only to taxes imposed for a tax year beginning on or after the effective date. An amendment to the Texas Constitution, Article VIII, was not proposed or passed by the 87th Texas Legislature.
- Section 11.252 HB 988 amends subsection (d) to modify the application form that the Comptroller is required to provide to claim a property tax exemption for motor vehicles leased for use other than production of income to allow a claimant certify either under oath or by written, unsworn declaration that the lessee does not hold the vehicle for the production of income. Effective Jan. 1, 2022.
- Section 11.253 HB 988 adds subsections (l) and (m) to authorize a taxing unit in a declared disaster area to extend by official action the number of days to 270, that goods-in-transit may remain at a defined location before losing eligibility for the tax exemption. Subsections (l) and (m) are set to expire Dec. 31, 2025. Effective Jan. 1, 2022, and applies only to a tax year beginning on or after Jan. 1, 2022.
- Section 11.26 SB 12 (2nd CS) adds subsections (a-4), (a-5), (a-6), (a-7), (a8), (a-9), and (a-10) to recalculate school district tax limitations (tax ceilings) on residence homesteads for individuals who are 65 or over or disabled to reflect reductions in school district maximum compressed tax rates for tax year 2019 and

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subsequent tax years. Each new subsection specifies certain calculations to reduce the tax ceiling based on the year the individual was first eligible to receive the limitation to account for tax rate reductions and ongoing tax rate compression passed by the 86th Legislature. Effective Jan. 1, 2023, contingent on voter approval of SJR 2 (2nd CS), and applies only to a tax year beginning on or after the effective date.

- Section 11.27 SB 63 amends subsection (a) and adds subsection (a-1) to clarify a person is entitled to an exemption from taxation of the appraised value of a solar or wind-powered energy device owned by the person regardless of whether the person owns the real property on which the device is installed or constructed. Effective Sept. 1, 2021, and is a clarification of existing law and does not imply that existing law may be construed as inconsistent with the law as amended by this bill.
- Section 11.35 SB 1427 amends subsections (a) and (g) to define damage as physical damage for purposes of qualifying for the temporary property tax exemption for property damaged by a disaster. Effective June 6, 2021, and is a clarification of existing law and does not imply that existing law may be construed as inconsistent with the law as amended by this bill. SB 1438 repeals subsections (c), (d), and (e) requiring the governing body to adopt the temporary exemption for property damaged by a disaster; thus, making it a mandatory exemption. Effective June 16, 2021 and applies only to ad valorem taxes imposed for a tax year that begins on or after Jan. 1, 2022.
- Section 11.42 SB 8 (2nd CS) adds subsection (f) to provide that an individual who acquires property after January 1 of a tax year may receive a residence homestead property tax exemption on the property for the applicable portion of the tax year which the individual qualified. Effective Jan. 1, 2022, and applies only to a residence homestead acquired on or after the effective date.
- Section 11.43 SB 1438 amends subsection (s) to strike the provision requiring a person who qualifies for an exemption under Tax Code Section 11.35(c) to apply for the exemption not later than the 45th day after the date the governing body of the taxing unit adopts the exemption. Effective June 16, 2021, and applies only to ad valorem taxes imposed for a tax year that begins on or after Jan. 1, 2022.
- Section 11.431 SB 611 amends subsection (a) to provide an exception to the two year filing deadline for different veteran related homestead exemptions. The bill strikes language that the chief appraiser accept, approve or deny an application for residence homestead exemption under Tax Code Sections 11.131, 11.132 or 11.133, of a disabled veteran or surviving spouse, if the application is filed not later than two years after the delinquency date for the taxes on the property. Effective Jan. 1, 2022, and apply only to an application for an exemption filed for a tax year that begins on or after the effective date.
- Section 11.439 SB 611 amends the title of the section to "Late Applications for Disabled Veterans Exemptions." The bill amends subsection (a) to require a chief appraiser accept and approve or deny a late application for a homestead exemption for a disabled veteran under Tax Code Section 11.131 or 11.132, but not the surviving spouse of the disabled veteran, if the application is filed not later than five years (rather than two years) after the delinquency date for the taxes on the property. Effective Jan. 1, 2022, and apply only to an application for an exemption filed for a tax year that begins on or after the effective date.
- Section 11.45 SB 63 amends subsections (a) and (b) to require the chief appraiser to act on an exemption application within 90 days after the later of the date the applicant first qualified or the date the applicant provides information necessary for the chief appraiser to determine the applicant's right to the exemption. The bill would require the chief appraiser deliver a written notice to the applicant specifying additional information, if needed, within 30 days after the application is filed. The bill amends subsection (d) to specify if the chief appraiser modifies or denies an application, the chief appraiser shall deliver a written notice of the modification or denial to the applicant not later than the fifth day after the date the chief appraiser makes the determination. The notice must state and fully explain each reason the chief appraiser modified or denied the application. The bill amends subsection (e) to require the chief appraiser state and fully explain each reason the chief appraiser modified or denied an application for an exemption under Tax Code Section 11.35, Temporary Exemption for Qualified Property Damaged by Disaster. Effective Sept. 1, 2021. Tax Code Sections 11.45(a) and (b), as amended, apply only to an application filed with a chief appraiser on or after the effective date. Tax Code Sections 11.45(d) and (e), as amended, apply only to a notice required to be delivered by a chief appraiser on or after the effective date.
- Section 11.50 SB 1088 adds this section to authorize the chief appraiser of an appraisal district to request that a chief appraiser of another appraisal district provide a list of names of all individuals who receive a residence homestead exemption in the appraisal district for which the request is made. The bill requires the chief appraiser who receives the request to provide the list as soon as practicable and specifies that confidentiality does not apply the discloser of this information. Effective Sept. 1, 2021.

Chapter 21. Taxable Situs

- Section 21.021 HB 988 amends subsections (a) and (b) to provide that, except as otherwise provided by Tax Code Section 21.031(b2), a vessel or other watercraft used as an instrumentality of commerce, as defined by Tax Code Section 21.031, Allocation of Taxable Value of Vessels and Other Watercraft Used Outside This State, rather than in Tax Code Section 21.031(b), is taxable pursuant to Tax Code Section 21.02, Tangible Personal Property Generally. Effective Jan. 1, 2022, and applies only to the allocation of the value and the determination of the situs of vessels and other watercraft for ad valorem tax purposes beginning on or after Jan.

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- Section 21.031 HB 988 amends subsection (b) to require the appraisal office make the allocation of taxable value of vessels and other watercraft used outside this state as provided by added subsections (b-1), (b-2), and (b-3). The bill adds subsection (b-1) to create an exception under subsection (b-2) to the determination of the allocation fair market values of a vessel or other watercraft used as an instrumentality of commerce that is taxable in this state. New subsection (b-2) allows a property owner operating vessels or other watercraft as instrumentalities of commerce to request in writing for the appraisal district allocate the fair market value on a fleet wide basis and designate the location of the property owner's principal place of business as the taxable situs of the fleet. Subsection (b-3) strikes existing text defining "special-purpose vessel or other watercraft not used as an instrumentality of commerce." The bill adds subsection (i) to define "special-purpose vessel or other watercraft not used as an instrumentality of commerce" and "vessel or other watercraft used as an instrumentality of commerce." Effective Jan. 1, 2022, and applies only to the allocation of the value and the determination of the situs of vessels and other watercraft for ad valorem tax purposes beginning on or after Jan. 1, 2022.

Chapter 23. Appraisal Methods and Procedures

- Section 23.013 HB 3971 amends subsection (e) to define "designated historic district" as an area that is zoned or otherwise designated as a historic district under municipal, state, or federal law. The bill requires a chief appraiser to consider the effect of any restriction placed by a historic district on a property owner's ability to alter, improve, or repair the property in determining market value of residential real property located in a designated historic district. Effective Jan. 1, 2022, and applies to the appraisal for property tax purposes of residential real property only for a tax year beginning on or after the effective date.
- Section 23.014 HB 2535 amends this section require a chief appraiser analyze the effect on value of any chicken coops or rabbit pens used for the noncommercial production of food for personal consumption and exclude that value in determining the market value of real property. Effective Jan. 1, 2022.
- Section 23.121 HB 3514 amends subsection (h) to authorize, instead of requiring, a chief appraiser to report a dealer to the Texas Department of Motor Vehicles if a dealer fails to file the required motor vehicle inventory declaration. The chief appraiser is required to include written verification that the chief appraiser informed the dealer of the requirement to file a declaration. The bill creates new subsection (h-1) for the existing requirement of a chief appraiser to report a dealer to the Texas Department of Motor Vehicles to initiate cancellation of the dealer's general distinguishing number when a dealer reports the sale of fewer than five motor vehicles in the prior year on the required declaration. The chief appraiser is still required to include a copy of the declaration in the report to the Texas Department of Motor Vehicles and that report is still prima facie grounds for the cancellation of the dealer's general distinguishing number under Transportation Code Section 503.038(a)(9). Effective Sept. 1, 2021.
- Section 23.21 SB 113 amends subsection (c) to require a chief appraiser to use the income method of appraisal in appraising land that is leased by a community land trust as specified regardless of whether the chief appraiser considers that method to be the most appropriate method for appraising the property. In appraising the property, the chief appraiser would be required to: • consider the uses and limitations applicable to the property for purposes of computing the actual rental income from the property and projecting future rental income; and • use the same capitalization rate that the chief appraiser uses to appraise other rent-restricted properties. The bill strikes the provision requiring the chief appraiser to consider the extent to which the use and limitation reduce the property's market value. The bill adds subsection (c-1) to require the chief appraiser, in appraising a housing unit that is leased by a community land trust, as specified, to use the income method of appraisal as described by Tax Code Section 23.012 to determine the appraised value of the property regardless of whether the chief appraiser considers that method to be the most appropriate method of appraising the property. The bill requires the chief appraiser, in appraising the property, to: • consider the uses and limitations applicable to the property, including the terms of the lease applicable to the property, for purposes of computing the actual rental income from the property and projecting future rental income; and • use the same capitalization rate that the chief appraiser uses to appraise other rent-restricted properties. The bill amends subsection (d) to prohibit a chief appraiser from appraising a housing unit owned by a community land trust at a value greater than the price for which it could be sold under an eligible land use restriction in that tax year. The use restriction would have to be recorded in real property deeds, have a term of at least 40 years, restrict the sales price to at or below market value, and restrict the sale to low income families. Effective Sept. 1, 2021, and applies only to property taxes imposed for a tax year that begins on or after the effective date.
- Section 23.215 HB 3833 amends subsection (a) concerning conditions under which the provisions regarding appraisal of certain non-exempt real property used for low-income or moderate-income housing would apply. The bill would: • strike the requirement that the low-income housing be rented to a low-income or moderate income individual or family satisfying certain low-income housing organizations' income eligibility requirements on the effective date of Tax Code Section 23.215 and instead require that the property be held for the purpose of renting the property to such an individual or family; and • add a requirement that the low-income housing be subject to a land use restriction agreement under a specified low-income housing tax credit program that has not expired or been terminated. The bill amends subsection (b) to require a chief appraiser to appraise specified

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low-income housing property that is under construction or that has not reached stabilized occupancy on January 1 of the tax year in which the property is appraised by using a specified income method including: (1) using the property's projected income and expenses for the first full year of operation established and utilized in a specified underwriting report; (2) adjusting, as specified, the gross income potential and operating costs for the percentage completed on January 1; and (3) adjusting the income and expenses in the underwriting report for actual occupancy for completed properties that have not reached stabilized occupancy on January 1. The bill amends subsection (c) to require the chief appraiser to determine the appraised value of the property in the manner provided by Tax Code Section 11.1825(q) for the first tax year following the completion of construction and stabilized occupancy. Effective June 15, 2021, and applies only to a property tax year that begins on or after the effective date.

- Section 23.23 SB 8 (2nd CS) adds subsection (c-1) to provide an owner who receives a partial year homestead exemption is considered to have qualified the property for the exemption as of January 1 of the tax year following the tax year in which the owner acquired the property for the purpose of when the limitation on appraised value begins. Effective Jan. 1, 2022, and applies only to a residence homestead acquired on or after the effective date.
- Section 23.44 SB 63 amends subsection (a) to provide the deadline the chief appraiser is required to determine each claimant's right to the agricultural designation is as soon as practicable but not later than the 90th day after the later of the date the claimant is first eligible for the agricultural designation or the date the claimant provides to the chief appraiser the information necessary for the chief appraiser to determine the claimant's right to the agricultural designation. The bill amends subsection (b) to require the chief appraiser deliver a written notice to the claimant as soon as practicable but within 30 days after the application is filed if additional information is needed. The bill requires that the chief appraiser send written notice if the application is denied and the chief appraiser must state and fully explain each reason the application was denied. Effective Sept. 1, 2021, and applies only to an application filed with a chief appraiser on or after the effective date.
- Section 23.46 SB 725 adds subsection (e-1) to provide that a portion of a parcel of land is not diverted to nonagricultural use because it is subject to a right-of-way that is less than 200 feet wide and that was taken by condemnation if the remainder of the land qualifies. The bill adds subsection (g) to specify that if the additional taxes are due because the land has been diverted to a nonagricultural use as a result of a condemnation, the additional taxes and interest are the personal obligation of the condemning entity and not the property owner from whom the property was taken. Effective Sept. 1, 2021. Tax Code Section 23.46(e-1), as added by this bill applies only to the appraisal of land for property tax purposes for a tax year that begins on or after the effective date. Tax Code Section 23.46(g), as added by this bill applies only to a change of use of land that occurs on or after the effective date.
- Section 23.55 HB 3833 amends subsections (a), (b), (e), (f), (m), and (n) to remove the requirement for interest imposed on a taxpayer when there is a change of use under Tax Code Chapter 23, Subchapter D, Appraisal of Agricultural Land. Effective June 15, 2021, and applies only to a change of use of land appraised under Tax Code Chapter 23, Subchapter D that occurs on or after the effective date.
- Section 23.57 SB 63 amends subsection (a) to provide the deadline the chief appraiser is required to determine each applicant's right to have land appraised under Subchapter D is as soon as practicable but not later than the 90th day after the later of the date the applicant's land is first eligible for the designation or the date the applicant provides to the chief appraiser the information necessary to determine the applicant's right to special appraisal.. The bill amends subsection (b) to require the chief appraiser deliver a written notice to the applicant as soon as practicable but within 30 days after the application is filed if additional information is needed. The bill requires that the chief appraiser send written notice if the application is denied and the chief appraiser must state and fully explain each reason the application was denied. Effective Sept. 1, 2021, and applies only to an application filed with a chief appraiser on or after the effective date.
- Section 23.58 HB 3833 amends subsections (c) and (d) to strike interest from provision regarding loans secured by lien on open spaced land. Effective June 15, 2021, and applies only to a loan secured by a lien on open-space land that is contracted for on or after the effective date.
- Section 23.76 HB 3833 amends subsections (a), (b), and (e) to remove the requirement for interest imposed on a taxpayer when there is a change of use under Tax Code Chapter 23, Subchapter E, Appraisal of Timberland. Effective June 15, 2021, an applies only to a change of use of land appraised under Tax Code Chapter 23, Subchapter E that occurs on or after the effective date.
- Section 23.79 SB 63 amends subsection (a) to provide the deadline the chief appraiser is required to determine each applicant's right to have land appraised under Subchapter E is as soon as practicable but not later than the 90th day after the later of the date the applicant's land is first eligible for the designation or the date the applicant provides to the chief appraiser the information necessary to determine the applicant's right to special appraisal.. The bill amends subsection (b) to require the chief appraiser deliver a written notice to the applicant as soon as practicable but within 30 days after the application is filed if additional information is needed. The bill requires that the chief appraiser send written notice if the application is denied and the chief appraiser must state and fully explain each reason the application was denied. Effective Sept. 1, 2021, and applies only to an application filed with a chief appraiser on or after the effective date.

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- Section 23.85 SB 63 amends subsection (a) to provide the deadline the chief appraiser is required to determine each applicant's right to have land appraised under Subchapter F is as soon as practicable but not later than the 90th day after the later of the date the applicant's land is first eligible for the designation or the date the applicant provides to the chief appraiser the information necessary to determine the applicant's right to special appraisal. The bill amends subsection (b) to require the chief appraiser deliver a written notice to the applicant as soon as practicable but within 30 days after the application is filed if additional information is needed. The bill requires that the chief appraiser send written notice if the application is denied and the chief appraiser must state and fully explain each reason the application was denied. Effective Sept. 1, 2021, and applies only to an application filed with a chief appraiser on or after the effective date.
- Section 23.86 HB 3833 amends subsection (a) to decrease the rollback period from five years to three years and to remove the requirement for interest imposed on a taxpayer when there is a change of use under Tax Code Chapter 23, Subchapter F, Appraisal of Recreational, Park, and Scenic Land. The bill amends subsection (b) to provide that a tax lien attaches to the land on the date the change of use occurs or the deed restriction expires to secure payment of the additional tax and any penalties and interest incurred if the tax becomes delinquent. Effective June 15, 2021, and applies only to a change of use of land appraised under Tax Code Chapter 23, Subchapter F that occurs on or after the effective date.
- Section 23.95 SB 63 amends subsection (a) to provide the deadline the chief appraiser is required to determine each applicant's right to have land appraised under Subchapter G is as soon as practicable, but not later than the 90th day after the later of the date the applicant's land is first eligible for the designation or the date the applicant provides to the chief appraiser the information necessary to determine the applicant's right to special appraisal.. The bill amends subsection (b) to require the chief appraiser deliver a written notice to the applicant as soon as practicable but within 30 days after the application is filed if additional information is needed. The bill requires that the chief appraiser send written notice if the application is denied and the chief appraiser must state and fully explain each reason the application was denied. Effective Sept. 1, 2021, and applies only to an application filed with a chief appraiser on or after the effective date.
- Section 23.96 HB 3833 amends subsection (a) to decrease the rollback period from five years to three years and to remove the requirement for interest imposed on a taxpayer when there is a change of use under Tax Code Chapter 23, Subchapter G, Appraisal of Public Access Airport Property. The bill amends subsection (b) to provide that a tax lien attaches to the property on the date the deed restriction expires to secure payment of the additional tax imposed and any penalties and interest incurred if the tax becomes delinquent. Effective June 15, 2021, and applies only to a change of use of land appraised under Tax Code Chapter 23, Subchapter G that occurs on or after the effective date.
- Section 23.9805 SB 63 amends subsection (a) to provide the deadline the chief appraiser is required to determine each applicant's right to have land appraised under Subchapter H is as soon as practicable but not later than the 90th day after the later of the date the applicant's land is first eligible for the designation or the date the applicant provides to the chief appraiser the information necessary to determine the applicant's right to special appraisal.. The bill amends subsection (b) to require the chief appraiser deliver a written notice to the applicant as soon as practicable but within 30 days after the application is filed if additional information is needed. The bill requires that the chief appraiser send written notice if the application is denied and the chief appraiser must state and fully explain each reason the application was denied. Effective Sept. 1, 2021, and applies only to an application filed with a chief appraiser on or after the effective date.
- Section 23.9807 HB 3833 amends subsections (a) and (b) to decrease the rollback period from five years to three years and to remove the requirement for interest imposed on a taxpayer when there is a change of use under Tax Code Chapter 23, Subchapter H, Appraisal of Restricted-Use Timber Land. The bill amends subsection (c) to provide that a tax lien attaches to the land on the date the change of use occurs to secure payment of the additional tax and any penalties and interest incurred if the tax becomes delinquent. Effective June 15, 2021, and applies only to a change of use of land appraised under Tax Code Chapter 23, Subchapter H that occurs on or after the effective date.

Chapter 25. Local Appraisal

- Section 25.02 HB 988 adds subsections (c) to require that each appraisal record have a unique account number and if an appraisal district changes the account number of an appraisal record, the appraisal district must provide written notice of the change to the property owner as soon as practicable after the change and provide notice of the change in the next notice of appraised value of the property. The bill adds subsection (d), which does not apply to an appraisal record for a residential property, for an improvement only or for a property on which a delinquent tax is due to require the chief appraiser, at the written request of a property owner, to combine contiguous parcels or tracts of real property into a single appraisal record and separate identifiable segments of the owner's parcel or tract of real property into individual appraisal records. The bill adds subsection (e) to require a property owner to make this request before January 1 of the tax year for which the requested change to the appraisal records is to be made and the request must contain a legal description as contained in a deed sufficient to describe the property subject to the request. The bill adds subsection (f) to authorize an appraisal review board to order the requested change on a motion filed by the property owner under Tax Code Section 25.25, Correction of Appraisal Roll, or a protest filed under Tax Code Chapter 41,

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Local Review, if a chief appraiser refuses to combine parcels or tracts or separate a parcel or tract. The bill adds subsection (g) to provide that combining contiguous parcels or tracts of real property into a single appraisal record or the separation of identifiable segments of a parcel or tract of real property into individual appraisal records does not affect the application of generally accepted appraisal methods and techniques to the appraisal of real property associated with those appraisal records. Effective Jan. 1, 2022.

- Section 25.025 HB 1082, HB 3607, SB 56, SB 841, SB 1134 reenact and amend subsection (a) as amended by Chapters 467 (H.B. 4170), 469 (H.B. 4173), 633 (S.B. 1494), 1213 (S.B. 662), and 1245 (H.B. 2446), Acts of the 86th Legislature, Regular Session, 2019 to renumber and add the following individuals to whom provisions relating to confidentiality of certain home address information apply: • an elected public officer (HB 1082); • a current or former United States attorney, assistant United States attorney, federal public defender, deputy federal public defender, or assistant federal public defender and the spouse and child of the attorney or public defender (SB 56); • a current or honorably retired county jailer as defined by Occupations Code Section 1701.001; (SB 841) • a current or honorably retired police officer or inspector of the United States Federal Protective Service; (SB 841) • a federal judge, a federal bankruptcy judge, a marshal of the United States Marshals Service, a state judge, or a family member of a federal judge, a federal bankruptcy judge, a marshal of the United States Marshals Service, or a state judge; (SB 1134) SB 841 subsection (a-1) by adding Subdivision (1-a) to provide “Honorably retired” means, with respect to a position, an individual who: (A) previously served but is not currently serving in the position; (B) did not retire in lieu of any disciplinary action; (C) was eligible to retire from the position or was ineligible to retire only as a result of an injury received in the course of the individual’s employment in the position; and (D) is eligible to receive a pension or annuity for service in the position or is ineligible to receive a pension or annuity only because the entity that employed the individual does not offer a pension or annuity to its employees. SB 1134 amends subsection (a-1) to provide “family member” has the meaning assigned by Finance Code Section 31.006. Effective May 19, 2021, the changes in law made by HB 1082 apply only to a request for information that is received by a governmental body or an officer on or after the effective date, and to the extent of any conflict, this bill prevails over another bill of the 87th Legislature, Regular Session, 2021, relating to nonsubstantive additions to and corrections in enacted codes. Effective June 14, 2021, the changes in law made by SB 56 and SB 841 apply only to a request for information that is received by a governmental body or an officer on or after the effective date, and to the extent of any conflict, this bill prevails over another bill of the 87th Legislature, Regular Session, 2021, relating to nonsubstantive additions to and corrections in enacted codes. Effective Sept. 1, 2021, (SB 1134; HB 3607).
- Section 25.07 SB 1315 adds subsection (d) to define property used as an aid or facility incidental to or useful in the operation or development of a port or waterway or in aid of navigation-related commerce for the purposes of a leasehold or other possessory interest in as exempt property that could not be listed in the appraisal records as taxable property if the property: (1) is leased to a person: (A) engaged in the business of navigation-related commerce; or (B) for a purpose described by Water Code Section 60.101, 61.162, or 63.153, or for the placement on the property of an improvement described by those sections; (2) is located: (A) adjacent to a federal navigation project; or (B) in a foreign trade zone established and operated under federal law; or (3) includes part of a rail facility that serves the tenants and users of the port or waterway. The bill adds subsection (e) to provide “navigation-related commerce” includes the following if engaged in by a person: (1) an activity that requires the person to hold a maritime-related license or permit issued by a navigation district, including providing stevedoring, steamship agency, towing, tugboat or line handling services; (2) an activity that requires the person to hold a franchise issued by a navigation district; (3) possessing a leasehold interest in property owned by a navigation district that connects infrastructure to a public dock; (4) hauling cargo into or across a public dock; (5) commercial fishing; (6) constructing, fabricating, cleaning, repairing, dismantling or recycling vessels; (7) pilotage; or (8) an activity described by Water Code Section 60.101, 61.162 or 63.153. Effective Sept. 1, 2021, and applies only to the taxation of property for a tax year beginning on or after the effective date.
- Section 25.19 HB 988 amends subsection (b) to require that the notice of appraised value include an explanation of the availability and purpose of an informal conference with the appraisal office before a protest hearing. The bill adds subsection (m) to prohibit a chief appraiser from delivering a corrected or amended notice of appraised value later than June 1 for property which a person files a rendition statement or property report as required by Chapter 22 unless the purpose of the notice is to include omitted property or to correct a clerical error. The bill adds subsection (n) to require the chief appraiser, as soon as practicable after delivering a notice of appraised value, to post the notice on the appraisal district’s website, if the appraisal district maintains one, as part of the appraisal record pertaining to the property. Effective Jan. 1, 2022, and applies only to a notice of appraised value for a tax year beginning on or after Jan. 1, 2022. HB 2723 adds subsection (m) to stipulate that a notice of appraised value include the following verbatim statement: “Beginning August 7th, visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information regarding the amount of taxes that each entity that taxes your property will impose if the entity adopts its proposed tax rate. Your local property tax database will be updated regularly during August and September as local elected officials propose and adopt the property tax rates that will determine how much you pay in property taxes.” The bill adds subsection (n) to require the chief appraiser, as soon as practicable after delivering a notice of appraised value, to post the notice on the appraisal district’s website, if the appraisal district maintains one, as part of the appraisal record pertaining to

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the property. Effective June 3, 2021, and applies only to a notice required to be delivered for a property tax year that begins on or after Jan. 1, 2022.

- Section 25.193 SB 63 amends subsection (b) to strike language specifying property. Effective Sept. 1, 2021.
- Section 25.21 HB 1090 amends subsection (a) to require the chief appraiser, if the chief appraiser discovers that real property was omitted from an appraisal roll in any one of the three preceding tax years (rather than five preceding years), or that personal property was omitted from an appraisal roll in one of the two preceding tax years (rather than two preceding years), to appraise the property as of January 1 of each tax year that it was omitted and enter the property and its appraised value in the appraisal records. Effective Sept. 1, 2021.
- Section 25.25 SB 63 amends subsection (d) to require an appraisal review board schedule a protest hearing on an error motion to correct the appraisal roll as soon as practicable but not later than the 90th day after board approves the appraisal records as provided by Tax Code Section 41.12 (Approval of Appraisal Records by Board) for a hearing request made on or after January 1 but before September 1. If a request for hearing is made on or after September 1 but before January 1 of the following tax year, the appraisal review board is required to schedule the hearing as soon as practicable but not later than the 90th day after the date the request for the hearing is made. Effective Sept. 1, 2021, and applies only to a motion to correct an appraisal roll filed on or after the effective date. SB 1421 adds subsection (c-1) to permit an appraisal review board, on motion of a property owner or chief appraiser, to direct by written order changes in the appraisal roll or related records for the current tax year and for either of the two preceding tax years to correct an inaccuracy in the appraised value of the owner's tangible personal property that is the result of an error or omission in a rendition statement or property report filed under Tax Code Chapter 22 regarding renditions and other reports, for the applicable tax year. The roll may not be changed under this subsection for any tax year in which:
 - the property owner failed to timely file the required rendition statement or property report and was assessed a penalty;
 - the property was the subject of a protest brought by the property owner, a hearing on the protest was conducted in which the owner offered evidence or argument, and the appraisal review board made a determination of the protest on the merits;
 - the property was the subject of a previous motion filed by the property owner under this section and the chief appraiser and the owner agreed to the correction, the appraisal review board determined the motion or the appraisal review board determined that the owner forfeited the right to a final determination of the motion for failing to comply with the prepayment requirements; or
 - the appraised value of the property was established because of a written agreement between the property owner or the owner's agent and the appraisal district.The bill amends subsection (e) to provide that a party bringing a motion under subsection (c-1), if the chief appraiser and the property owner do not agree to the correction before the 15th day after the date the motion is filed, is entitled on request to a hearing on and a determination of the motion by the appraisal review board. The bill amends subsection (m) to requires that a hearing under subsection (c-1), be conducted in the manner provided by Tax Code Chapter 41, Subchapter C, Taxpayer Protest. Effective Sept. 1, 2021, the changes in law made by this bill apply only to a motion to correct an appraisal roll filed on or after the effective date.

Chapter 26. Assessment

- Section 26.012 HB 1869 amends subdivision (7) to add "debt" must meet one of the following requirements:
 - has been approved at an election;
 - includes self-supporting debt;
 - evidences a loan under a state or federal financial assistance program;
 - is issued for designated infrastructure;
 - is a refunding bond;
 - is issued in response to an emergency under Government Code Section 1431.015 (Certain Notes or Other Obligations for Emergency Financing);
 - is issued for renovating, improving, or equipping existing buildings or facilities;
 - is issued for vehicles or equipment; or
 - is issued for a project under Tax Code Chapter 311 (Tax Increment Financing Act) or Transportation Code Chapter 222 (Funding and Federal Aid) that is located in a reinvestment zone created under one of those chapters. The bill adds subdivision (9) to define "designated infrastructure" to mean infrastructure, including a facility, equipment, rights-of-way, or land, for specific purposes. The bill adds subsection (18-a) to define "refunding bond" as a bond or other obligation issued for refunding or refinancing purposes under Government Code Chapter 1207 or 1371. Added subsection (18-b) defines "self-supporting debt" as the portion of a bond, warrant, certificate of obligation, or other evidence of indebtedness described by Subdivision (7)(A)(i) designated by the governing body of a political subdivision as being repaid from a source other than property taxes. Effective Sept. 1, 2021, and applies only to a bond, warrant, certificate of obligation, or other evidence of indebtedness for which the ordinance, order, or resolution authorizing the issuance is adopted by the governing body of a taxing unit on or after the effective date, unless the taxing unit entered into a binding agreement that contemplated the issuance of such debt before the effective date.
- Section 26.04 SB 1438 repeals subsection (c-1) relating to the calculation of a tax rate in a disaster area. See new Tax Code Section 26.042, Calculation and Adoption of Certain Tax Rates in Disaster Area. Effective June 16, 2021. HB 2723 amends subsection (e-2) to require that the postcard notice include the following statement: "Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information regarding the amount of taxes that each entity that taxes your property will impose if the entity adopts its proposed tax rate. Your local property tax database will be updated regularly during August and September as local elected officials propose and adopt the property tax rates that will determine how much you pay in property taxes." The bill strikes provision requiring that the notice include a statement directing the property owner to an Internet website. Effective June 3, 2021, and

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applies only to a notice required to be delivered for a property tax year that begins on or after Jan. 1, 2022.

- Section 26.041 SB 1438 repeals subsection (c-1) relating to the calculation of a tax rate in a disaster area. See new Tax Code Section 26.042, Calculation and Adoption of Certain Tax Rates in Disaster Area. Effective June 16, 2021.
- Section 26.042 SB 1438 adds this section to allow the calculation and adoption of certain tax rates in a disaster area. New subsection (a) allows a taxing unit other than a school district or a special taxing unit to calculate the voter-approval tax rate in the manner provided for a special taxing unit if it is located in an area declared a disaster by the Governor or President of the United States during the current tax year and at least one person is granted a temporary disaster exemption under Tax Code Section 11.35 for property located in the taxing unit. A taxing unit may continue this calculation until the earlier of the first tax year in which the total taxable value exceeds that of January 1 of the year in which the disaster occurred or the third year after the disaster occurred. New subsection (b) requires the taxing unit to reduce its voter-approval tax rate by the taxing unit's emergency revenue rate following the end of the disaster tax rate calculation period and details the calculation of the emergency revenue rate. Subsection (c) defines the adjusted voter-approval tax rate used within the calculation of the emergency revenue rate. New subsection (d) provides that when increased expenditure of money by a taxing unit other than a school district is necessary to respond to a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, epidemic, or pandemic, that has impacted the taxing unit and the Governor has requested federal disaster assistance, an election is not required under Section 26.07, Automatic Election to Approve Tax Rate of Taxing Unit Other Than School District, to approve the tax rate adopted by the governing body for the year following the year in which the disaster occurs. New subsection (e) provides that when increased expenditure of money by a school district is necessary to respond to a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, epidemic, or pandemic, that has impacted the school district and the Governor has requested federal disaster assistance, an election is not required under Tax Code Section 26.08, Automatic Election to Approve Tax Rate of School District, to approve the tax rate adopted by the governing body of the school district for the year following the year in which the disaster occurs. New subsection (f) provides that a taxing unit that exceeds its voter-approval tax rate without an election under subsections (d) and (e) may not consider the amount by which the rate was increased when calculating its voter-approval tax rate in the following year. New subsection (g) requires a taxing unit to specify the disaster declaration that is the basis of the disaster tax rate calculation and prohibits a taxing unit from using the same disaster declaration as justification for a new disaster tax rate calculation in a subsequent tax year. Effective June 16, 2021.
- Section 26.0442 HB 295 amends subsection (a) to change the definition of "indigent defense compensation expenditures" to include the operation of a public defender's office under Article 26.044, Code of Criminal Procedure, in the tax rate adjustment for county indigent defense compensation. Effective Sept. 1, 2021, and applies to the calculation of the no-new-revenue maintenance and operations rate for a county only for a tax year beginning on or after Jan. 1, 2022.
- Section 26.0444 HB 1900 adds this section to define "defunding municipality" and "municipal public safety expenditure adjustment." Added subsection (b) provides that the no-new-revenue maintenance and operations rate for a defunding municipality is decreased by the rate computed as: $\text{Municipal Public Safety Expenditure Adjustment} \div (\text{Current Total Value} - \text{New Property Value})$ Subsection (c) requires a defunding municipality to provide a notice of the decrease in the no-new-revenue maintenance and operations rate in the information published under Tax Code Section 26.04(e) and, as applicable, in the notice prescribed by Tax Code Section 26.06 or 26.061. The bill provides certain exceptions calculating the municipal public safety expenditure adjustment. Effective Sept. 1, 2021, and applies beginning with the 2021 tax year, except that Tax Code Section 26.0444(c), as added by this bill, does not apply for the 2021 tax year.
- Section 26.0501 HB 1900 adds this section to prohibit the governing body of a defunding municipality, notwithstanding any other provision of Tax Code Chapter 26 or other law, from adopting a tax rate for the current tax year that exceeds the lesser of the defunding municipality's no-new-revenue tax rate or voter-approval tax rate for that tax year. Added subsection (b-1) provides the governing body of the defunding municipality, notwithstanding subsection (b), if a municipality is determined to be a defunding municipality according to the budget adopted by the municipality for the first fiscal year beginning on or after Sept. 1, 2021, from adopting a tax rate for the current year that exceeds the least of the defunding municipality's no-new-revenue tax rate or voter-approval tax rate for that tax year, the preceding tax year, or the second preceding tax year. The bill provides that this subsection expires Sept. 1, 2023. Subsection (c) provides that, for purposes of making the calculation required under Tax Code Section 26.013 (Unused Increment Rate), in a tax year in which a municipality is a defunding municipality, the difference between the municipality's actual tax rate and voter-approval tax rate is considered to be zero. Effective Sept. 1, 2021, and applies beginning with the 2021 tax year. Section 26.052 HB 2723 adds subsection (e-1) to require that the notice provided under subsection (c) include the following statement: "Visit [Texas.gov/PropertyTaxes](https://www.visittexas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property." Effective June 3, 2021, and applies only to a notice required to be delivered for a property tax year that begins on or after Jan. 1, 2022. Section 26.06 HB 2723 amends subsections (b-1), (b-2), and (b-3) to add to the prescribed language for

Angelina County Appraisal District

2021 Local Annual Report in Compliance with IAAO *Standard on Public Relations*

Revised (12/12/21)

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hearing notices the statement: "VisitTexas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property." Effective June 3, 2021, and applies only to a notice required to be delivered for a property tax year that begins on or after Jan. 1, 2022.

- Section 26.061 HB 2723 amends subsection (b) to add to the prescribed language for the meeting notice the statement: "VisitTexas.gov/ PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property." Effective June 3, 2021, and applies only to a notice required to be delivered for a property tax year that begins on or after Jan. 1, 2022.
- Section 26.063 HB 2429 adds subsection (d) to provide that this subsection applies only to a taxing unit that is not required to hold an election under Tax Code Section 26.07 and for which the qualified voters of the taxing unit may not petition to hold an election under Tax Code Section 26.075. In the notice required to be provided by the taxing unit under Tax Code Section 26.06(b-1) or (b-3), as applicable, the taxing unit shall add prescribed language to the end of the list of rates included in the notice. The prescribed language lists the de minimis rate, provides a substitute definition of "voter-approval tax rate," adds a definition of "de minimis rate," and substitutes language regarding the notice that an election is required to include the proposed tax rate is greater than the voter-approval tax rate but not greater than the de minimis rate. If the taxing unit adopts the proposed tax rate, the taxing unit is not required to hold an election and the qualified voters of the of taxing unit may not petition to require an election to be held to determine whether to reduce the proposed tax rate. Effective May 15, 2021, and applies only to a tax rate notice that is provided by a taxing unit on or after the effective date.
- Section 26.07 SB 1438 amends subsection(b) to strike existing language regrading increased expenditure for a disaster which was added to new Tax Code Section 26.042(d). Effective June 16, 2021.
- Section 26.08 SB 1438 repeals subsection (a-1) relating to the calculation of a tax rate in a disaster area which was added to new Tax Code Section 26.042(e). Effective June 16, 2021. HB 3607 repeals subsection (n-1) as executed. Effective June 16, 2021.
- Section 26.10 SB 113 amends subsection (a) to provide that, if the appraisal roll shows that a property is eligible for taxation for only part of a year because an exemption, other than a residence homestead exemption or an exemption described by Subsection (d), applicable on January 1 of that year terminated during the year, the tax due against the property is calculated by using a certain formula. The bill adds subsection (d) to provide an exception for land received by an organization under Tax Code Sections 11.181, 11.182, or 11.1825 that terminated during the year because of the sale by the organization of a housing unit located on the land if: • the housing unit is sold to a family meeting the incomeeligibility standards established by Local Government Code Section 373B.006; • the organization retains title to the land on which the housing unit is located; and • before the date on which the housing unit is sold, the organization is designated a community land trust by the governing body of a municipality or county as provided by Local Government Code Section 373B.002. Effective Sept. 1, 2021, and applies only to property taxes imposed for a tax year that begins on or after the effective date.
- Section 26.1115 SB 8 (2nd CS) adds this section, "Calculation of Taxes on Residence Homestead Generally," to provide if an individual receives a homestead exemption under Tax Code Section 11.13 as provided by Tax Code Section 11.42(f), for a portion of a tax year, the tax exemption would be prorated based on the portion of the year the owner qualified for the exemption on that homestead. The bill also requires the taxes be prorated should the exemptions terminate during the year in which the individual acquires the property. The bill specifies calculations for prorating the amount of taxes due depending on when the individual first qualified. The bill would require the assessor for each taxing unit take certain actions depending on the timing of the homestead exemption qualification and when taxes are calculated, tax bills mailed and paid. Effective Jan. 1, 2022, and applies only to a residence homestead acquired on or after the effective date.
- Section 26.175 HB 2723 adds this section to require the Department of Information Resources (DIR) develop and maintain an easily accessible Internet website that lists each property tax database and includes a method to assist a property owner to identify the appropriate property tax database for the owner's property. The bill requires that the Internet website provide a separate link to the Internet location of each property tax database and the address of the Internet website be "Texas. gov/PropertyTaxes." Effective June 3, 2021, and DIR shall develop the required internet website not later than Jan. 1, 2022.

Chapter 31. Collections

- Section 31.032 SB 742 amends the title of this section to "Installment Payments of Taxes on Property in Disaster Area or Emergency Area that has been Damaged as a Result of Disaster or Emergency." The bill amends subsection (a) to expand an installment payment option for taxes on property located in an emergency or damaged as a direct result of the emergency. The bill amends subsection (g) to define "Emergency" as a state of emergency proclaimed by the Governor under Government Code Section 433.001. The bill defines "Emergency area" to mean an area designated by the Governor to be affected by an emergency under Government Code Section 433.001. Effective June 7, 2021.
- Section 31.033 SB 742 adds this section titled "Installment Payments of Taxes on Property in Disaster Area or Emergency Area That Has Not Been Damaged as a Result of Disaster or Emergency." The bill defines

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“disaster,” “disaster area,” “emergency,” and “emergency area” to have the meanings assigned by Tax Code Section 31.032(g). The bill provides that this section applies only to: • real property that: – is owned or leased by a business entity that had not more than the amount calculated as provided by Tax Code Section 31.032(h) (relating to a certain limit on gross receipts) in gross receipts in the entity’s most recent federal tax year or state franchise tax annual period, according to the applicable federal income tax return or state franchise tax report of the entity; – is located in a disaster area or emergency area; and – has not been damaged as a direct result of the disaster or emergency; • tangible personal property that is owned or leased by a business entity described by Subdivision (1)(A); and • taxes that are imposed on the property by a taxing unit before the first anniversary of the disaster or emergency. The bill authorizes the governing body of a taxing unit to authorize a person to pay property taxes in four equal installments on real and tangible personal property not damaged by a disaster if it is located in a disaster area or emergency area and owned or leased by a business entity with annual gross receipts under a specified threshold. The Comptroller shall adopt rules to implement this section. Effective June 7, 2021.

- Section 31.06 SB 1764 amends subsection (a) to provide an exception to the requirement of a tax collector to accept United States currency or a check or money order in payment of taxes and to accept payment by credit card or electronic funds transfer. The bill adds subsection (e) to authorize a collector to adopt a written policy that requires payment of delinquent taxes, penalties, interest, and costs and expenses recoverable under Tax Code Section 33.48 only with United States currency, a cashier’s check, a certified check, or an electronic funds transfer if the payment relates to personal property seized under Tax Code Chapter 33, Subchapter B, Seizure of Personal Property; property subject to an order of sale under Tax Code Chapter 33, Subchapter C, Delinquent Tax Suits; or real property seized under Tax Code Chapter 33, Subchapter E, Seizure of Real Property. Effective June 16, 2021.
- Section 31.11 HB 988 amends subsection (h) to provide that Tax Code Section 31.11, Refunds of Overpayments or Erroneous Payments, does not apply to an overpayment caused by a change of exemption status or correction of a tax roll, including an overpayment received after a correction of a tax roll as a result of an appeal under Tax Code Chapter 42. Effective Jan. 1, 2022.

Chapter 33. Delinquency

- Section 33.06 HB 3629 amends subsection(b) to prohibit a taxing unit from filing suit to collect delinquent taxes on a property and the property is prohibited from being sold at a sale to foreclose the tax lien until the 181st day after the date the collector for the taxing unit delivers a notice of delinquency of the taxes following the date the individual no longer owns and occupies the property as a residence homestead, rather than the 181st day after the date the individual no longer owns and occupies the property as a residence homestead. The bill amends subsection (c) to require the court abate a suit until the 181st day after the date the collector for the taxing unit delivers a notice of delinquency of the taxes following the date the individual no longer owns and occupies the property as a residence homestead, rather than the 181st day after the date the individual no longer owns and occupies the property as a residence homestead. Subsection (c-1) is amended to prohibit property from being sold at a tax sale until the 181st day after the date the collector for the taxing unit delivers a notice of delinquency of the taxes following the date the individual no longer owns and occupies the property as a residence homestead, rather than the 181st day after the date the individual no longer owns and occupies the property as a residence homestead. The bill amends subsection (f) to provide that if an individual qualifies for a deferral or abatement of collection of taxes on property provided by this section dies, notwithstanding the other provisions, the deferral or abatement continues in effect until the 181st day after the date the collector for the taxing unit delivers a notice of delinquency of the taxes following the date the surviving spouse of the individual no longer owns and occupies the property as a residence homestead under certain circumstances, rather than the 181st day after the date the surviving spouse of the individual no longer owns and occupies the property as a residence homestead under certain circumstances. Effective Sept. 1, 2021.
- Section 33.08 SB 742 amends subsection (b) to provide that taxes that become delinquent on or after June 1 under Tax Code Section 31.033 incur an additional penalty to defray collection costs if provided by the governing body of a taxing unit or appraisal district. Effective June 7, 2021.
- Section 33.25 HB 533 amends subsections (a) and (b) to remove the county population limitation for counties that may have someone other than a peace officer advertise and conduct personal property auction tax sales, including online bidding and sale. Effective Sept. 1, 2021 and applies only to an ad valorem tax sale of personal property seized under a tax warrant issued on or after the effective date.

Chapter 41. Local Review

- Section 41.01 HB 988 adds subsections (c), (d) and (e) to require an appraisal review board adopt hearing procedures by rule. Before adopting the hearing procedures, the board must hold a public hearing not later than May 15 to consider the hearing procedures proposed for adoption. The bill requires the appraisal review board to comply with Tax Code Section 5.103(d) when adopting hearing procedures and provides that the chairman is responsible for the administration of hearing procedures. The appraisal review board must distribute copies of the hearing procedures to the appraisal district board of directors, the appraisal district’s taxpayer liaison officer and the Comptroller not later than the 15th day after the date the hearing procedures are adopted. The adopted hearing procedures must be posted in a prominent place in each room in which hearings are conducted and on

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the appraisal district's website if the appraisal district maintains one. Effective June 15, 2021.

- Section 41.413 SB 1088 and SB 1421 amend subsections (d) and (e) to clarify that lessees of real property contractually obligated to reimburse the property owner for taxes are entitled to receive notice of appraised value. Effective Sept. 1, 2021, and applies only to a notice of appraised value received by a property owner on or after the effective date.
- Section 41.44 HB 988 amends subsection (d) to require a notice of protest form to permit a property owner to request that the protest be heard by a single-member panel authorized by Tax Code Section 41.45(b-4). Effective Jan. 1, 2022. SB 63 amends subsection (d) to require a notice of protest form permit a property owner who believes that the owner's property was appraised at a value that exceeds its appraised value, was appraised unequally, or both, to select a single box to indicate that the owner is filing a protest for either or both reasons if the form includes boxes a property owner is required to select to indicate the reason for filing a protest. Effective Sept. 1, 2021.
- Section 41.445 HB 988 adds this section to require the appraisal office hold an informal conference with each property owner who files a notice of protest with the appraisal review board and requests an informal conference. An informal conference must be held before the hearing on the protest. Effective Jan. 1, 2022 and applies only to a protest under Tax Code Chapter 41 for which a notice of protest is filed by a property owner on or after Jan. 1, 2022.
- Section 41.45 SB 63 amends subsection (a) to require an appraisal review board to schedule a protest hearing to be held as soon as practicable but not later than the 90th day after approval of the appraisal records. Effective Sept. 1, 2021, and applies only to a protest for which the notice of protest was filed on or after the effective date. HB 988 amends subsection (b-1) to strike the provision requiring an appraisal review board conduct a hearing on a protest by telephone conference call if the appraisal review board proposes that the hearing be conducted by telephone conference call. The bill adds subsections (b-4) and (b-5) to require a protest be heard by a single-member panel on request of the property owner and to provide that if the recommendation of a single-member panel is not accepted by the board, the board may refer the matter for rehearing to a different single-member panel or the board may determine the protest. The bill amends subsections (d), (d-2), and (d-3) to provide that subsection (d) does not apply to a single-member panel established under subsection (b-4) of this section. The bill requires the appraisal review board make a determination of a protest heard by a single-member panel and to deliver notice of a hearing or meeting to determine a protest heard by a single-member panel, or to rehear a protest. Effective Jan. 1, 2022, and applies only to a protest under Tax Code Chapter 41 for which a notice of protest is filed by a property owner on or after Jan. 1, 2022. SB 1919 amends subsections (b), (b-1), (b-2), (b-3), and (n) to allow a property owner to appear at appraisal review board hearings by videoconference. The bill adds subsection (b-4) to provide that an appraisal review board established for a county with a population of less than 100,000 and that lacks the technological capability to conduct a videoconference is not required to conduct a hearing by videoconference. Effective Sept. 1, 2021, the changes in law made by this bill apply only to a protest under Tax Code Chapter 41 for which a notice of protest was filed by a property owner on or after the effective date of this bill.
- Section 41.46 SB 63 adds subsection (f) to require that an appraisal review board in counties with a population of 120,000 or more, send an electronic reminder by email or text stating the date, time and place of a protest hearing upon written request of a property owner. The board must deliver the electronic reminder to the property owner not earlier than the 7th day after delivering the notice of protest hearing and not later than one day before the date of the protest hearing. Effective Sept. 1, 2021, and applies only to a protest for which the notice of protest was filed on or after the effective date.
- Section 41.461 HB 988 amends subsection (a) to require the chief appraiser deliver a copy of the hearing procedures adopted by the appraisal review board under Tax Code Section 41.01 to the property owner at least 14 days before a hearing on a protest. Effective June 15, 2021.
- Section 41.47 HB 988 amends subsection (c) to require an appraisal review board determination of value list separately the value of the land and improvements. The bill adds subsection (d-1) to specify the following additional requirements for appraisal districts established in counties with a population of 120,000 or more. The bill requires the chief appraiser, on written request, to deliver by email a copy of the notice of issuance of the order and a copy of the order of determination if the property subject to the order is not the subject of an agreement under Tax Code Section 1.085. The request can only be submitted by the property owner, an attorney representing the property owner, or an individual designated by the property owner. The request must be submitted before the protest hearing relating to each property included in the request and the chief appraiser must deliver a copy of the notice of issuance of the order and a copy of the order of determination not later than the 21st day after the date the appraisal review board issues the order. Effective Jan. 1, 2022, and applies only to a protest under Tax Code Chapter 41 for which a notice of protest is filed by a property owner on or after Jan.1, 2022.
- Section 41.66 HB 988 amends subsection (a) to require the appraisal review board conduct hearings in accordance with the adopted hearing procedures. The bill adds subsection (q) to authorize a property owner or chief appraiser to file a complaint with the appraisal district's taxpayer liaison officer alleging that the appraisal review board adopted or is implementing hearing procedures that are not in compliance with the Comptroller's

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model hearing procedures or not complying with Tax Code Chapter 41 procedural requirements. The bill requires the taxpayer liaison officer to investigate the complaint and report the findings of the investigation to the appraisal district board of directors. If the board determines the allegations in the complaint are true after reviewing the taxpayer liaison's report, the board of directors is to direct the chairman of the appraisal review board take remedial action. The bill authorizes the board of directors to remove the appraisal review board member serving as chairman from the chairman position if the board determines that the chairman failed to take actions necessary to bring the appraisal review board into compliance with Tax Code Section 5.103(d) or Tax Code Chapter 41, as applicable. Effective June 15, 2021.

- Section 41.67 SB 63 adds subsection (e) to prohibit a chief appraiser from offering evidence or argument in support of a reason for modifying or denying an exemption or special appraisal application other than a reason stated in the notice delivered to the applicant unless certain criteria are met. Effective Sept. 1, 2021, and applies only to a protest for which the notice of protest was filed on or after the effective date. Chapter 41A. Appeal Through Binding Arbitration Section 41A.015 HB 988 adds this section to authorize a property owner who has filed a notice of protest to file a request for limited binding arbitration to compel the appraisal review board or chief appraiser take certain action to compel the appraisal review board or chief appraiser, as appropriate, to: (1) rescind procedural rules adopted that are not in compliance with the Comptroller's model hearing procedures prepared under Tax Code Section 5.103; (2) schedule a hearing on a protest as required by Tax Code Section 41.45; (3) deliver information to the property owner in the manner required by Tax Code Section 41.461; (4) allow the property owner to offer evidence, examine or cross-examine witnesses or other parties and present arguments as required by Tax Code Section 41.66(b); (5) set a hearing for a time and date certain and postpone a hearing that does not begin within two hours of the scheduled time as required by Section Tax Code 41.66(i); (6) schedule hearings on protests concerning multiple properties identified in the same notice of protest on the same day at the request of the property owner or the property owner's designated agent as required by Tax Code Section 41.66(j) or (7) refrain from using or offering as evidence information requested by the property owner under Tax Code Section 41.461 that was not delivered to the property owner at least 14 days before the hearing as required by Tax Code Section 41.67(d). The bill prohibits a property owner from filing a request for limited binding arbitration unless: (1) the property owner has delivered written notice to the appraisal review board chairman, the chief appraiser and the appraisal district's taxpayer liaison officer by certified mail, return receipt requested, of the procedural requirement with which the property owner alleges the appraisal review board or chief appraiser failed to comply on or before the fifth business day after the date the appraisal review board or chief appraiser was required to comply with the requirement; and (2) the appraisal review board chairman or chief appraiser, as applicable, fails to deliver to the property owner on or before the 10th day after the date the notice is delivered a written statement confirming that the appraisal review board or chief appraiser will comply with the requirement or cure a failure to comply with the requirement. Except as otherwise provided by Subtitle F, the failure to comply with a procedural requirement listed under Subsection (a) is not a ground for postponement of a protest hearing. The appraisal review board is authorized to cure an alleged failure to comply with a procedural requirement that occurred during a hearing by rescinding the order determining the protest for which the hearing was held and scheduling a new hearing on the protest. A property owner is required to request limited binding arbitration by filing a request with the Comptroller. The property owner is prohibited from filing the request earlier than the 11th day or later than the 30th day after the date the property owner delivers the notice of the alleged violation to the appraisal review board chairman, the chief appraiser, and the taxpayer liaison officer for the applicable appraisal district. The bill requires a request for limited binding arbitration be in a Comptroller-prescribed form and be accompanied by an arbitration deposit payable to the comptroller in the amount of: (1) \$450, if the property that is the subject of the protest to which the arbitration relates qualifies as the property owner's residence homestead under Tax Code Section 11.13 (Residence Homestead) and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the appraisal district for the most recent tax year; or (2) \$550, for property other than property described by Subdivision (1). The bill requires the Comptroller's office to prescribe the limited binding arbitration request form and that the form require the property owner to provide: (1) a statement that the property owner has provided the required written notice of violation; (2) a statement that the property owner has made the required arbitration deposit; (3) a brief statement identifying the procedural requirement with which the property owner alleges the appraisal review board or chief appraiser, as applicable, has failed to comply; (4) a description of the action taken or not taken by the appraisal review board or chief appraiser regarding the procedural requirement; (5) a description of the property to which the award will apply; and (6) any other information reasonably necessary for the Comptroller to appoint an arbitrator. The bill requires the Comptroller, on receipt of the request and deposit, to appoint an arbitrator from the arbitrator registry who is an eligible licensed attorney. The bill provides that the appraisal review board, the chief appraiser and the property owner are parties to the limited binding arbitration and authorizes the appraisal review board to appear by counsel, chairman or a person designated by the chairman. The chief appraiser may appear by counsel, in person or by a designated employee, and the property owner may appear in the manner provided by certain subsections. The bill requires the arbitrator to make an arbitration award and deliver an electronic copy of it to the property owner, the appraisal review board chairman, the chief appraiser and the Comptroller. The bill provides that an award under this section: (1) must include a determination of whether the ARB or chief appraiser failed to

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comply with a procedural requirement as alleged in the limited binding arbitration request; (2) if the arbitrator determines that the appraisal review board or chief appraiser failed to comply with a procedural requirement as the request alleged, to the arbitrator must direct the appraisal review board or chief appraiser, as applicable, to comply with the procedural requirement, or, if the hearing on the protest has been held and the appraisal review board has issued an order determining the protest, the arbitrator must direct the appraisal review board to rescind the order and hold a new hearing on the protest that complies with the procedural requirement; (3) is required to specify the arbitrator's fee; (4) is final and is prohibited from being appealed; and (5) is enforceable as provided by Tax Code Section 41A.09 (Award; Payment of Arbitrator's Fee). The bill provides that, if the arbitrator determines that the appraisal review board or chief appraiser failed to comply with the procedural requirement that was the subject of the limited binding arbitration: (1) the comptroller, on receipt of a copy of the award, must refund the property owner's arbitration deposit, less the Comptroller's \$50 administration fee (relating to authorizing the comptroller to retain \$50 of the property owner's arbitration deposit to cover the comptroller's administrative costs); and (2) the appraisal district must pay the arbitrator's fee. The bill requires the Comptroller pay the arbitrator's fee out of the owner's arbitration deposit and to refund to the owner the owner's arbitration deposit, less the arbitrator's fee and the Comptroller's \$50 administration fee, if the arbitrator determines that the appraisal review board or chief appraiser complied with the procedural requirement that was the subject of the limited binding arbitration. The appraisal review board or the chief appraiser, as soon as practicable after receiving notice of an award, must take any action required to comply with the requirements of the award, and, if the award requires the appraisal review board to conduct a new hearing, to schedule and conduct the hearing. An award under this section does not affect the property owner's right to appeal the final determination of a protest by the appraisal review board under Tax Code Chapter 42 or to pursue any other legal or statutory remedy available to the property owner. A property owner may request a single limited binding arbitration that covers more than one property, more than one protest hearing or an allegation of the failure by the appraisal review board or chief appraiser to comply with more than one procedural requirement so long as the filing requirements are met for each alleged failure to comply. The arbitration deposit amount and the arbitrator's fee are computed as if a single property were the subject of the arbitration. If the arbitration involves an allegation of the failure by the appraisal review board or chief appraiser to comply with procedural requirements, the bill requires the appraisal review board to come into compliance or, if an order was already issued, rescind the order and hold a new hearing. The bill specifies that Tax Code Section 41A.06 applies to the registration and qualification of an arbitrator under this section except that an arbitrator under this section is required to be a licensed attorney and is required to agree to conduct an arbitration for a fee that is not more than \$400 if the property qualifies as the property owner's residence homestead and the appraised or market value of the property is \$500,000 or less or \$500 if the property subject to the arbitration is for any other type property. Except as otherwise provided, the provisions of this chapter apply to a limited binding arbitration under this section. In the event of a conflict between this section and another provision of this chapter, this section controls. Effective June 15, 2021.

- Section 41A.10 SB 1854 and HB 988 amend subsection (a) to create an exception to the requirement that a property owner pay certain taxes on property subject to appeal for a property owner who has elected to defer the collection of taxes under Tax Code Section 33.06 or 33.065 and for which the deferral is still in effect. The bills add subsection (c) to provide that, for the purposes of a property owner from filing an appeal through binding arbitration, taxes are not considered delinquent on property subject to an appeal if the property owner has elected to defer the collection of taxes on the property under Tax Code Section 33.06 or 33.065 and the deferral is still in effect. Effective Sept. 1, 2021. The changes in law made by this bill apply only to a request for binding arbitration under Tax Code Chapter 41A, that is filed on or after the effective date of this bill. (SB 1854) Effective Jan. 1, 2022, and applies only to a request for binding arbitration under Tax Code Chapter 41A that is filed on or after the effective date. (HB 988)

Chapter 42. Judicial Review

- Section 42.015 HB 988 amends subsection (a) to provide that a person leasing property who is contractually obligated to reimburse the property owner for property taxes is entitled to appeal an appraisal review board order determining a protest relating to the property brought by the property owner if the property owner does not appeal the order. Effective June 15, 2021, and applies to an appeal under Tax Code Chapter 42 that is pending on the date the amendments to those sections take effect under this bill or that is filed on or after that date.
- Section 42.23 HB 988 amends subsection (e) to prohibit a court from entering an order that conflicts with Tax Code Section 42.23(d), relating to each party to an appeal of an appraisal review board order being considered a party seeking affirmative relief for the purpose of discovery regarding expert witnesses, including a protective order under Rule 192.6 of the Texas Rules of Civil Procedure. Effective June 15, 2021, and applies to an appeal under Tax Code Chapter 42 that is pending on the date the amendments to those sections take effect under this bill or that is filed on or after that date.

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Achievements in Operations and Appraisal

The appraisal district continuously works to improve efficiencies within its operations. The following activities are reviews performed to enhance the operations and appraisal performance within the appraisal district. Both reviews are performed by the Texas Comptroller's Property Tax Assistance Division, under guideline from the *Texas Property Tax Code* and Comptroller rule. All results and recommendations are available on the Texas State Comptroller Property Tax Assistance Division website.

- Appraisal
 - Property Value Study
The Property Value Study (PVS) is conducted by the Property Tax Assistance Division (PTAD) of the State Comptroller's Office to estimate a school district's taxable property value through the effectiveness of the District's appraisals. If the District's appraised values in a school district are within the acceptable range (5% of market value) then the values are certified to the Commissioner of Education. The PVS results are used for school district's state funding and are available on the Comptroller's website. Angelina CAD did undergo a PVS in 2020, which revealed low appraised values for commercial and residential properties across the county. Angelina CAD did undergo a PVS in 2021, for which results will be released in 2022.

Operations

- MAP Review
The Methods and Assistance Program (MAP) review is conducted in accordance with Tax Code Section 5.10 (a), effective January 1, 2010, and related State Comptroller rule 9.301. The Property Tax Assistance Division (PTAD) performed the review. As part of the MAP review process, the appraisal district is required to submit, in advance of the review, electronic copies of procedures, policies, notices, manuals and related materials necessary for the completion of this review. Comptroller reviewers also collect related information at the time of the on-site review, compare appraisal district records to existing property and locate property using district maps. Each appraisal district is reviewed every other year. The review conducted by the Comptroller's Office reviews the appraisal districts: governance; taxpayer assistance; operating procedures; and appraisal standards, procedures and methodology. Angelina County underwent a MAP Review in 2021, for which the results are to be released in 2022.

- **Angelina County Appraisal District Ratings:**

Mandatory Requirements	RATING
Does the appraisal district have up-to-date appraisal maps?	PENDING
Is the implementation of the appraisal district's most recent reappraisal plan current?	PENDING
Does the appraisal district comply with its written procedures for appraisal?	PENDING
Are values reproducible using the appraisal district's written procedures and appraisal records?	PENDING
Appraisal District Activities	RATING
Governance	PENDING
Taxpayer Assistance	PENDING
Operating Procedures	PENDING
Appraisal Standard, Procedures, and Methodology	PENDING