From: Misty Baptiste <misty.baptiste@dentoncad.com>
Sent: Monday, August 21, 2023 9:15 AM
Subject: Appointment and Election of the Board of Directors for the Denton Central Appraisal District

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Taxing Entities of Denton County:

This communication is to inform you on the timeline for the **Appointment and Election of the Board of Directors for the Denton Central Appraisal District (DCAD)**. The Texas Property Tax Code outlines this process in section 6.03.

As I am sure you are aware, during the 2nd special session of the 88th Legislature, SB2 passed and was signed by Governor Abbott. In this bill, there were a few changes to the composition of the board and the term limits established for each member of the board. The DCAD Board of Directors is increasing from a 5 member board with the Tax Assessor/Collector as an ex officio member to a 9 member board, which will be made up of the 5 members appointed by the taxing entities, the Tax Assessor/Collector, and 3 publicly elected members. It is our interpretation of the new law that the Tax Assessor/Collector will now be a voting member of our board in order to avoid a tie in votes.

There are no changes to the nomination and appointment process for the taxing entities; however, all board members will now serve staggered 4-year terms, instead of 2-year terms for all.

This year, you will all appoint 5 members to serve a term of 1 year ending on December 31, 2024. Next fall, we will have another round of nominations and appointments for all 5 members to begin a new term on January 1, 2025. For that term, 2 directors will be appointed to serve a 1-year term and 3 directors will be appointed to serve 3-year terms. This will be done by random draw. Thereafter, all elected directors will serve 4-year terms. I will assign each member a “place” on the board of 1 through 8 so that moving forward staggering places will be easily identified and tied to a specific seat. This will be done at random draw as well.

The 3 members that are publicly elected in the May 2024 election, will take office on July 1, 2024 and serve a term that expires on December 31, 2026. That said, there will be a new election for those 3 places on the board in the November 2026 election and those elected will take office January 1, 2027. These three elected members will draw as well to determine which director will serve a 2-year term and the other 2 directors will serve a 4-year term.

These provisions take effect only if the constitutional amendment proposed by H.J.R 2 is approved by the voters this November. I think we are all fairly confident this bill will pass, considering it also contains property tax relief by increasing the ISD homestead exemption and providing a 20% cap limitation on appraised value of non-residential homestead real property.

Please see the timeline below for the nomination, voting and appointment process.

ACTION BY CHIEF APPRAISER:

Allocation of votes is to be done before October 1st. We will calculate the number of votes for each entity and send out that allocation by email to the county, cities and school districts. ***Tax Code 6.03 (e)*** There are 5,000 total votes to be distributed based on tax levy, and each taxing entity's vote allocation is based on their tax levy compared to the grand total levy for all taxing entities for the previous year. *Example: If a taxing entity's tax levy is calculated to be 5% of the grand total levy for all taxing entities, the taxing entity would be allocated 250 votes.*

ACTION BY ENTITY:

Nomination of candidates is to be done before October 15th. Since October 14th is a Saturday, the deadline will shift to the next business day, October 16th. This must be done by submitting a nominating resolution to us no later than the end of the business day on the 16th. Each entity that is entitled to vote may nominate up to one candidate for each position to be filled on the Board of Directors. All five of the board positions are included in this appointment, therefore each taxing entity can nominate a maximum of five candidates. ***Tax Code 6.03 (g)*** The Resolution must include the name and address of each candidate nominated. To be eligible to serve on the board, an individual must be a resident of the district *(Denton County)* and must have resided in the district for at least two years immediately preceding the date they take office. ***Remember*** **that this is the nominations part of**

the process and the written resolution associated with this phase of the election should only include nominations of candidates.

ACTION BY CHIEF APPRAISER:

Delivery of ballots is to be done before October 30th. Since October 29th is a Sunday, the deadline will shift to the next business day, October 30th. I will do my best to prepare and deliver a ballot listing the candidates whose names were timely submitted to each entity as soon as possible (my goal will be the week of October 23rd). The ballot will list each candidate, alphabetically sorted by surname. ***Tax Code 6.03 (j)***

ACTION BY ENTITY:

Entities cast their votes before December 15th. To be clear, the deadline is for voting resolutions to be received by the chief appraiser by the end-of-day December 14th. This must be done by resolution. If a ballot is returned marked, it must be accompanied by a resolution adopted in a public meeting.
Tax Code 6.03 (g), 6.03 (k and k-1 effective 1-1-2022)
Please remember that taxing entities with 5% or more of the total votes MUST determine its votes by resolution adopted at the FIRST or SECOND OPEN meeting of the governing body held after the chief appraiser delivers the ballot, and the resolution must be submitted to the chief appraiser no later than the THIRD day following the date the resolution was adopted. This applies to taxing entities with 250 or more votes.

ACTION BY CHIEF APPRAISER:

Director appointment results will be sent out before December 31st. We will count the votes and declare the five candidates who received the largest cumulative vote totals to begin serving a new term beginning January 1, 2024. **Tax Code 6.03 (k)**

Thank you all so much for your continued support! If you have any questions let me know.

Best Regards,

Don Spencer, RPA
Chief Appraiser
Denton Central Appraisal District