



# **HARRIS COUNTY APPRAISAL DISTRICT**

## **BOARD OF DIRECTORS' POLICY MANUAL**

*As amended through January 2010*

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# FOREWORD

The Harris County Appraisal District is a political subdivision of the State of Texas created by the legislature through enactment of Subchapter A, Chapter 6, Tax Code. The district's primary responsibility is the development of an appraisal roll for use by taxing units in imposing ad valorem taxes on property in the district. The district's mission statement, adopted by the board of directors in 1992, states:

*Our mission is to courteously and efficiently serve the property owners and taxing units of Harris County by timely producing an accurate, complete, and equitable appraisal roll.*

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

The appraisal district's boundaries are the same as the county's boundaries

Taxing units bear all costs of district operations. Each unit pays a share based on the proportion of the property taxes imposed in the district by the unit to the total property taxes imposed in the district by each participating unit for that year. For example, if a city levy represents 31 percent of all the taxes levied within an appraisal district, it will fund 31 percent of the appraisal district budget. Taxing units that have the right to vote in director elections<sup>1</sup> may veto the appraisal district's budget and any other action of the board of directors. To do so, a majority of the units must file resolutions vetoing the action within 30 days of the date the action takes place.

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<sup>2</sup> Cities, School Districts, the County, and Municipal Utility Districts

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## **BOARD OF DIRECTORS**

A board of six directors governs the appraisal district. Board members select the chief appraiser, adopt the annual district budget, appoint the chair and secretary of the ARB, and ensure that the district follows policies and procedures set by law. The board does not appraise property or make decisions that affect the appraisal records. Members of the board may not discuss appraisal matters with the chief appraiser except in open meetings or other forums or in closed meetings held for the purpose of discussing pending litigation.

### **Term**

Members of the board serve two-year terms beginning on January 1 of even-numbered years.

### **Selection**

The Harris County Appraisal District has six board members. Taxing units select members as follows:

Harris County, the City of Houston, and Houston Independent School District each appoint one representative to the board. The cities other than Houston choose one representative by election. The schools districts other than Houston ISD choose one representative by election. The conservation and reclamation districts choose one representative by election. Currently, the county-assessor collector serves as Harris County's appointed representative. Should Harris County choose to appoint someone other than the assessor-collector, the assessor-collector would serve as a 7th, but non-voting, member of the board. The chief appraiser administers the selection process in the fall of each odd-numbered year.<sup>2</sup>

### **Vacancies on the Board**

When a vacancy occurs, the governing body or bodies of the taxing unit or units that appointed the person who vacated the position select the replacement. The procedure used is the same as that for the original appointment.

### **Recall**

The governing body of a taxing unit that participated in the appointment of a board member may initiate the recall of that member. Harris County, the City of Houston, and the Houston Independent School District may recall their representatives by resolution of the governing body. The members representing the other cities, other school districts, or conservation and reclamation districts may be recalled by election. These units pass a resolution calling for the recall of their representative

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<sup>2</sup> The selection process is based upon resolutions adopted by at least three-fourths of the taxing units in 1981 pursuant to Section 6.031 of the Property Tax Code, and a 1991 resolution of the board of directors pursuant to Sections 6.03(c) and 6.031(a). Copies of these resolutions may be obtained from the Office of the Chief Appraiser.

on the board. The units then hold an election on the recall. If a majority of units vote for the recall, the member is recalled and the unexpired term is filled in the same manner as any vacancy.

### **Eligibility**

Board members must reside within the boundaries of Harris County Appraisal District. To be eligible to serve on the appraisal district board, a person must have lived in the district for at least two years just prior to his or her swearing in. The law bars all taxing unit employees other than elected officials and governing body members from serving on the appraisal district board of directors. There is no limit on the number of officials who may serve.

The law also bars a person from serving on the board of directors if that person is party to a contract with the appraisal district or to a contract involving property tax matters with a taxing unit in the district. This prohibition applies if the person has a substantial interest in a business with such contracts.<sup>3</sup>

Persons are also ineligible to serve as district directors or ARB members if a relative within the second degree by blood or marriage does business in the appraisal district as a paid property tax agent or as a fee appraiser who performs appraisals for use in property tax proceedings. The chart below lists most relatives within the various degrees.

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<sup>3</sup> "Substantial interest" means that the person and the person's spouse together own at least 10 percent of the voting stock or shares in the business, or that either of them is a partner, limited partner, or officer of the business. These same restrictions apply to appraisal review board members.

"Business entity" means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or other entity recognized by law.

<b>Relatives</b>
<b>1st Degree by Blood:</b> Parents            Stepparents Children          Stepchildren
<b>1st Degree by Marriage:</b> Spouse            Spouses Stepparents Spouse's parents   Spouses Stepchildren Spouse's children
<b>2nd Degree by Blood:</b> Grandparents Grandchildren Brothers & sisters
<b>2nd Degree by Marriage:</b> Spouses of relatives listed under blood Spouse's grandparents Spouse's grandchildren Spouse's brothers & sisters
<b>3rd Degree by Blood:</b> Great grandparents Great grandchildren Nieces & nephews Aunts & uncles

Violation of these prohibitions is a Class B misdemeanor. A Class B misdemeanor is punishable by a fine of up to \$1000 and/or six months in jail.

## **Officers of the Board**

The board elects a chairman and a secretary at its first meeting each calendar year. The board elects a replacement to fill a vacancy at the first meeting after the vacancy occurs.

The duties of the chairman include:

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

The chairman may vote on any motion.

The secretary's duties include:

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

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

## **Compensation**

Members of the board do not receive compensation for service on the board. Members do receive reimbursement for actual and necessary expenses incurred in the performance of their duties as provided by the appraisal district budget.

## **Meetings**

The board normally meets in the board room of the district offices at 13013 Northwest Freeway, Houston, Texas. The board may designate a different meeting place if needed. Meetings start promptly at the scheduled hour or as soon afterward as a quorum is present.

A majority of the members of the board constitute a quorum.

The board holds a regular meeting on the third Wednesday of each month beginning at 9:30 a.m. The chairman may call special meetings or emergency meetings. The board may vote to call special or emergency meetings during any meeting.

The chief appraiser prepares and posts meeting notices as required by law on behalf of the board. Only items posted in the meeting notice may be acted upon at a meeting.

The board conducts its meetings under Roberts Rules of Order Revised unless otherwise directed by board policy.

The board may hold a closed or executive session that excludes the public to the extent permitted by law.

The chief appraiser prepares the meeting notice and agenda on behalf of the board. The chief appraiser normally mails or delivers an agenda packet outlining the agenda and providing support information to each member at least forty-eight (48) hours before the time of the next regular meeting. The packet shall include the minutes of the previous regular meeting.

The first order of business at a meeting is approval of minutes of the preceding meeting. The secretary signs the minutes when approved. The chief appraiser keeps the official minutes of the board on behalf of the board.

### **Citizen Participation [Sec. 6.04 (d), (e), (f) and (g)]**

It is the policy of the board of directors to provide regular opportunities for the public to speak to the board on any issue under its jurisdiction. These policies are described in detail later in this section.

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

### **Authority of the Board**

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

The board may establish committees as needed to carry out its responsibilities. A committee acts only as an adjunct of the board and may not take any action which in any way usurps the power and/or responsibilities of the board of directors. The board establishes committees by majority vote. The chairman appoints committee members.

The chairman normally appoints members of any standing committees as soon as possible after the selection of the chairman each year. A member will serve until a successor is named. Except as provided in these guidelines, each committee establishes its own written operating procedures, subject to approval by the board of directors.

The board has established a standing employee benefits committee. The committee consists of two board members and several employee representatives. The committee reviews and recommends changes to the employee benefits provided by the district.

The statutory responsibilities of the board of directors include:

#### ***1. Establishment of an appraisal office (Section 6.05)***

The administrative offices of the district are located at 13013 Northwest Freeway, Houston, Texas.

The board approves all contracts for office space.

The district's normal business hours are from 8:00 a.m. to 5:30 p.m., Monday through Friday. Departments involved in public contact must maintain personnel during these hours.

The board and the chief appraiser periodically review office space requirements, lease arrangements, and other requirements related to the establishment of appraisal district offices.

### ***2. Appointment of chief appraiser (Section 6.05)***

The board appoints the chief appraiser, who serves at the pleasure of the board. The board evaluates the chief appraiser annually.

The chief appraiser is an officer of the appraisal district for purposes of the nepotism law, Chapter 573, Government Code. The district may not employ or contract with the chief appraiser's spouse, parent or stepparent, child or stepchild, or the spouse of any of these. [Sec. 6.05(g)]

In the event a vacancy occurs in the office of the chief appraiser, the chief deputy shall exercise the responsibilities of the chief appraiser until the board can meet to designate an interim chief appraiser, who shall coordinate the search for a replacement with the board. In the event of the chief appraiser's retirement or resignation, the board and the incumbent chief appraiser shall coordinate the search for a replacement. The chairman may appoint members of the board to serve as a search committee, and may retain outside assistance as it deems necessary to recruit the best possible candidate.

### ***3. Appointment of taxpayer liaison officer (Section 6.052)***

The board appoints a taxpayer liaison officer, who serves at the pleasure of the board. The taxpayer liaison officer's compensation is provided by the budget. The taxpayer liaison officer administers certain public access functions required by the Tax Code and is responsible for resolving disputes that do not involve matters that may be protested under Section 41.41 of the Tax Code. [Sec. 6.04 (d), (e) and (f)]

The taxpayer liaison officer reports to the board on the status of all complaints filed with the board at each meeting. [Sec. 6.04(g)]

In appointing the taxpayer liaison officer, the board may direct the chief appraiser to post a position notice in the same manner as is done for employees of the chief appraiser. The chairman may appoint a committee to screen applications and conduct preliminary interviews. In appointing the liaison officer the board shall seek candidates with extensive public service experience, excellent communication skills, and other qualifications as determined by the board at the time of the appointment. In the event a vacancy occurs, the board may designate an employee of the appraisal district who is not an appraiser to serve as an interim taxpayer liaison officer until a new officer is appointed.

### ***4. Approval of budget (Section 6.06)***

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

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

Once the board adopts a budget, expenditures in excess of the total budget require budget amendment in the manner provided by Section 6.06 of the Tax Code. Fund transfers that do not increase the total amount of the budget are not considered budget amendments. The board approves transfers of unencumbered balances between accounts in amounts exceeding \$10,000. The board has authorized the chief appraiser to transfer unencumbered balances between accounts in amounts of \$10,000 or below.

**5. *Annual financial audit (Section 6.063)***

The board contracts for an annual audit by an independent certified public accountant. The chief appraiser delivers copies of the audit report to the presiding officers of the county, cities, schools, and conservation and reclamation districts participating in the district.

**6. *Designation of depository (Section 6.09)***

The board solicits bids for the district depository at least once every two years and allows the extension of the contract for an additional two-year period. In choosing a depository, the board selects the institution(s) that offer the most favorable terms and conditions for the handling of district funds. Funds must be secured in the manner provided by law for county funds.

**7. *Competitive bidding requirements (Sec. 6.11)***

An appraisal district is subject to the same requirements and has the same purchasing and contracting authority as a municipality under Chapter 252, Local Government Code. some of the key provisions of this law include:

- The district cannot make a contract requiring expenditure of \$50,000 or more unless it follows one of the methods specified in the code. These include competitive sealed bids, reverse auctions, and various exceptions.
- For any expenditure of more than \$3,000 but less than \$50,000, the CAD must contact at least two historically underutilized businesses on a rotating basis.
- Exceptions to the expenditure requirements include:
  - o Response to calamity
  - o Response to unforeseen damage to public property, machinery, or equipment
  - o Procurement of personal, professional, or planning services
  - o Work that is performed and paid for by the day as the work progresses
  - o Purchase of land or right of way;
  - o Purchase of items available from only one source

o Purchases at auction, under interlocal contracts, through the Texas Procurement Commission, and various other exceptions

**8. *Appointment of agricultural advisory board (Section 6.12)***

The chief appraiser, with the advice and consent of the board, appoints an agricultural advisory board to advise the chief appraiser on the valuation and use of agricultural and timber land.<sup>4</sup>

**9. *(Subchapter C of Chapter 6 - Local Administration, Tax Code)***

The appraisal review board (ARB) consists of citizen members who serve two-year, staggered terms. The board of directors determines the number of members serving on the board by resolution. The Civil Administrative District Judge for Harris County appoints an ARB member for each available position. The taxpayer liaison officer and the chief appraiser provide administrative assistance as required by the judge for the appointment process. An individual who has served for all or part of three previous terms on the appraisal review board is ineligible to serve on the appraisal review board. [Sec. 6.41(c)]

The administrative district judge may appoint commissioners to screen applications and recommend members for the ARB, but the judge is not required to use commissioners. The judge appoints ARB members by order. If a vacancy occurs, the judge fills it in the same manner. The appointee serves for the unexpired portion of the term. Service for part of an unexpired term counts as service of part of a term for the purposes of the three-term limit on ARB service. [Sec. 6.41 (d)]

The board of directors appoints the chairman and secretary of the appraisal review board from among the members of the ARB. The Property Tax Code encourages the board to select a chair with appraisal or legal experience, The board of directors, or a committee if the board so chooses, interviews candidates for the positions of chairman and secretary before making final selection. In making appointments, the board may solicit and consider evaluations from taxpayers, the appraisal staff, and other interested parties. Selection of the chairman and secretary is based solely on qualifications and the judgment of the board of directors that the persons selected will make good review board officers.

**10. *Appraisal contracts [Section 25.01(b) and (c)]***

The chief appraiser, with the approval of the board, may contract annually with private

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<sup>4</sup> The advisory board has three or more members, as determined by the board of directors. One member must represent the county agricultural stabilization and conservation service. The other members must own agricultural or timber land that qualifies for productivity valuation under sub-chapter C, D, or E of Chapter 23, Tax Code, and must have been residents of the district for at least five years. Appraisal district officers and employees are ineligible to serve.

The advisory board is required to meet at least three times a year.

Members serve two-year, staggered terms and may not be compensated.

appraisal firms to perform appraisal services for the district. Appraisal services provided by each such firm are subject to the chief appraiser's approval.

#### ***11. Periodic reappraisal (Section 25.18)***

The appraisal district reviews all real property and updates appraised values as necessary in each odd-numbered year. At all times, however, the appraisal district is responsible for ensuring that taxation is equal and uniform as directed by Article VIII, Section 1 of the state constitution.

#### ***12. Adoption of Reappraisal Plan***

To ensure adherence with generally accepted appraisal practices, the board develops and adopts a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of Section 25.18, Tax Code. The board must update the plan in each even-numbered year. Before adopting the updated plan, the board must hold a public hearing to consider the proposed plan. Not later than the 10th day before the date of the hearing, the secretary of the board must deliver to the presiding officer of the governing body of each taxing unit participating in the district a written notice of the date, time, and place for the hearing. Not later than September 15 of each even-numbered year, the board must complete its hearings, make any amendments, and by resolution finally approve the plan. Copies of the approved plan shall be distributed to the presiding officer of the governing body of each taxing unit participating in the district and to the comptroller within 60 days of the approval date.

#### ***13. Other board duties***

In addition to performing specific statutory duties, the board:

- Establishes committees as needed.
- Requires and evaluates reports from the chief appraiser on the operations and financial status of the appraisal district.
- Requires the development and adoption of district policies for the sound financial management of district funds.
- Assists in presenting the needs and progress of the appraisal district to the public.
- Considers and acts on policies for the appraisal district, the appraisal office, and the appraisal review board. Board members, the chief appraiser, and the general public may suggest policy changes to the board. Any policy change proposed by the general public shall be submitted to the chief appraiser for his/her consideration and recommendation.
- Selects district legal counsel.
- Approves contracts as required by law.
- Performs other duties as required to govern the district as permitted by law.

#### **Public Access to the board of directors**

It is the policy of the board of directors to provide the public with a reasonable opportunity to address the board on the subject of the policies and procedures of the appraisal district and on any issue under the board's jurisdiction. Generally, the board's statutory duties and jurisdiction concern:

- adopting the district's annual operating budget;
- contracting for necessary services;
- hiring the chief appraiser and assigning responsibilities to the position;
- making general policy regarding the operation of the appraisal district;
- appointing appraisal review board members; and
- appointing the taxpayer liaison officer.

### **Board Meetings**

At each regularly scheduled meeting the chairman of the board of directors will announce that each person wishing to address the board on appraisal district policies, procedures, or issues may have time to speak allotted as follows:

- If the speaker's intended comment relates to an identifiable item on the agenda, three minutes;
- If the speaker's intended comment does not relate to an identifiable item on the agenda:
  1. Three minutes if the the speaker has not appeared to make public comment in any of the four preceding meetings; or
  2. One minute if the speaker has appeared to make public comment in any of the four preceding meetings.

For the purposes of this section, a speaker representing a business entity is deemed to have appeared in a preceding meeting if any speaker representing that business entity has appeared in a preceding meeting. The chairman may expand the speaker's time as needed if the expansion will not affect the ability of the board to complete its business and adjourn the meeting at a reasonable time. The board may refuse to hear any person who attempts to speak on a subject unrelated to the policies and procedures of the appraisal district or the appraisal review board and unrelated to any other issue under the board's jurisdiction. [Sec. 6.04(d), Tax Code]

### ***Interpreters***

The district will provide an interpreter at a meeting if a person who does not speak English or communicates by sign language notifies the taxpayer liaison officer at least three business days before the meeting. The person must indicate that he or she desires to address the board and is unable to provide an interpreter. [Sec. 6.04(e), Tax Code]

### ***Access by Disabled Persons***

The district offices have more than 30 parking places for the disabled. They are located

on the main floor visitors' parking level of the parking garage behind the building. Additional oversized parking spots are located between the building and the parking garage.

The board room is wheelchair accessible. A person who needs additional assistance for entry or access should notify the taxpayer liaison officer in writing at least three (3) business days before to the meeting. [Sec. 6.04(e), Tax Code]

### ***Firearms***

A licensed peace officer may possess a firearm on the premises of the district. A security officer commissioned by the Texas Department of Public Safety's private security bureau who holds all current and valid authorizations required for carrying a firearm in the performance of his duties may possess a firearm on the premises of the district if the officer is wearing a distinctive uniform, has the firearm in plain view, and is an employee of the district or a contractor retained by the district for the purposes of providing security on district premises or surrounding buildings. A security officer commissioned by the Texas Department of Public Safety as a personal protection officer must wear civilian clothing and carry a concealed firearm when on duty as a personal protection officer for the district. Unless otherwise authorized by applicable state law, no other person may possess a firearm, concealed or otherwise, on premises of the district. For the purposes of this section, "premises of the district" means any property or buildings leased to or owned by the Harris County Appraisal District. "Firearm" has the meaning assigned to that term by Sec. 46.01, Texas Penal Code.

### **Policies for Resolving Complaints**

The board will consider written complaints about the policies and procedures of the appraisal district, appraisal review board, and the board of directors and any other matter within the jurisdiction of the board of directors. The board will not consider complaints addressing any of the grounds for challenge and protest before the appraisal review board as set out in Sections 41.03 and 41.41, Tax Code. The board of directors has no authority to overrule the chief appraiser or appraisal review board's decision on a value, correction, or protest.

Correspondence should be mailed to:

Chairman, Board of Directors  
Harris County Appraisal District  
P. O. Box 920975  
Houston, Texas 77292-0975

Hearing impaired persons who have a TDD telephone machine may call 713-957-5660 and have a complaint delivered to the board.

At each regularly scheduled meeting, the taxpayer liaison officer reports to the board on the nature of complaints and the status of resolution.

Board deliberations concerning complaints will comply with provisions of the Texas Open Meetings Act, Chapter 551, Government Code.

At least quarterly and until final disposition of a complaint, the board notifies the parties to the complaint of its status unless notice would jeopardize an undercover investigation. [Sec. 6.04 (g), Tax Code]

**Public Access and Information Pamphlet**

The district annually publishes a public information pamphlet that sets out the portions of these policies concerning complaint resolution, access to the board, and the taxpayer liaison officer's responsibility. The pamphlet also sets out a brief description of the functions and officers of the appraisal district.

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## **POLICIES CONCERNING TRAVEL BY BOARD MEMBERS (adopted May 17, 2000)**

Travel on District Business - The Harris County Appraisal District (HCAD) will pay the actual expenses incurred by members of board of directors (directors) for travel related to HCAD business or to attend seminars and conferences.

Approval Required for Out-of-State Travel - All out-of-state travel must be approved in advance by the board of directors in order for HCAD to be responsible for the expenses incurred. In-state travel does not require approval by the board of directors, but all other provisions of this policy apply.

Receipts Required for Reimbursement. Receipts for hotel, airfare, meals, and registration fees must always be provided. Receipts for other expenses of less than \$25.00 each should also be provided except that, if receipts are lost or otherwise unavailable, a detailed listing of the expense showing type, location, date, and amount shall be provided.

Reimbursements - Following a trip for which a reimbursement of expenses will be requested, directors must file a Travel Expense Statement (an Out of District Travel Request and Report) with the chief appraiser within sixty (60) days of the date of return.

Transportation -

- a) HCAD will pay for round trip airfare - coach class - for authorized travel.
- b) Other forms of transportation may be used, but HCAD will not reimburse more than the cost of coach class airfare.
- c) HCAD will reimburse the reasonable expenses of a vehicle rental if needed for transportation at the destination of the trip.
- d) HCAD will reimburse the expenses for taxis or other reasonable ground transportation.
- e) HCAD will pay for local airport parking required while Directors are out of town. At the destination, HCAD will pay required parking fees for personal or rented vehicles.
- f) Directors may use their personal vehicles for out-of-town travel. HCAD will pay a mileage reimbursement in an amount established each year by HCAD. the mileage reimbursement amount is set at the rate allowable by the IRS for expense deductions for income tax purposes. When Directors use their personal vehicles on a trip to a destination outside the State of Texas, the maximum amount HCAD will reimburse for travel expenses to and from the destination (including lodging, meals, and mileage reimbursement) is the amount of the round trip airfare - coach class - based on the price of a ticket purchased 21 days in advance of departure. HCAD will pay for personal vehicle mileage while at the destination.
- g) If a Director is driving a personal vehicle on HCAD business outside of the Harris County Appraisal District and has car failure, HCAD will pay the

expense (less any insurance recovery) of towing the vehicle to a garage or repair shop. The cost of repairs to the vehicle will not be reimbursed.

Accommodations -

- a) HCAD will pay the actual expenses for one room at a hotel, motel, or other lodging facility.
- b) HCAD will pay the cost of parking a personal or rental vehicle at a hotel, motel, or other lodging facility.
- c) HCAD will pay for all telephone calls related to HCAD business and for calls to immediate family members.

Meals - HCAD will pay for all meals while Directors are in travel status. There shall be no reimbursement for alcoholic beverages.

Incidental Expenses -

- a) HCAD will not pay for dry cleaning, shoe shines, haircuts, magazines or books, tickets to the theater or sports events, or other such personal or incidental expenses.
- b) HCAD will pay for tapes or publications related to and purchased at seminars or conferences being attended by Directors.

In lieu of actual expenses, a director traveling on official appraisal district business may elect to be reimbursed at the per diem rates then prevailing for district employees.

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## **PERFORMANCE RESPONSIBILITIES OF THE TAXPAYER LIAISON OFFICER**

- a. Administer the public access functions required by the Property Tax Code.
- b. Support efforts by the chief appraiser and the chief appraiser's staff to assist property owners in understanding the appraisal process, protest procedures and related matters.
- c. Report to the board of directors at each meeting on the status of all complaints filed with the board under Section 6.04(g), Tax Code.
- d. Develop and implement policies and procedures to guarantee access to the board by non-English speaking and disabled property owners.
- e. Prepare information of public interest describing board functions and procedures involving how complaints are filed and resolved by the board.
- f. Perform other duties and responsibilities as assigned.
- g. Serve as the spokesperson for the board of directors, providing information to news media, taxing units, and the general public on the policies and procedures for:
  - (1) access to the board;
  - (2) complaints and their resolutions;
  - (3) access for disabled persons; and
  - (4) access for non-English speaking persons.

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## **DISTRICT ADMINISTRATION**

The appraisal district consists of the appraisal office, which handles appraisals and the administration of the appraisal district and the appraisal review board, which hears and determines protests and challenges and approves the appraisal records. The chief appraiser is the chief administrator of the appraisal office.

Appointed by the board of directors, the chief appraiser serves at the pleasure of the board and is directly accountable to the board in the discharge of his or her duties and responsibilities. All other personnel of the appraisal office are employed by and accountable to the chief appraiser. The chief appraiser may delegate authority to his or her employees.

### **Duties and Responsibilities**

The chief appraiser coordinates and implements the goals and objectives established by board policy, provisions of the Property Tax Code, and other applicable laws and rules. The chief appraiser's responsibilities include many statutory duties related to the development of appraisal rolls and the administration of the appraisal office. Additionally, the board assigns tasks to the chief appraiser as needed for conduct of board duties and implementation of board policy. The board has assigned the following general duties to the chief appraiser:

- Establish a comprehensive program for conduct of all appraisal activities.
- Keep the board informed on the progress of appraisal activities.
- Develop and implement sound administrative procedures for conduct of all district functions.
- Develop and implement an effective financial management system.
- Provide reports to the board to allow evaluation of the district's fiscal affairs.
- Develop and implement an effective internal budget development system.
- Prepare a proposed budget by June 15 of each year.
- Serve as the district's spokesperson in providing information to news media, taxing units, and the general public.
- Prepare the agenda for each board meeting, attend all meetings, and provide staff recommendations for all appropriate board actions.
- In conjunction with district counsel, provide recommendations for board action on litigation.
- Develop and implement a personnel management system for job assignments, evaluations, hiring, staff policy, and personnel related matters.
- Employ and compensate professional, clerical and other personnel as provided by the budget.
- Report to the board before April 1 of each year concerning the accuracy of district appraisals and contractor performance.

- Discharge other duties as provided by the board and/or by law.

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## **APPRAISAL REVIEW BOARD**

The appraisal review board (ARB) has the statutory authority to:

- hear and determine property owner protests;
- hear and determine taxing unit challenges;
- correct clerical errors in the appraisal records and appraisal roll;
- rule on motions for correction to appraisal rolls;
- review grants of exemption or special appraisal for legal correctness;
- order changes as needed to implement its determinations;
- approve the appraisal records; and
- perform other activities specifically required of it by the Property Tax Code.

### **Selection**

The Civil Administrative District Judge for Harris County appoints appraisal review board members.

### **Eligibility**

To serve on the appraisal review board an individual must be a resident of the appraisal district and must have resided in the district for at least two (2) years. A member of the board of directors or an officer or employee of the State Comptroller's Office, the appraisal office, or a taxing unit is ineligible to serve. An individual who has served for all or part of three previous terms as a board member or auxiliary board member on the appraisal review board, is a former member of the governing body or an officer or employee of a taxing unit, or is a former director, officer, or employee of the appraisal district is ineligible to serve on the appraisal review board.

A person may not serve as an ARB member if a relative within the second degree by blood or marriage<sup>5</sup> does business in the Harris County Appraisal District as a paid tax agent. The person is also barred if a relative within the same degree appraises property for compensation for use in proceedings before the appraisal district or review board. [Sec. 6.412(a)]

The Tax Code also bars a person from service or appointment if the person or a business entity in which the person has a substantial interest is a party to a contract with the appraisal district or with a taxing unit that participates in the appraisal district<sup>6</sup>.

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<sup>5</sup> as determined under Chapter 573, Government Code; includes spouse, parent, stepparent, child, stepchild, grandparent, grandchild, brother, sister, spouse's parent, spouse's child, spouse's grandparent, spouse's grandchild, spouse's brother, spouse's sister.

<sup>6</sup> "Substantial interest" means that the person and the person's spouse together own at least 10 percent of the voting stock or shares in the business, or that either of them is a partner, limited

## **Terms**

Members serve two-year, staggered terms. Members are appointed so that approximately one-half of the members' terms expire each year. An individual who has served for all or part of three (3) previous terms on the appraisal review board is ineligible to serve on the appraisal review board.

## **Conflict of Interest**

A member of the appraisal review board may not participate in the determination of a taxpayer protest in which the member is interested or in which the member is related to a party by marriage within the second degree or by blood within the third degree, as determined under Chapter 573, Government Code. [Sec. 41.69]

## **Clerical Support**

The chief appraiser assigns appraisal office staff to provide clerical assistance to the appraisal review board.

The law requires the appraisal review board to adopt rules of procedure. The ARB must post its hearing procedures wherever it conducts protest hearings.

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partner, or officer of the business. These same restrictions apply to appraisal review board members.

"Business entity" means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or other entity recognized by law.

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## **GUIDELINES FOR APPRAISAL REVIEW BOARD CONDUCT, APPRAISAL REVIEW BOARD OPERATIONS, COMPENSATION, AND EXPENSES**

### **1. Integrity and Impartiality of the Appraisal Review Board**

1.1 In these guidelines, ARB or appraisal review board means the Appraisal Review Board of Harris County. Board or board of directors means the Board of Directors of the Harris County Appraisal District. Chief appraiser means the Chief Appraiser of the Harris County Appraisal District.

1.2 An ARB member should participate in establishing, maintaining, and enforcing, and should observe high standards of conduct so that the integrity and impartiality of the Appraisal Review Board is preserved.

### **2. Avoiding Impropriety and the Appearance of Impropriety in all Activities**

2.1. An ARB member should respect and comply with the law and should conduct himself or herself at all times in a manner that promotes public confidence in the integrity and impartiality of the Appraisal Review Board. An ARB member should take care to ensure that the member's words and conduct maintain the ARB's image of fairness and impartiality.

2.2. An ARB member should not allow family, social, or other relationships to influence his or her official conduct or judgment. An ARB member should not use his or her office to advance the member's private interest or that of others; nor should a member convey or permit others to convey the impression that they are in a special position to influence the member.

2.3. An ARB member may not represent any person other than himself or herself or a member of his or her own family in proceedings before the appraisal review board or the appraisal district staff. A member who represents himself or herself or a family member in a matter may not participate in any decision involving the matter. Violation of this guideline should be presumed to constitute resignation of the member's office.

2.4. Under Sec. 6.41, Tax Code, an ARB member may not accept employment, election, or appointment as an employee, officer, or official of a taxing unit, whether or not located in Harris County Appraisal District, an appraisal district, or the state comptroller of public accounts unless the member resigns his or her office. Acceptance of such a position, whether paid or unpaid, constitutes vacation of the member's office.

### **3. Impartiality and Diligence**

3.1. An ARB member should be faithful to the law and maintain professional competence in it. An ARB member should not be influenced by partisan interests, public outcry, media attention, or fear of criticism.

3.2. When acting as chair of a panel of the ARB, an ARB member should maintain order and decorum in proceedings.

3.3. An ARB member should be patient, dignified, and courteous to property owners, their representatives, appraisal district staff, and others with whom the member deals in

an official capacity.

3.4. An ARB member should accord to every person who is legally interested in a proceeding, or his or her representative, full right to be heard according to law.

3.5. An ARB member, except as authorized by law, should not directly or indirectly communicate with a member of the appraisal district staff, a property owner, or a property owner's representative regarding the merits of a pending protest. In this section, "merits" means the facts, argument, or evidence to be presented. An ARB member may, however,

- a. communicate with the property owner, a representative, or the appraisal district staff regarding the scheduling of the account;
- b. seek the advice of counsel.

3.6. A chairman or officer of the ARB may have occasion to discuss the subject matter of a pending protest with the property owner or with the appraisal district staff in the course of explaining the ARB's actions or functions or arranging the scheduling of a hearing or other administrative matter. In that event, the chairman should be careful to take no action with regard to that property other than to schedule it for hearing, if applicable. However, the chairman need not recuse himself or herself from presiding at a full ARB meeting at which the matter is considered.

3.7. An ARB member must be available at the call of the chairman for service on any weekday during the months of June, July, August, and September. A member who is unable or unwilling for any reason to serve when called upon should consult with the chairman. The chairman of the ARB shall maintain a written record of all contacts with members regarding service and shall provide a monthly report detailing members' attendance to the board of directors. The board of directors may remove a member who has failed on at least three occasions during a calendar year to serve on a panel at the chairman's request or to attend a regular meeting of the appraisal review board, provided the board of directors finds that the member is unwilling or unable to discharge his duties and that replacement of the member is in the best interest of the appraisal district.

3.8. An ARB member should not make public comments about matters pending before the ARB member's panel or the ARB as a whole.

3.9. An ARB member should perform his or her duties without bias or prejudice. An ARB member should not, in the performance of his or her duties, manifest bias or prejudice by words or conduct and should not knowingly permit those appearing before him or her from doing so.

3.10 All ARB hearings are to be digitally recorded, and panel chairs should ensure that all evidence considered is properly received and made of record. Panel members must conduct their deliberations so that all conversations are audible.

#### **4. Administrative Responsibilities of Officers.**

4.1. The chairman should call meetings of the ARB and of panels in consultation with the assistant chief appraiser or any other representative the chief appraiser may designate. The chairman should not schedule unnecessary panel hearings, and should diligently

encourage panels to conduct hearings expeditiously. .

4.2. The chairman should determine the composition of each panel. In staffing panels, the chairman, while attempting to ensure that all ARB members have a substantially equal opportunity to serve, should give precedence to each individual's experience with properties of different types and cases of varying complexity. However, if a member is unavailable for service as scheduled, the chairman should not permit the member to "make up" that day at another time. The chairman should designate panel chairs. The chairman may also appoint up to ten experienced ARB members to serve on a leadership committee which would meet periodically, at the call of the chair, to advise on issues related to appraisal review board management and operations. The chairman may also utilize members of the leadership committee, along with the chair and ARB secretary, as a third member of the ARB executive committee.

## **5. Outside Activities**

5.1. An ARB member, subject to the proper performance of duties, may engage in any outside or community service activities, activities, if in doing so the ARB member does not cast doubt on his or her capacity to decide impartially any issue that may come before the ARB.

5.2. An ARB member may appear at a public hearing before an executive or legislative body or official on matters concerning the property tax system, and an ARB member may otherwise consult with an executive or legislative body or official on such matters. However, the member should not hold himself or herself out as a representative, official or otherwise, of the Appraisal Review Board of Harris County without the prior approval of the board of directors.

5.3. An ARB member should not authorize the public use of his or her name as an ARB member endorsing any candidate for any public office, except that the member may indicate support for a political party. An ARB member or candidate may attend political events and express his or her views on political matters in accord with these rules.

5.4. An ARB member may serve as an officer, director, trustee, or non-legal advisor of an educational, religious, charitable, fraternal, or civic organization. However, an ARB member should not participate in any proceedings before the ARB that involve the organization.

5.5. ARB members should be careful in soliciting funds for any educational, religious, charitable, fraternal or civic organization to ensure that the solicitation is not perceived as an implied or direct promise of favorable treatment before the ARB. ARB members should avoid listing their names with identification of their capacity of ARB member in any fund solicitation publication.

5.6. An ARB member should refrain from financial and business dealings that tend to reflect adversely on the ARB member's impartiality, interfere with the proper performance of the member's duties, exploit his or her position, or involve the ARB member in frequent transactions with property tax representatives likely to come before appraisal review board.

5.7. An ARB member may not accept any gift or favor from any person that might reasonably tend to influence him or her in the discharge of official duties. A member should refuse any gift or favor that raises or may raise the appearance of improper transactions.

5.8. Information acquired by an ARB member in his or her official capacity should not be used or disclosed by the ARB member in financial dealings or for any other purpose not related to his or her duties.

## **6. Compensation**

6.1 ARB members are compensated as provided by the appraisal district budget.

6.2 Total compensation paid to the appraisal review board in a fiscal year may not exceed the amount provided in the budget for that purpose.

6.3 An ARB member serving a full day on a panel is expected to be present and available for the full period of service, recognizing that panel start times are staggered to ensure coverage throughout the day and into the early evening. ARB members serving on panels are expected to remain as needed to complete hearings commenced before their normal day's ending time. However, even if the number of hours served exceeds eight, a member will not be compensated at more than the maximum daily rate specified by the board.

6.4 An electronic time keeping system may be implemented to keep records of all time worked as a member. If not available, each member shall prepare and submit a weekly time sheet provided by the appraisal district financial office for that purpose. The member must personally prepare and sign the time sheet once completed.

## **7. Travel and expense reimbursement**

A member will be reimbursed for travel or necessary expenses only where the travel or expenditure has previously been approved by the board of directors. In no instance will the amount of reimbursement for travel or expenses exceed the amount permitted in the budget for reimbursement of expenses incurred by appraisal district staff.

## **8. ARB Budget**

The chief appraiser prepares the ARB budget as part of the appraisal district's budget and should solicit input from the ARB chairman and members in preparing the budget. The ARB chairman should make every effort to schedule ARB panel hearings and meetings in a manner calculated not to exceed the district budget.

## **9. ARB Attorney**

The appraisal district has contracted with the office of the county attorney to provide legal counsel for the appraisal review board. The chief appraiser may also provide for outside counsel for the ARB if appropriate.

## **10. Education**

Appraisal Review Board members should strive to keep their knowledge of applicable law and appraisal district policies and procedures up to date. Appraisal Review Board members must attend the training required by law for their service.

## **12. Construction of the Guidelines**

12.1. The word "shall" when used in these guidelines means compulsion. The word "should" means conduct that is morally or ethically appropriate.

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## **POLICY CONCERNING APPOINTMENT OF TEMPORARY APPRAISAL REVIEW BOARD MEMBERS**

**1.01. General Provisions.** In this policy, “board” refers to the board of directors of the Harris County Appraisal District. “ARB” refers to the Appraisal Review Board of Harris County. It is of paramount importance that the ARB render impartial decisions. Sec. 41.66, Tax Code, requires the board to adopt and, when necessary, implement a policy for the appointment of temporary appraisal review board members in circumstances where communications between one or more members and third parties have taken place such that Sec. 41.66 prohibits those members from hearing, deliberating, voting on, or otherwise participating in a protest. A temporary member shall receive the same per diem as a regular member for each day of service. Temporary members begin service upon taking the oath of office and serve until all protests they are appointed to hear have been determined.

**1.02. Appointment of temporary ARB members.** The board will not normally appoint temporary appraisal review board members under Sec. 41.66 if less than a majority of ARB members are disqualified and the ARB is capable of hearing and determining the protests in question on a timely basis. However, if the board determines that timely completion of the ARB’s responsibilities requires appointment of temporary members, the board shall appoint sufficient temporary members to enable the ARB to complete its activities in a timely manner. Temporary members shall sit in one or more panels to hear the affected protests and make recommendations to the full appraisal review board in the same manner as is currently done by panels of regular members. The temporary members are considered full voting members of the appraisal review board until their service ends. The chairman shall assign temporary members to panels in such manner as necessary to ensure that they expeditiously hear the protests they are appointed to hear.

**1.03. Approval of Panel Recommendations and other actions.** For the purposes of determining a quorum for decisions by the board involving protests on which members have disqualified themselves, a quorum is considered to be a majority of the number of members who are qualified to make the decisions, including any temporary members appointed under this policy. In the event that no officer of the board is qualified to preside, the chairman shall select a temporary chairman from among the members qualified to make the decisions.

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**PROCEDURE FOR ENSURING ARB MEMBER COMPLIANCE WITH SECS. 6.035(A)(2) AND 6.412(A)(2), TAX CODE AND FOR REMOVAL OF NON-COMPLYING MEMBERS**

A person is ineligible to hold office as an ARB member if the person owns property on which delinquent taxes have been owed for more than 60 days after the date the person knew or should have known of the delinquency. Taxes normally become delinquent February 1; in order for a member to remain eligible, the member must do one of three things prior to April 1: (1) pay the taxes; (2) enter into an installment payment agreement; or (3) if eligible, file an over-65 or disabled person's tax deferral affidavit.

The objective of this procedure is to ensure that ARB members have ample notice of delinquency problems and frequent reminders of the need to pay taxes.

**December**

In December of each year, either human resources staff or an attorney shall remind the ARB at regular meetings of the responsibility to pay taxes timely. Human Resources Division shall send a reminder letter to each ARB member.

**January**

Not later than January 15, each returning ARB member shall file a disclosure statement disclosing all taxable property owned by the ARB member and indicating whether taxes for the preceding year have been paid as of the date of the statement and whether any delinquent taxes from prior years are owed. New members shall provide the same disclosure statement before taking the oath of office. Form D1 is adopted by reference for this purpose. At the time they take the oath of office, new members shall receive a letter reminding them of the responsibility to pay taxes timely and the consequences for failure to do so. The Appraisal Review Board should include reminder notices in its meeting agenda for January.

**February**

In the first week of February, Human Resources and Special Audit staff shall check with the taxing entities for tax payment information on all disclosed property. By the third week of February, ARB members shall be informed of any property for which it appears that taxes have not been paid and reminded in writing that taxes cannot remain delinquent

more than sixty days. HR staff will meet with each ARB member who appears to owe delinquent taxes to identify any problems in payment, such as misallocated payments, that district staff can assist in resolving. HR and Jurisdiction Support staff will then coordinate with the ARB members on working out the problems. Attorneys will be asked to review problem situations regarding whether the removal statute applies to the situation and to provide opinions in writing. ARB members shall provide copies of receipts, payment agreements, deferral affidavits, or evidence that they no longer own the property, as applicable, to Human Resources as the members take care of the matters.

## **March**

In the first week of March, HR staff will review all tax payment information and compile a list of any payments still outstanding. HR will notify the chief appraiser, the respective board chairs, and the ARB members involved in writing no later than March 10. The ARB chairman will be asked not to schedule the member after the 60<sup>th</sup> day following delinquency. HR staff will make a final warning call to each person who has not provided proof of resolution of the problem on or about March 25.

## **April**

Human Resources will provide the board secretary with a list of those ARB members for whom it appears delinquent taxes were still owed as of April 1. An item for hearing on the removal of ARB members will be placed on the April agenda, with action on removal contemplated for the May agenda.

## **May**

An item for final removal of an ARB member will be placed on the May agenda with a final recommendation for action.

## **Unusual circumstances**

There are many circumstances in which the delinquency date for a tax payment is not February 1. When an ARB member identifies property to district staff as belonging to that member, a special flag will be placed on the property to indicate that it is subject to the delinquency rule. If that property is involved in a back assessment or exemption cancellation (the two circumstances that would most likely trigger a tax with a delinquency date), staff will notify Human Resources of the transaction and they will follow a procedure similar to that above to ensure that the taxes are timely paid.

Form D1

Harris County Appraisal District

Appraisal Review Board Member

Taxable Property Disclosure Statement

Instructions: Secs. 6.035(a)(2) and 6.412(a)(2), Tax Code, provide that a person is not eligible to hold office as an appraisal review board member if the person owns property on which delinquent taxes are owed for more than 60 days after the date the member knows or should have known of the delinquency. The Harris County Appraisal District Board of Directors requires you to file this statement annually as a condition of appointment to the appraisal review board. This is an official government document.

Name: \_\_\_\_\_ Date Prepared: \_\_\_\_\_

1. Property on which Delinquent taxes are presently owed. List below all properties on which you currently owe delinquent taxes of any sort. Include both real property and business personal property. Include property owned by partnerships or sole proprietorships. Please give the HCAD account number or the location address (and business name, if applicable) of the property, the years for which taxes are owed, and the taxing entities to which the taxes are owed.

Account number	Location address	Business name	Years for which taxes are owed	Entities to which taxes are owed

Continue on additional sheet if needed

2. Real Property you currently own that is not listed in question 1. Include property owned by partnerships or sole proprietorships. Please give the HCAD account number or the location address (and business name, if applicable) of the property, and indicate whether you have already paid taxes for the current year on the

property. If the property is exempt from taxation, indicate that it is exempt.

Account number	Location address	Business name	Have taxes on this property been paid for <current tax year>?

Continue on additional sheet if needed

3. Business personal property you currently own. Include property owned by partnerships or sole proprietorships. Please give the HCAD account number or the location address (and business name, if applicable) of the property, and indicate whether you have already paid taxes for the current year on the property. If the property is exempt from taxation, indicate that it is exempt.

Account number	Location address	Business name	Have taxes on this property been paid for <current tax year>?

Continue on additional sheet if needed

4. Property on which tax or ownership disputes are pending. Please list any taxable property not listed above on which (1) there is any dispute pending concerning taxes owed or paid; or (2) there is a dispute pending over whether you have an ownership interest in the property.

Account number	Location address	Business name	Please indicate nature of the dispute and whether all taxes have been paid for <current year>

Continue on additional sheet if needed

Returning members must file this form before January 15. Newly appointed members must complete and file this form prior to taking the oath of office. Return the completed form to HCAD's Human Resources Division. **If you make a false statement on this disclosure report, you could be found guilty of a Class A Misdemeanor or a state jail felony under Texas Penal Code, Section 37.10**

I certify that the information contained herein is true, complete, and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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## **FRAUD POLICY (Adopted August 17, 2005)**

### ***Background***

It is the policy of the board of directors to facilitate the development of controls, which will aid in the detection and prevention of fraud, impropriety or irregularity within the district. It is the intent of the board to promote consistent organizational behavior guidelines and assigning responsibility for the development of controls and conduct of investigations.

### ***Scope of Policy***

This policy applies to any actual or suspected fraud, impropriety or irregularity involving employees or members of the appraisal review board as well as consultants, vendors, contractors, employees with outside agencies and/or any other parties with a business relationship with the district.

The chief appraiser and/or the chairman of the board of directors in conjunction with audit committee oversight, without regard to the suspected wrongdoer's length of service, position/title, or relationship with the organization, shall evaluate suspected fraud and initiate any necessary investigative activity.

### ***Policy***

Management personnel shall be responsible for detection and prevention of fraud, improprieties and other irregularities involving the district. Each member of the management team shall be familiar with the types of improprieties that might occur within his/her area of responsibility, and be alert for any indication of fraud, abuse or illegal act.

Any fraud that is detected or suspected must be reported immediately as outlined in the Reporting Procedures section of this policy.

### ***Definitions***

The terms fraud, abuse and illegal acts refer to, but are not limited to:

1. Any dishonest or fraudulent act.
2. Forgery or alteration of any document or account belonging to the district.
3. Forgery or alteration of a check, bank draft, or any other financial document.
4. Misappropriation of funds, securities, supplies, or other assets including chemicals, fuel, tires, use of district equipment, personal use of

computers, and telephones.

5. Impropriety in the handling or reporting of money or financial transactions.
6. Profiteering as a result of insider knowledge of district activities.
7. Disclosing confidential and/or proprietary information to outside parties.
8. Disclosing to other persons securities activities engaged in or contemplated by the district.
9. Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the district.
10. Accepting or seeking anything of material value from property owners, tax consultants, or others who may be affected by the district's discharge of its statutory duties.
11. Destruction, removal or inappropriate use of records, furniture, fixtures, vehicles, and equipment.
12. Any similar or related irregularity to those specified above.
13. Inappropriate disclosure or use of private information protected by privacy laws.

If there is any question as to whether an action constitutes fraud, contact the director of the Special Audit Division, the chief appraiser and/or the district's legal counsel for guidance.

### ***Investigative Responsibilities***

The director of the Special Audit Division and the chief appraiser have the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation indicates a reasonable suspicion that fraudulent activities have occurred, a report will be issued to the board of directors.

It is the district's policy to refer all allegations of criminal wrongdoing affecting the district to the Harris County District Attorney's office, and to seek guidance of that office in the conduct of investigations of wrongdoing.

### ***Confidentiality***

To the extent permitted or required by Texas law, the director of the Special Audit Division, the chief appraiser and members of the board of directors shall maintain the confidentiality of all information received.

This is important in order both to avoid damaging the reputations of persons suspected of misconduct but subsequently found innocent of any wrongdoing, and to protect the district from potential civil liability.

### ***Authorization for Investigating Suspected Fraud***

Where there exists reasonable suspicion of fraudulent conduct, and to the extent permitted by law, the director of the Special Audit Division, the chief appraiser, members of the board's audit committee, and the chairman of the board of directors are authorized upon the initiation of an investigation, and after consulting with legal counsel, to have free and unrestricted access to all organization records and premises, whether owned or rented.

### ***Reporting Procedures***

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is in progress.

An employee who discovers or suspects fraudulent activity should make a prompt report to a member of the board's audit committee or any other member of the board of directors, the chief appraiser, or the director of the Special Audit Division. If the chief appraiser is discovered or suspected to be involved in fraudulent activity, the report should be made to a member of the board's audit committee or any other member of the board of directors. Contact information for the board audit committee, the board chairman, and other members of the board of directors is available from the secretary to the board at Extension 5291.

Inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the chief appraiser. No information concerning the status of an investigation will be given to anyone without a legitimate need to know. The proper response to any inquiries should be "I am not at liberty to discuss this matter." Unless authorized by the chief appraiser, under no circumstances should any reference be made to the allegation, the crime, the fraud, the forgery, the misappropriation, or any other specific reference. The reporting individual should be advised of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by a representative of the Harris County District Attorney's office, the director of Special Audit, the district's legal counsel or chief appraiser, the chairman of the board of directors, and/or a member of the board's audit committee.

## **GUIDELINES FOR CONDUCT WHILE IN APPRAISAL DISTRICT OFFICES**

1. Definitions - The words and terms defined in this section shall have the meanings ascribed unless the context clearly indicates another meaning.
  - 1.1. **District's Premises** means the building and grounds located at 13013 Northwest Freeway, Houston, TX 77040.
  - 1.2. **Public Area** means those portions of the District's Premises which are ordinarily open to the public for use in conducting official District business. Such areas are district owned sidewalks, parking garage, and surface parking area, the lobby and waiting areas of the first floor, the informal meeting workstations on the first floor, and the formal hearing rooms on the first floor, the information and assistance center on the third floor, the board of directors' meeting room on the 7<sup>th</sup> floor (except as noted below), and the 7<sup>th</sup> floor lobby area.
  - 1.3. **Non-public Area** means any portion of the District's Premises which is not included within a Public Area.
2. **Conduct Prohibited in Public Areas**
  - 2.1 No portion of the District's Premises have been designated as being open for public discourse. Public Areas are open to the general public for the limited purpose of conducting official business with employees of the District.
  - 2.2 Any activity in a Public Area which unduly interferes with the orderly conduct of the District's business is prohibited. Such prohibited conduct includes, but is not limited to, the following: picketing; solicitation of signatures on petitions; meeting or gathering with others to express a position on social, economic, political, or religious issues; display of signs, placards, publications or other printed materials; solicitation of contributions of any kind; and, distribution of written materials.
3. **Access to Non-public Areas**
  - 3.1 Non-public areas are intended for use as a work place for the District's employees. Members of the public are not permitted to be in Non-public Areas unless accompanied by a District employee.
  - 3.2 The Board Room located on the seventh floor is used from time to time by the District's Board of Directors and Appraisal Review Board to hold meetings which are open to the public as required by the Texas Open Meetings Act. When being used for open meetings purposes, the Board Room shall be treated as a Public Area. Otherwise, the Board Room is included within the definition of Non-public Area.
4. **Severability**

- 4.1.1 If any provision, section, subsection, sentence, clause, or phrase of these guidelines, or the application of same to any person, or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of the guidelines or their application to other persons or sets of circumstances shall not be affected. It is the intent of the Board of Directors that no provision hereof shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity of another provision, and that all provisions of these guidelines are declared to be severable for that purpose.

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## Conflict of Interest Procedures

Members of the board and the chief appraiser (hereafter, the district's officers) shall file the disclosure statements required by Chapter 176, Local Government Code, in circumstances where Chapter 176 requires the filing of such a statement. The chief appraiser shall ensure that the district complies with Chapter 176 in providing conflict of interest forms to current and prospective vendors and in publishing any filed statements or questionnaires on the district's website in the manner required by Chapter 176.

With exceptions, Chapter 176 requires a district officer to file a disclosure statement (Form CIS) when the district considers or makes a contract with a person and

- the officer or the officer's family member has received at least \$2,500 in income (other than dividends) from employment or another business relationship with the vendor in the previous 12 months; or
- the vendor has given the officer or the officer's family members gift(s) with a total value of more than \$250 in the previous 12 months.

Chapter 176 does not require the officer to file a disclosure statement covering gifts by family members, political contributions, or food, lodging, or entertainment accepted as a gift. A disclosure statement must be filed within 7 days of the date the officer becomes aware that a statement should be filed with respect to an existing or prospective vendor.

In any circumstance that would require an officer to file a disclosure statement, the vendor must also file a "conflict of interest questionnaire" (Form CIQ) with the district. This questionnaire must be filed by the 7<sup>th</sup> business day after the vendor begins contract negotiations with HCAD, submits an application, bid, RFP request, or similar document related to a potential conflict with HCAD. It must also be filed by the 7<sup>th</sup> business day after the vendor becomes aware of a business relationship or gift that triggers the requirement for a disclosure statement.

The district's records management officer shall serve as the custodian of filed disclosure forms.

Texas Ethics Commission forms CIQ and CIS are adopted by reference.