

**Property Tax Issues**

What Every Commissioners Court  
Needs to Know

Presented by:  
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**Disclaimer**

The opinions of the speaker do not represent:

- V.G. Young Institute of County Government
- Texas A&M AgriLife Extension Service
- Tax Assessor-Collectors Association of Texas
- Texas Association of Counties
- Four Daughters, Two Sons-in-Law, Three Grandsons
- One Dog, Three Cats

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**Session Overview**

- Explain the Property Tax System in Texas
- Discuss the Property Tax Calendar
- Understand the Role of the Appraisal District
- Understand the Role of County Officials in the Taxing Process

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**Definitions**

**Care** – verb,  
to be concerned; have thought of regard.

**Property Tax Levy** =  
Appraised value x Approved tax rate

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**Property Tax Calendar**  
24-Month Period

- January 1<sup>st</sup> – Date value is determined
- January through April – Value determined by the Appraisal District
- May through July – Protesting values with the Appraisal Review Board (ARB)
- July 25<sup>th</sup> – Values certified by the Chief Appraiser to the Tax Assessor
- August through September – Setting the Tax Rate and the Tax Roll
- October through January – Tax Collection
- February through June – Delinquent Tax Collection
- July 1<sup>st</sup> – Delinquent taxes forwarded to the Delinquent Tax Attorneys
- December – Property sold on the courthouse steps

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**Why Do We Care?**

Constituents care about how much money they pay;  
one of the topics that will generate the most attention  
(i.e. telephone calls)

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## Appraisal District

Sec. 6.01. Appraisal Districts Established

- (a)...in each county.
- (b)...is responsible for appraising property ...for ad valorem tax purposes...
- (c)...is a political subdivision of the state.

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## Appraisal District

Sec. 6.03. Board of Directors

- (a) Five directors are appointed by the taxing units that participate in the district...

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## Why Do We Care?

**Commissioners Court** is a taxing unit participating in the district.

Which means –

**You vote on the board of directors!**

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### Appraisal District Timing

- April 1<sup>st</sup> – Chief appraiser shall deliver...notice to property owners (Sec. 25.19 (a))
- April 30<sup>th</sup> - Deadline for chief appraiser to provide preliminary tax roll values (Sec. 26.01(e))
- May 15<sup>th</sup> - Chief appraiser shall submit appraisal records to ARB (Sec. 25.22 (a))
- July 25<sup>th</sup> – Deadline for chief appraiser to certify appraisal role to tax assessor-collector (Sec. 26.01)

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### Appraisal Review Board

Sec. 41.01 Duties of Appraisal Review Board

- (1) Determine protests initiate by property owners
- (2) Determine challenges initiated by taxing units
- (3) Correct clerical errors in the appraisal records and roll
- (4) Act on motions...under Section 25.25
- (5) Determine whether an exemption...is improperly granted...
- (6) Take any other action...that this title specifically authorizes

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### Appraisal Review Board

- Consists of three members but may be increased to more
- Members must have lived in the district at least two years
- Appointed by the district board of directors for population under 120,000
- Population of 120,000 or more, appointed by the local administrative district judge

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## Certification of Appraisal Roll

Sec. 26.01. Submission of Rolls to Taxing Units

- (a) By July 25, the chief appraiser shall prepare and certify to the assessor...the appraisal roll for the district...

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## Why Do We Care?

- Certified values are one part of the equation to compute the Property Tax Levy
- Receipt of the appraisal roll begins the rate setting process
- Tax Code Section 26.04(c) requires an officer or employee designated by the **governing body** to calculate the no-new-revenue and voter-approval tax rate for the taxing unit. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest.

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## By August 1 (or as soon thereafter as practicable)

- Sec. 26.04 (b) The assessor shall submit the appraisal roll for the taxing unit...to the **governing body**...
- The taxing unit's collector shall certify the anticipated collection rate...for the current year to the **governing body**
- The designated officer must calculate the NNR & VAR and submit and certify the calculation to the county tax assessor-collector

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### By August 7 (or as soon thereafter as practicable)

- Sec. 26.04(e). The designated officer shall submit the rates to the **governing body**...(and) post prominently on the home page of the...website in the form prescribed by the comptroller...
- The chief appraiser must deliver by mail or email a notice of where the estimated amount of taxes imposed on the property to each property owner in the county may be accessed. (New for counties under 200,000 population)

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### Tax Rates

- No New Revenue (Effective) – Last year’s revenue based on last year’s property
- Voter Approval (Rollback) – Normally 3.5% increase from the prior year
- De Minimis - would impose \$500,000 of taxes
- Unused Increment - Difference between VAR and the Actual Tax Rate
- Proposed
- Adopted

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### Procedures to Adopt A Tax Rate

- Before the later of September 30 or the 60<sup>th</sup> day after the date the certified appraisal roll is received.
- May not hold a hearing on a proposed tax rate or to adopt a tax rate until the 5<sup>th</sup> day after the date the chief appraiser has delivered the required notices to property owners and made available the rate calculations on the website.
- May adopt a tax rate at the public hearing, but not later than the 7<sup>th</sup> day after the date of the public hearing.

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### Procedures Hearings & Meetings

- Public hearing on the tax rate
  - What am I supposed to do or say at the hearing?
  - What if no one shows up?
- Meeting to adopt tax rate
  - Must take a separate vote from the vote on the budget
  - Adopt the M&O rate and the I&S rate individually
  - Must be a record vote, and at least 60% of the **Court** must be in favor to pass
  - At least four members of the **Court** must be present

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### If the Commissioners Court wishes to adopt a tax rate that exceeds the Voter- Approval Rate...

- Tax Code 26.05(a) Adoption of the tax rate must not be later than the 71<sup>st</sup> day before the November election date
- Election Code 3.005(c) Note that the deadline to order an election to be held on the November uniform election date is the 78<sup>th</sup> day before election day. (August 16, 2021)

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### Tax Rate Calendar

Key dates on the tax rate calendar (deadlines)

- Value estimates – from CAD – April 30
- Certified values – from CAD – July 25
- Tax Assessor shall submit rates to **governing body** – August 7
- Injunction deadline – Within 15 days for tax rate adoption
- Adoption of a tax rate – before September 30

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### Why Do We Care?

- If not done in good faith, a judge can rule on an injunction
- If not done timely, NNR or prior year rate, which ever rate is less
- Tax Rates are the other half of the equation of the property tax levy

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### Review - Do We have Problems?

- What happens if we don't do all of this?
- What if we are late and miss one of the deadlines?
- Someone else does all of this, and they just tell me when to be at the meeting...

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### Property Tax Statements

- October 1<sup>st</sup> – Mail tax bills (or as soon thereafter as practicable)
- February 1<sup>st</sup> – Taxes become delinquent
- Some taxing units offer 3-2-1 Discounts
- Others offer Split Payments (12/1 and 7/1)

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### Why Do We Care?

- Constituents care...and they may call **YOU!**
- Cash flow – Some may need money at different times
- Late payment – Please waive the penalty and interest

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### Waiver of Penalty and Interest

- Tax Assessor-Collector not authorized to waive P&I
- **Governing body** SHALL waive if an act or omission of an... agent...caused the taxpayer's failure to pay
- **Governing body** MAY waive P&I only for specific circumstances (consult your TAC or attorney)
- Sec. 1.08 defines post office cancellation or common carrier receipt mark as delivery date
- Sec. 31.01(g) ...failure to send or receive the tax bill...does not affect the validity of the tax, penalty, or interest...

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### Attorneys Representing Taxing Units

- The **governing body** ... may contract with any competent attorney to represent the unit to enforce the collection of delinquent taxes
- Delinquent accounts are transferred to outside attorneys on July 1<sup>st</sup> of each year

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## Why Do We Care?

To best represent the public as a member of a **governing body**, one should seek as much knowledge regarding their charge or task to clearly and accurately dispose of their duties and to assist in teaching the public about the property tax system. One of the best places to start is at home.....

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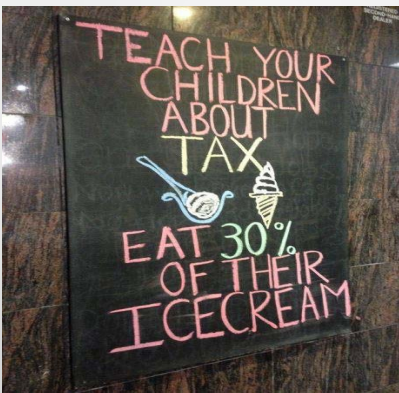
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## Session Review References

- Texas Property Tax Code
- Texas State Comptroller – Property Tax Assistance Division
  - <https://comptroller.texas.gov/taxes/property-tax/>
  - Truth in Taxation
  - Calculation worksheets
  - Your rates are on there
- Texas Association of Counties – [www.county.org](http://www.county.org)
  - Sample planning calendars and handbooks

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**Closing**

- Final Questions?
- Contact Information

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