

# **DENTON CENTRAL APPRAISAL DISTRICT**



## **BOARD OF DIRECTORS POLICIES & PROCEDURES MANUAL**

Date Created: December 16, 2021  
Last Adopted: December 16, 2021

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# **GENERAL INFORMATION**

## **ABOUT THE APPRAISAL DISTRICT**

The Denton Central Appraisal District is a political subdivision of the state created pursuant to Subchapter A of Chapter 6 – Local Administration, of the Property Tax Code enacted into law by the 66<sup>th</sup> Texas Legislature in 1979. The district's primary responsibility is the development of an appraisal roll for use by taxing units in imposing ad valorem taxes on the property in the district. The appraisal district's boundaries are the same as the county's boundaries.

The Board of Directors shall establish general policies within the requirements of state law. Members of the Board of Directors shall exercise authority of office only when acting as a Board legally in session.

The statutory responsibilities of the Board of Directors are outlined within the policies of this manual. Rules of the Board under this manual may be altered, amended or repealed and new rules may be adopted by the Board at any meeting at which a quorum is present.

Property Tax Code Section: 6.01(a-c)  
Property Tax Code Section: 6.02(a)

## **ELIGIBILITY OF BOARD OF DIRECTORS**

The Denton Central Appraisal District is governed by a Board of six directors. Five directors are appointed by the taxing units that participate in the district. One director is the county assessor-collector serving as an ex officio member.

To be eligible to serve on the Board of Directors, an individual must be a resident of the Denton Central Appraisal District and must have resided in the district for at least two years immediately preceding the date the individual takes office. An elected official or a member of the governing body of a taxing unit in the appraisal district may serve as a director. An employee of a taxing unit that participates in the Denton Central Appraisal District is not eligible to serve on the district's Board of Directors unless such individual is also a member of the governing body or an elected official of a taxing unit that participates in the district.

An individual is prohibited from serving on the Board of Directors if they have engaged in appraising property or represented property owners for compensation in the preceding three years. It is also prohibited if someone they are related to is in the business of appraising property for compensation for use in proceedings or represents property owners for a fee in proceedings in the appraisal district. Relatives barred are those within the second degree by consanguinity (blood) or affinity (marriage).

The Chief Appraiser may not employ any individual related to a member of the Board of Directors within the second degree by affinity or within the third degree by consanguinity. A person commits an offense if the person intentionally or knowingly violates this subsection.

A person is ineligible to serve on the Board of Directors if the individual, or a business in which the individual has a substantial interest, enters into a contract with the appraisal district or a

taxing unit in the district if the contract activity is governed by the code. Substantial interest is defined as the person and person's spouse having a combined ownership of at least ten percent (10%) of the voting stock or shares of a business, or the person or person's spouse is a partner, limited partner, or an officer of a business. An appraisal district is barred from contracting with a Board member or a business entity in which a Board member has a substantial interest. A taxing unit is prohibited from making a tax-related contract with a member of the Board of Directors or a business entity in which the member has a substantial interest.

A person is ineligible to serve if they own property on which delinquent taxes have been owed to a taxing unit for more than 60 days after the date the individual knew or should have known of the delinquency unless the delinquent taxes and any penalties and interest are being paid under an installment payment agreement under PTC Section 33.02; or a suit to collect the delinquent taxes is deferred or abated under PTC Section 33.06 or 33.065.

A person is ineligible to serve on the Board of Directors if the individual has served as a member of the Board of Directors for all or part of five terms, unless the individual was the county assessor-collector at the time the individual served as a Board member. Board of Directors prior to 01/01/2022 shall not count towards the total number of terms served.

A person is ineligible to serve if they have been an employee of the appraisal district at any time during the preceding three years.

Property Tax Code Section: 6.03(a)  
Property Tax Code Section: 6.035(1-2)

### **EX OFFICIO MEMBER**

If the county assessor-collector is not appointed to the Board of Directors, the county assessor-collector serves as a non voting director or ex officio member.

"Ex officio" refers to a Board member who has their position because of the office that person holds, which in this case is the county assessor-collector.

The ex officio member is not elected, rather they have agreed to serve on the Board because the organization needs their expertise or influence in that position. An ex officio Board member generally attends meetings and partakes in debates and discussions, but they are not considered full members of the Board with voting rights and are not counted as official members of the Board for legal purposes, but do count towards the establishment of a quorum.

The county assessor-collector, as a non voting member, does not have a term limit.

Property Tax Code Section: 6.03(a-b)

### **ETHICS POLICY**

It is the policy of the Denton Central Appraisal District that the Board members of the district are independent, impartial, and responsible to the taxpayers of Denton County; this public office position should not be used for personal gain; and that state laws applicable to the conduct of public officials are observed.

A Board member shall not accept or solicit any gift or favor that might reasonably tend to influence that individual in the discharge of their official duties. Nor shall the member accept any gift or favor that they know, or should know, has been offered with the intent to influence or reward official conduct.

A member shall not use their official position with the Denton Central Appraisal District to secure a special privilege, consideration, or exemption for themselves or others, or to secure confidential information for any purpose other than official responsibilities.

A member shall not use district facilities, personnel, equipment, or supplies for private purposes, except to the extent such are lawfully available to the public.

A member may not participate in a vote or decision on a matter affecting a person, business entity, or property in which the member has a substantial interest.

A member shall not use information received in connection with their official position for their own purposes or those acting on their behalf or gain unless such information can be known by ordinary means to any ordinary citizen.

A member of the Board of Directors who violates any requirement of this policy shall be subject to review and action by the appointing authority. A taxing unit may ask for the recall of any director the unit voted for in the appointment process.

### **TERM OF BOARD OF DIRECTORS MEMBERS**

Members of the Denton Central Appraisal District Board of Directors, other than a county assessor-collector, serve two (2) year terms beginning on January 1 of even-numbered years.

Starting in January 2022, a member of the DCAD Board of Directors can only serve for all or part of five terms in their lifetime.

Property Tax Code Section: 6.03(b), 6.035(a-1)

### **SELECTION OF BOARD MEMBERS**

Before October 1st on odd-numbered years, the Chief Appraiser shall calculate the number of votes to which each taxing unit is entitled and shall deliver a written notice to the county judge, each commissioner, and to the presiding officer of each governing body the number of votes they are entitled.

The voting entitlement of a taxing unit that is entitled to vote for directors is determined by dividing the total dollar amount of property taxes imposed in the district by the taxing unit for the preceding tax year by the sum of the total dollar amount of property taxes imposed in the district for that year by each taxing unit that is entitled to vote, by multiplying the quotient by 1,000, and by rounding the product to the nearest whole number. That number is multiplied by the number of directorships to be filled. A taxing unit participating in two or more districts is entitled to vote in each district in which it participates, but only the taxes imposed in a district are used to calculate voting entitlement in that district.

Before October 15th on odd numbered years, each presiding officer of the governing body shall submit the names of the unit's nominees by written resolution adopted by its governing body. They shall submit one candidate for each voting position (five candidates total) to be filled on the Board of Directors.

Before October 30th on odd numbered years, the Chief Appraiser shall prepare a ballot, listing the candidates whose names were timely submitted, alphabetically according to the first letter in each candidate's surname, and shall deliver a copy of the ballot to the presiding officer of the governing body of each taxing unit that is entitled to vote. The Chief Appraiser will vet the candidates based on the eligibility of candidates listed in the Property Tax Code, Section 6.03(a) and 6.035(1-2).

Before December 15th, each governing body may choose (by written resolution) the candidate or candidates of their choice. A governing body may cast all its votes for one candidate or distribute them among candidates for any number of directorships.

The governing body of each taxing unit entitled to cast at least five percent (5%) of the total votes must determine its vote by resolution adopted at the first or second open meeting of the governing body that is held after the date the Chief Appraiser delivers the ballot to the presiding officer of the governing body. The governing body must submit its vote to the Chief Appraiser not later than the third day following the date the resolution is adopted.

Before December 31st, the Chief Appraiser shall count the votes, declare the five candidates who receive the largest cumulative vote totals elected and submit the results to the governing body of each taxing unit in the district and to the candidates.

Exceptions are made for conservation and reclamation districts, Denton County does not have any conservation and reclamation districts at this time.

Property Tax Code Section: 6.03(c-k) and 6.031

### **VACANCIES ON THE BOARD OF DIRECTORS**

The Board of Directors shall be notified of any vacancy that occurs. If a vacancy occurs on the Board of Directors other than a vacancy in the position held by a county assessor- collector serving as a non voting director, each taxing unit that is entitled to vote by this section may nominate, by resolution adopted by its governing body, a candidate to fill the vacancy.

The unit shall submit the name of its nominee to the Chief Appraiser within forty five (45) days after notification from the Board of Directors of the existence of the vacancy, and the Chief Appraiser shall prepare and deliver to the Board of Directors within the next five (5) days a list of the nominees. The Board of Directors shall elect by majority vote of its members one of the nominees to fill the vacancy.

Property Tax Code Section: 6.03(l)

## **RECALL OF DIRECTOR**

The governing body of a taxing unit may call for the recall of a member of the Board of Directors for whom the unit cast any of its votes in the appointment of the Board. The call must be in the form of a resolution, be filed with the Chief Appraiser, and state that the unit is calling for the recall of the member. If a resolution calling for the recall of a Board member is filed, the Chief Appraiser, not later than the 10th day after the date of filing, shall deliver a written notice of the filing of the resolution and the date of its filing to the presiding officer of the governing body of each taxing unit entitled to vote in the appointment of Board members.

On or before the 30th day after the date on which a resolution calling for the recall of a member of the Board is filed, the governing body of a taxing unit that casts any of its votes in the appointment of the Board for that member may vote to recall the member by resolution submitted to the Chief Appraiser. Each taxing unit is entitled to the same number of votes in the recall as it cast for that member in the appointment of the Board. The governing body of the taxing unit calling for the recall may cast its votes in favor of the recall in the same resolution in which it called for the recall.

Not later than the 10th day after the last day provided by this section for voting in favor of the recall, the Chief Appraiser shall count the votes cast in favor of the recall. If the number of votes in favor of the recall equals or exceeds a majority of the votes cast for the member in the appointment of the Board, the member is recalled and ceases to be a member of the Board. The Chief Appraiser shall immediately notify, in writing, the presiding officer of the appraisal district Board of Directors and of the governing body of each taxing unit that voted in the recall election, of the outcome of the recall election. If the presiding officer of the appraisal district Board of Directors is the member whose recall was voted on, the Chief Appraiser shall also notify the secretary of the appraisal district Board of Directors of the outcome of the recall election.

If a vacancy occurs on the Board of Directors after the recall of a member of the Board under this section, the taxing units that were entitled to vote in the recall election shall appoint a new Board member. Each taxing unit is entitled to the same number of votes as it originally cast to appoint the recalled Board member. Each taxing unit entitled to vote may nominate one candidate by resolution adopted by its governing body. The presiding officer of the governing body of the unit shall submit the name of the unit's nominee to the Chief Appraiser on or before the 30th day after the date it receives notification from the Chief Appraiser of the result of the recall election.

On or before the 15th day after the last day provided for a nomination to be submitted, the Chief Appraiser shall prepare a ballot, listing the candidates nominated alphabetically according to each candidate's surname, and shall deliver a copy of the ballot to the presiding officer of the governing body of each taxing unit that is entitled to vote. On or before the 15th day after the date on which a taxing unit's ballot is delivered, the governing body of the taxing unit shall determine its vote by resolution and submit it to the Chief Appraiser. On or before the 15th day after the last day on which a taxing unit may vote, the Chief Appraiser shall count the votes, declare the candidate who received the largest vote total appointed, and submit the results to the presiding officer, or secretary if the presiding officer is being recalled, of the governing body of the appraisal district and of each taxing unit in the district and to the candidates. The Chief Appraiser shall resolve a tie vote by any method of chance.

## **OFFICERS OF THE BOARD**

The officers of the Board of Directors shall consist of a chairman, vice-chairman, and secretary who shall be selected by majority vote at the January meeting of each year. In the event of a vacancy of office, the office is filled at the first regular meeting following the vacancy.

The duties of the chairman shall 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; perform legal duties as required by statute, and functions as designated by the Board.

The duties of the vice-chairman shall include all the duties of the chairman in case of their resignation, absence, or disability.

The duties of the secretary shall include presiding at meetings in absence of the chairman and vice-chairman; along with the chairman, signing all legal instruments requiring Board signature; perform legal duties as required by the statute, and functions as designated by the Board.

Property Tax Code Section: 6.04(a)

## **COMPENSATION**

Members of the Board of Directors may not receive compensation for service on the Board, but are entitled to reimbursement for actual and necessary expenses incurred in the performance of their duties as provided by the budget adopted by the Board.

Property Tax Code Section: 6.04(c)

## **MEETINGS**

The Denton Central Appraisal District Board of Directors may meet at any time at the call of the chairman or as provided by Board rule, but may not meet less often than once each calendar quarter.

All meetings of the Board of Directors shall be held in a boardroom at the district's office located at 3901 or 3911 Morse Street, Denton Texas, unless a different location is designated by the Board in the notice of meeting. Meetings shall start promptly at the appointed hour or as soon thereafter as a quorum is present. A majority of the members of the Board shall constitute a quorum for transaction of business.

### **Regular Meetings**

Regular meetings of the Board shall be held at the call of the Chairman. The Board of Directors shall determine the number of meetings to be held for each year. However, the Board of Directors will hold at least six meetings during each calendar year and at least one meeting during each calendar quarter. An agenda of such meetings will be made public in accordance with the Texas Open Meetings Act.

### Special Meetings

Special meetings may be called by a majority of the Board of Directors, by the Chairman, or by the Chief Appraiser. Rules of procedure for these meetings shall be the same as those for regular meetings. Notification and agenda posting will be made in accordance with the Texas Open Meetings Act.

### Emergency Meetings

Emergency meetings may be called by the Chairman of the Board or the Chief Appraiser. A one-hour public notice and agenda posting will be made in accordance with the Texas Open Meetings Act.

A majority of the appraisal district board of directors constitutes a quorum. The Ex Officio member of an appraisal district board is counted in determining the presence of a quorum.

Meetings shall be conducted in conformity to Roberts Rules of Order Revised unless otherwise directed by Board policy.

A member of the Board of Directors shall not speak about any appraisal district activities with two (2) or more Board members outside a posted meeting, which includes hitting "Reply All" on an email stream. Hitting "Reply All" is considered a walking quorum.

The carrying of a concealed handgun and the open carry of a handgun by those licensed to carry is prohibited at the meeting of the Board of Directors including any committee meetings of the Board. Staff shall provide written notice pursuant to the State law requirements to notify those in attendance.

The Board shall have the authority to hold a closed or executive session without public admittance consistent with the requirements of law. The Board may not take any action in an executive session.

An agenda packet outlining the agenda and providing support information shall be prepared by the Chief Appraiser and sent to the members 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 (unless a special meeting has been called). The official minutes shall be bound and kept by the Chief Appraiser in the office of the appraisal district.

Property Tax Code Section: 6.04(b)

## **ACCESS TO THE BOARD**

### **PUBLIC ACCESS**

It is the policy of the Board of Directors that persons desiring to address the Board must fill out a speaker's card prior to the meeting. No presentation shall exceed three (3) minutes, unless approved by the Board ahead of time.

The Board cannot deliberate on any subjects that are not included on the posted agenda. 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.

The Board of Directors may not prohibit public criticism of the Board, including criticism of any act, omission, policy, procedure, program, or service; provided the criticism is not otherwise prohibited by law.

If a person who does not speak English or who communicates by sign language wishes to address the Board at a meeting, and that person is unable to provide an interpreter, the individual should notify the Chief Appraiser in writing at least three (3) days prior to the meeting, and earlier if possible. Upon receiving such a notice, the Chief Appraiser shall arrange to have an interpreter at the meeting.

If a person has a disability and needs assistance to enter the appraisal district office building and boardroom, the individual should notify the Chief Appraiser in writing at least three (3) business days prior to the meeting.

The Chief Appraiser has provided the following for disabled persons:

- Two (2) parking spaces for the handicapped. They are located in the visitors' parking area south of the building;
- A wheelchair curb is located in the parking area on the visitors' parking and is adjacent to the building's front entrance;
- Restrooms specially equipped for the handicapped are located in the building.

If a person has any other physical, mental, or developmental disabilities that require special consideration for access to the Board, the individual should notify the Chief Appraiser in writing at least three (3) days prior to the meeting. The Chief Appraiser will make every reasonable effort to provide reasonable access to the Board.

Property Tax Code Section: 6.04(d-e)  
Government Code: 551.007

## **FILING AND RESOLVING COMPLAINTS**

The Board of Directors will consider complaints about itself, the Denton Central Appraisal District, the Denton County Appraisal Review Board (ARB), or any of the following persons: A member of the Board of Directors; Ex Officio member, a member of the ARB; the Chief Appraiser; any employee of the appraisal district; and any private person or firm who, by contract, performs governmental functions for the appraisal district.

A complaint may be filed with the Board by any of the following persons or entities: an owner of taxable property in the appraisal district; a taxing unit for which the appraisal district appraises property; the ARB or any member thereof; the Chief Appraiser; or any employee of the appraisal district.

The following items, which may be protested to the ARB, per Section 41.41 of the Tax Code, cannot be resolved by the Board of Directors: 1) determination of appraised value, 2) unequal appraisal, 3) inclusion of property on appraisal records, 4) denial of an exemption, 5)

disqualification for special appraisal, 6) identification of taxing units wherein taxable, 7) determination of ownership, 8) determination that a change of use of land previously receiving special appraisal under Chapter 23 of the Tax Code has occurred, and 9) any other action that applies to the property owner and adversely affects them.

The Board of Directors shall take the actions it may deem reasonable and appropriate to resolve a complaint. The Board may also allow the complaining party to appear before it. The Board's deliberations at its meetings with respect to complaints shall occur in open session or executive session as authorized by the Texas Open Meetings Act.

In response to each complaint referred by the Board, the Chief Appraiser shall investigate the validity of the complaint and make their recommendations to the Board. The Chief Appraiser shall report to the Board at its meetings on the result of their investigations and recommendations with respect to complaints. All parties shall cooperate fully with an investigation being conducted by the Chief Appraiser.

It is the policy of the Board of Directors that if a written complaint is filed with the board that the board has authority to resolve, the board, at least quarterly and until final disposition of the complaint, shall notify the parties to the complaint of the status of the complaint unless notice would jeopardize an undercover investigation. The Board will not respond to the complaint filed until any undercover investigation has been concluded and dismissed. The complaint must state explicitly the issues involved with appropriate documentation, and must be signed and dated by the complainant. The Board shall notify the parties when a complaint is finally resolved. If a complaint is addressed to some action or omission specifically on the part of an individual member of the Board of Directors then the remaining Board of Directors, and as deemed appropriate by the Board, the taxing unit(s) casting votes for the Board member about which the complaint is filed, will investigate and resolve the complaint.

If a complaint is addressed to some action or omission specifically on the part of the Chief Appraiser, or if it otherwise appears that the Chief Appraiser could not objectively investigate the complaint and make impartial recommendations to the Board, then the chairman of the Board may refer the complaint to some other party with reasonable qualifications, as determined by the Board, to perform the functions of the Chief Appraiser with regard to investigating the complaint and making recommendations to the Board.

Property Tax Code Section: 6.04(g)

### **EX PARTE COMMUNICATIONS**

A member of the Board of Directors and/or the Chief Appraiser commits an offense if they directly or indirectly communicates with the Chief Appraiser on any matter relating to the appraisal of property by the appraisal district, except in:

- An open meeting of the appraisal district Board of Directors or another public forum; or
- A closed meeting of the Board of Directors held to consult with the Board's attorneys about pending litigation, at which the Chief Appraiser's presence is necessary for full communication between the Board and the Board's attorney.

A member of the board of directors can transmit to the chief appraiser (without comment) a complaint by a property owner or taxing unit about the appraisal of a specific property, provided that the transmission is in writing.

The above does not apply to routine communication between the Chief Appraiser and the county assessor-collector that relates to the administration of an appraisal roll, including a communication made in connection with the certification, correction, or collection of an account.

An offense under section 6.15 of the Tax Code is a Class C misdemeanor.

Property Tax Code Section: 6.15

## **AUTHORITY OF THE BOARD**

### **ESTABLISHMENT OF APPRAISAL DISTRICT OFFICE**

The Property Tax Code established the Denton Central Appraisal District. The Board of Directors, shall establish an appraisal office within Denton County.

The Board of Directors mandates that the district's appraisal office shall be located in Denton County, and should be in a geographic location that provides centralized access to all taxpayers in the district.

The administrative offices of the district shall be located at 3901 & 3911 Morse Street, Denton, Texas. Regular office hours for the district shall be 8:00 am to 4:30 pm, Monday through Friday, unless the day is designated a holiday or special circumstance.

The district is responsible for appraising property in the district for ad valorem tax purposes of each taxing unit that imposes ad valorem taxes on property in the district and elects not to contract with an appraisal office in another district, or with a taxing unit to perform the duties of the district.

Property Tax Code Section: 6.05(a-b)

### **OWNERSHIP OR LEASE OF REAL PROPERTY**

The Board of Directors of the appraisal district may purchase or lease real property and may construct improvements as necessary to establish and operate the appraisal office.

The acquisition or conveyance of real property or the construction or renovation of a building or other improvement by the appraisal district must be approved by the governing bodies of three-fourths of the taxing units entitled to vote on the appointment of Board members. The Board of Directors by resolution may propose a property transaction or other action for which this policy requires approval of the taxing units. The Chief Appraiser shall notify the presiding officer of each governing body entitled to vote on the approval of the proposal by delivering a

copy of the Board's resolution, together with information showing the costs of other available alternatives to the proposal. On or before the 30th day after the date the presiding officer receives notice of the proposal, the governing body of a taxing unit by resolution may approve or disapprove the proposal. If a governing body fails to act on or before that 30th day or fails to file its resolution with the Chief Appraiser on or before the 10th day after that 30th day, the proposal is treated as if it were disapproved by the governing body.

The Board of Directors may convey real property owned by the district, and the proceeds shall be credited to each taxing unit that participates in the district in proportion to the unit's allocation of the appraisal district budget in the year in which the transaction occurs. A conveyance must be approved as provided above, and any proceeds shall be apportioned by an amendment to the annual budget made as provided by Subsection (c) of Section 6.06 of the Texas Property Tax Code.

Property Tax Code Section: 6.051(a-c)

### **CHIEF APPRAISER**

It is the role of the Board of Directors to appoint a Chief Appraiser who will serve at the pleasure of the Board. The Board shall seek qualified applicants to fill the position of Chief Appraiser. The Board policy is that candidates for Chief Appraiser are required to have a designation of Registered Professional Appraiser (RPA) at the time of hire and attend the Chief Appraiser Institute (CCA) as quickly as possible upon being hired.

An outside vendor may be used by the Board to help advertise the position, conduct pre-employment testing, and make recommendations on the selection process.

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 numerous statutory responsibilities related to the development of appraisal rolls and for the administration of the appraisal office.

Roles of the Chief Appraiser to the Board of Directors:

- Establish a comprehensive program for conduct of all appraisal activities and keep the Board informed on the progress of appraisal activities in accordance with the Texas Property Tax Code and generally accepted mass appraisal practices.
- Develop and implement an effective financial management system and provide reports to the Board to allow evaluation of the District's fiscal affairs.
- Develop and implement an effective internal budget development system and prepare and submit a proposed budget by June 15 of each year to the Board.
- Serve as the district's spokesperson in providing information to news media, taxing units, and the general public on the operations of the appraisal district and provisions of the property tax laws.
- 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.
- Serve as the executive administrator of the district and, with the exception of matters reserved to the Board of Directors, the final authority for any personnel matter rests with the Chief Appraiser.

- Perform such other duties as deemed appropriate by the Board and statutory requirements not listed above, or statutory requirements mandated in the future.

When hiring a Chief Appraiser, the Board shall conduct interviews with final candidates and select the Chief Appraiser by a majority of votes.

When evaluating the Chief Appraiser, the Board shall determine both the format and procedures for, and conduct a written yearly evaluation of the Chief Appraiser. At a minimum, the evaluation will denote areas of strength, weaknesses and what, if any, corrective action is required on the part of the Chief Appraiser. As part of the evaluation, the Board shall review comments or complaints received from the public about the Chief Appraiser. The Board will communicate the outcome of the evaluation to the Chief Appraiser in writing. The Chief Appraiser shall maintain the personnel file resulting from Board evaluations. When determining the compensation of a new Chief Appraiser, statewide comparable salaries of like appraisal districts should be considered.

Property Tax Code Section: 6.05(c-d)

### **AGRICULTURAL ADVISORY BOARD**

The Chief Appraiser, with the advice and consent of the Board, shall appoint an Agricultural Advisory Board to advise the Chief Appraiser on the valuation and use of agricultural and timber land.

The Ag Advisory Board must consist of three or more members, as determined by the Board of Directors. Members must be landowners of the district whose land qualifies for appraisal under Subchapter C, D, E, or H, Chapter 23, and who have been residents of the district for at least five years. Board of Directors and/or District staff are ineligible to serve on the Ag Advisory Board

The Ag Advisory Board is required to meet at least one time per year.

Members will serve for staggered terms of two (2) years and may not be compensated.

Property Tax Code Section: 6.12

### **APPRAISAL REVIEW BOARD**

The majority of the Board of Directors may increase the size of the Denton County Appraisal Review Board to the number of members the Board of Directors considers appropriate to manage the duties of the appraisal review board, including the duties of each special panel established under Section 6.425.

The majority of the Board of Directors shall provide for staggered terms, so that the terms of as close to one-half of the members as possible expire each year.

The majority of the Board of Directors may provide for a number of auxiliary appraisal review board members that the Board considers appropriate to hear taxpayer protests before the appraisal review board and to assist the board in performing its duties. An auxiliary board member is appointed in the same manner and for the same term as an appraisal review board member under Section 6.41 and is subject to the same eligibility requirements and restrictions as a board member under Sections 6.41, 6.411, 6.412, and 6.413.

The Board of Directors set a per diem for the Denton County Appraisal Review Board for each day the ARB meets to conduct hearings or attends approved training. The Board of Directors can choose to reimburse for actual and necessary expenses incurred in the performance of ARB functions in the District budget each year.

A member of the Denton County Appraisal Review Board may be removed from the board by a majority vote of the Board of Directors, or by the local administrative district judge or the judge's designee, as applicable, that appointed the member. Not later than the 90th day after the date the Board of Directors, local administrative district judge, or judge's designee that appointed a member of the appraisal review board learns of a potential ground for removal of the member, the board of directors, local administrative district judge, or judge's designee, as applicable, shall remove the member or find by official action that the member's removal is not warranted. Grounds for removal are:

- a violation of Section 6.412, 6.413, 41.66(f), or 41.69;
- good cause relating to the attendance of members at called meetings of the board as established by written policy adopted by a majority of the appraisal district board of directors; or
- evidence of repeated bias or misconduct.

A person who owns property in Denton County or the Chief Appraiser may file a complaint with the taxpayer liaison officer alleging that the Denton County Appraisal Review Board has adopted or is implementing hearing procedures that are not in compliance with the model hearing procedures prepared by the Comptroller under Section 5.103 or is not complying with procedural requirements under this chapter. The taxpayer liaison officer shall investigate the complaint and report the findings of the investigation to the board of directors of the appraisal district. The Board of Directors shall direct the chairman of the appraisal review board to take remedial action if, after reviewing the taxpayer liaison officer's report, the Board of Directors determines that the allegations contained in the complaint are true. The Board of Directors may remove the member of the appraisal review board serving as chairman of the appraisal review board from that member's position as chairman if the Board of Directors determines that the chairman has failed to take the actions necessary to bring the appraisal review board into compliance with Section 5.103(d) or this chapter, as applicable.

A member of the Board of Directors commits an offense if the person communicates with the local administrative district judge regarding the appointment of the appraisal review board members. This does not apply to:

- Communication between the board of directors and the local administrative district judge regarding information relating to or described by Subsection (d-1), (d-5), or (f) of this section or Section 411.1296, Government Code;
- A chief appraiser, another employee or agent of an appraisal district commits an offense if the person communicates with a member of the Board of Directors or the local administrative district judge regarding a ranking, scoring, or reporting of the percentage by which the appraisal review board or a panel of the board reduces the appraised value of property.

An offense under this subsection is a Class A misdemeanor.

A member of the Board of Directors commits an offense if the person communicates with a member of the Denton County Appraisal Review Board with the intent to influence a decision by the member in the member's capacity as a member of the appraisal review board. This section does not apply to:

- Communications during a hearing on a protest for a property a member of the Board of Directors owns
- Limited conversations that involve administrative, clerical, or logistical matters related to the scheduling and operation of hearings, the processing of documents, the issuance of orders, notices, and subpoenas, and the operation, appointment, composition, or attendance at training of the appraisal review board.

An offense under this section is a Class A misdemeanor.

Due to the strict time constraints placed on the ARB in regard to completion of the appraisal roll and the certification of the appraisal rolls by the Chief Appraiser, and the necessity for reliable attendance of ARB members, the Board of Directors adopts the following attendance policy:

- If an ARB member misses three (3) consecutive ARB called meetings and/or requests for service on hearing panels per calendar year, the Board of Directors, by majority vote, may remove the ARB member for good cause.
- If the ARB member presents reasons for their absences, the Board of Directors will consider those reasons in the enforcement of this policy. Reasons for lack of attendance may include, but not be limited to, death in the immediate family, sickness of individual or family members, and request for judicial service for jury duty, summons for court appearance or other personal related incidents acceptable to the Board of Directors.
- ARB members appointed for service to the ARB must serve at least 60% percent of the days requested to serve during the protest process from May through August each year. If the ARB member does not serve the required days, the Board of Directors may remove the ARB member from service.
- The Board of Directors will be provided an attendance report from the district's ARB administration staff and/or chairman of the ARB each Board meeting.

The Board of Directors desire that all ARB hearings be fair and unbiased for all parties, and that the ARB shall conduct its business in compliance with the Property Tax Code. Complaints by any party that could cause removal of an ARB member, as set forth in Section 6.41(f) of the Property Tax Code, should be filed in accordance with the Board's policy for "Filing and Resolving Complaints".

Additionally, members of the Board of Directors who want to exercise their right to an informal meeting or formal hearing have to exercise that right in an open hearing with the Appraisal Review Board, not with District staff.

Property Tax Code Section: 6.41, 6.411, 41.66

### **TAXPAYER LIAISON OFFICER**

Denton County does meet the statutory requirement of a population of more than 120,000, as such; the Board of Directors shall appoint a taxpayer liaison officer who shall serve at the pleasure of the Board. The position of Taxpayer Liaison Officer (TLO) shall be appointed from the District's staff. The Chief Appraiser or any staff performing appraisals will not be considered or appointed to the position. The TLO shall administer public access to the Board of Directors, based on the requirements of Sections 6.04(d), (e) and (f) of the Property Tax Code and the

Board's statutory policies. The TLO shall report to the Board of Directors at each Board meeting on the status of all written complaints filed with the Board of Directors under Section 6.04(g).

Property Tax Code Section: 6.052

### **RECORDS MANAGEMENT OFFICER**

The Board of Directors shall appoint a Records Management Officer (RMO) from the District's staff. The RMO will be responsible for filing their name and contact information with the librarian of the Texas State Library and Archives Commission, in accordance with the requirements of Title 6, Subchapter A, Texas Local Government Code, Section 203.025.

The duties of the RMO include assisting in the establishment of and administration of the District's records management program. The RMO shall adhere with the duties of the position as described in Title 6, Subchapter A, Texas Local Government Code, Section 203.023.

Local Government Code: Title 6, Subchapter A, Section 203.025

### **PUBLIC RELATIONS OFFICER**

The Denton Central Appraisal District shall have one and only one Public Relations Officer. This person should be the spokesperson for the District to avoid erroneous statements or quotes as best as possible. This allows for one voice to be heard and will develop consistency in dealing with the media and public.

The Public Relations Officer shall coordinate interviews, write and distribute news releases, newsletters, reports and correspondence; post information on the internet; coordinate special events such as open houses and public appearances; edit special publications and annual reports; and coordinate the release of information to media channels. The public relations officer shall be the single spokesperson for the District in the event of a crisis.

It is the policy of the Board of Directors of the Denton Central Appraisal District that the Chief Appraiser of the District shall be the official Public Relations Officer. The Board of Directors can work with the Chief Appraiser on media releases and public announcements.

### **APPRAISAL CONTRACTS**

The Chief Appraiser, with the approval of the Board, may contract annually with private appraisal firms to perform appraisal services for the District. Appraisal services provided by each such firm are subject to the Chief Appraiser's approval.

The contract shall identify which properties will be appraised and shall list all items in the contract as deliverables at the CAD. The contractor shall provide to the appraisal district a reappraisal plan outlining what will be reappraised and when. The contractor will make available for inspection by the appraisal district and the public, all market data to support the values on property appraised.

A contract for private appraisal services is void if the amount of compensation to be paid the private appraisal firm is contingent on the amount of or increase in appraised, assessed, or taxable value of the property appraised by the appraisal firm.

Property Tax Code Section: 25.01

### **BIENNIAL REAPPRAISAL PLAN**

To ensure adherence with generally accepted practices, the Board of Directors shall develop a biennial written plan for the periodic reappraisal of all property within the boundaries of the District according to the requirements of the PTC Section 25.18, and shall hold a public hearing to consider the proposed plan. Not later than the 10<sup>th</sup> day before the date of the hearing, the secretary of the Board shall 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<sup>th</sup> of each even-numbered year, the Board shall 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.

Property Tax Code Section: 6.05

## **FINANCIAL**

### **ANNUAL BUDGET**

The Board shall consider and approve an annual budget for the future year by September 15<sup>th</sup> of the current year. The fiscal year for the Denton Central Appraisal District is the calendar year.

Prior to June 15<sup>th</sup>, the Chief Appraiser will deliver a copy of the proposed budget to the taxing units and the Board of Directors. The Board of Directors will hold a public hearing separate from, but in conjunction with, a regular monthly meeting before September 15<sup>th</sup>, to consider the Chief Appraiser's proposed budget, make their desired amendments, and finally approve the budget. Prior to the budget hearing, the required written notice regarding the time, date, and place of the hearing must be provided to the presiding officer of the taxing unit, as mandated by statute.

As part of the annual budgetary process, the Board of Directors shall consider and approve transfers from Reserved funds as presented by the Chief Appraiser. Use of reserved funds would be considered for unique and non-recurring expenses. The Chief Appraiser has the authority to make intra- and inter-departmental transfers during the fiscal year as necessary to avoid over-expenditures of a particular account. Such transfers do not constitute a budget amendment for purposes of the PTC Section 6.06(c) therefore no notification to the taxing entities is required as long as the total dollar amount of the budget is not changed. In the event that the budget must be amended, the Board shall follow PTC Section 6.06(c).

It is further the budget policy of the Board of Directors of the Denton Central Appraisal District, to address the District's long-term budgetary obligations, that in the event the District's operations are assumed by a different agency and the assuming agency does not also assume

the full liability, funded and unfunded, if any, in the Denton Central Appraisal District's Texas County District Retirement System (TCDRS) plan; or the District ceases to operate for any reason, the Board shall allocate assets, current budget funds, and budget reserve funds toward securing the District's unfunded liability, if any, in the TCERS.

Any purchase over \$50,000 the Chief Appraiser will take to the Board of Directors for approval.

This section of the budget policy should be read in conjunction with the "Budget Surplus Policy", to understand the overall budget concept of the Board of Directors.

## **ALLOCATIONS**

Each taxing unit participating in the district is allocated a portion of the amount of the budget equal to the proportion that the total dollar amount of property taxes imposed in the district by the unit for the preceding tax year in which the budget proposal is prepared bears to the sum of the total dollar amount of property taxes imposed in the district by each participating unit for that year. If a taxing unit participates in two or more districts, only the taxes imposed in Denton County are used to calculate the unit's cost allocations. If the number of real property parcels in a taxing unit is less than 5 percent of the total number of real property parcels in the district and the taxing unit imposes in excess of 25 percent of the total amount of the property taxes imposed in the district by all of the participating taxing units for a year, the unit's allocation may not exceed a percentage of the appraisal district's budget equal to three times the unit's percentage of the total number of real property parcels appraised by the district.

Each taxing unit shall pay its allocation in four equal payments to be made at the end of each calendar quarter, and the first payment shall be made before January 1 of the year in which the budget takes effect. A payment is delinquent if not paid on the date it is due. A delinquent payment incurs a penalty of 5 percent of the amount of the payment and accrues interest at an annual rate of 10 percent. If the budget is amended, any change in the amount of a unit's allocation is apportioned among the payments remaining. For good cause shown, the Board of Directors may waive the penalty and interest on a delinquent payment.

Payments shall be made to a depository designated by the district Board of Directors. The district's funds may be disbursed only by a written check, draft, or order. Authority has been granted to the Chief Appraiser through a resolution of the Board that all bills or obligations of the district incurred by contracts or agreements previously approved by the district be paid when due upon request by the Chief Appraiser, without further approval by the Board.

If a taxing unit decides not to impose taxes for any tax year, the unit is not liable for any of the costs of operating the district in that year, and those costs are allocated among the other taxing units as if that unit had not imposed taxes in the year used to calculate allocations. However, if that unit has made any payments, it is not entitled to a refund.

If a newly formed taxing unit or a taxing unit that did not impose taxes in the preceding year imposes taxes in any tax year, that unit is allocated a portion of the amount budgeted to operate the district as if it had imposed taxes in the preceding year, except that the amount of taxes the unit imposes in the current year is used to calculate its allocation. Before the amount of taxes to be imposed for the current year is known, the allocation may be based on an estimate to which the district Board of Directors and the governing body of the unit agree, and the payments made

after that amount is known shall be adjusted to reflect the amount imposed. The payments of a newly formed taxing unit that has no source of funds are postponed until the unit has received adequate tax or other revenues.

Property Tax Code Section: 6.06 (g-h)

### **BUDGET SURPLUS**

It is the policy of the Board of Directors of the Denton Central Appraisal District that if the total amount of payments made and/or due to be paid each year by the taxing units participating in a given fiscal year exceeds the amount actually spent or obligated to be spent during such fiscal year for which payments were made, such excess amount may be appropriated to the Assigned/Obligated Reserve fund accounts with the Appraisal District Budget and thereby obligated to be spent on the District Assigned/Obligated Reserve Fund, as approved by the Board of Directors. Should an Assigned/Obligated Reserve Fund not be provided or the surplus funds otherwise obligated, said surplus funds shall be refunded to the entities in accordance with state law. As an account reaches its maximum, additional funds shall be reassigned as the Board considers necessary.

Property Tax Code Section: 6.06

### **ANNUAL FINANCIAL AUDIT**

It is the policy of the Board of Directors of the Denton Central Appraisal District that the Board will engage an independent third party auditor (audit firm) as the District's auditor of all of its financial records.

At least once each year, the Board of Directors shall have prepared an audit of its financial affairs by an independent Certified Public Accountant or the firm of an independent Certified Public Accountant.

The Board of Directors will engage the services of an independent auditor by bi-annual contract every other year.

The report of the audit is public record and a copy of an audit report shall be delivered to the presiding officers of all taxing entities participating in the District. Copies of the audit report will be available for inspection at the appraisal office.

The results of the financial audit shall be presented to the Board of Directors in a public meeting. If applicable, the Chief Appraiser shall respond to each audit finding by taking corrective action timely.

Property Tax Code Section: 6.063

### **DESIGNATION OF DEPOSITORY**

The Board of Directors shall solicit bids for the District depository at least once every two years. The Board may delegate the administrative task of preparing a Request for Proposals (RFP) to solicit bids to the Chief Appraiser. The District depository must be a banking corporation incorporated under the laws of this state or the United States or a savings and loan association

in this state whose deposits are insured by the Federal Savings and Loan Insurance Corporation. The Board shall designate the financial institution(s) that offer the most favorable terms, conditions or services for the handling of District funds. To the extent that funds in the depository are not insured by the Federal Deposit Insurance Corporation or the Federal Saving and Loan Insurance Corporation, they shall be secured in the manner provided by law for the security of funds of counties.

The Board and the depository may agree to extend a depository contract for one additional two-year period, as permitted by the Property Tax Code.

Property Tax Code Section: 6.09

### **INVESTMENT OF PUBLIC FUNDS**

It is the policy of the Denton Central Appraisal District to invest public funds in a manner which will provide the maximum safety of the principal with the highest investment return while meeting the daily cash flow demands of the District and conforming to all state statutes governing the investment of public funds.

The Board of Directors shall adopt by resolution not less than annually, the Investment Policy of the Denton Central Appraisal District in accordance with the Public Funds Investment Act (Texas Government Code, Chapter 2256).

The policy shall be kept and made available to the public upon request.

Government Code: Chapter 2256, Public Funds Investment Act

### **DESIGNATION OF INVESTMENT OFFICER**

The Board of Directors designates the Finance H/R Manager of the District as the Investment Officer to be responsible for the investment of its funds consistent with the investment policy adopted by the Board. Authority granted to a person to invest the District's funds is effective until rescinded by the Board or termination of the person's employment with the District.

In the administration of the duties of an investment officer, the Finance H/R Manager as Investment Officer shall exercise the judgment and care, under prevailing circumstances that a prudent person would exercise in the management of the person's own affairs but the Board of Directors of the District retains ultimate responsibility as fiduciaries of the assets of the District.

An employee is ineligible to be designated as an investment officer if that person meets any of the restrictions laid out in chapter 2256 of the Government Code. An employee designated as Investment Officer must meet all disclosure requirements listed under Government Code Chapter 2256.

The investment officer shall attend the required investment training at least once every two years as required by law. The two-year period begins on the first day of the District's fiscal year and consists of the two consecutive fiscal years after that date.

Government Code: Chapter 2256, Public Funds Investment Act

## **COMPETITIVE BIDDING REQUIREMENTS**

The Denton Central 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.

For purposes of this section, all the provisions of Chapter 252, Local Government Code, applicable to a municipality or to purchases and contracts by a municipality apply to the appraisal district and to purchases and contracts by the appraisal district to the extent they can be made applicable, and all references to the municipality in that chapter mean the appraisal district. For purposes of applying Section 252.061, Local Government Code, to the appraisal district, any resident of the appraisal district may seek an injunction under that section. Sections 252.062 and 252.063, Local Government Code, apply to an officer or employee of the appraisal district in the same manner those sections apply to a municipal officer or employee.

Property Tax Code Section: 6.11

## **CONFLICTS OF INTEREST**

The Denton Central Appraisal District shall adhere to the requirements of Local Government Code 171 and 176 pertaining to conflicts of interest. They must fill out a conflict of interest form and recuse themselves from the conversation and voting on such items.

A vendor or other person who contracts or seeks to contract with the Denton Central Appraisal District shall file a completed conflict of interest questionnaire with the records administrator not later than the seventh business day after the date that the person:

- Begins contract discussions or negotiations with the appraisal district; or
- Submits to the appraisal district an application, response to a request for proposal or bids, correspondence, or writing related to a potential agreement with the appraisal district.

The District shall use the conflict of interest questionnaire and the conflict disclosure adopted by the Texas Ethics Commission.

A member of the Board of Directors for the Denton Central Appraisal District shall file a conflict disclosure statement with respect to a person described in Section A of the Texas Ethics Commission. If the person enters into a contract with the District or the District is considering entering into a contract with the person; and

- The person has an employment or other business relationship with Denton CAD or a Board member or a family member that results in the Board member or family member receiving taxable income, other than investment income, that exceeds \$2500 during the 12 month period preceding the date that the Board member becomes aware that:
  - A contract described by subdivision 1 has been executed; or
  - Denton CAD is considering entering into a contract with the person;
- Or the person has given to the Board member or member of their family one or more gifts that have an aggregate value of more than \$250 in the 12-month period preceding the date the Board member becomes aware that:
  - A contract described by subdivision 1 has been executed; or
  - Denton CAD is considering entering into a contract with the person.
- A Board member is not required to file a conflicts disclosure statement in relationship to a gift accepted by the Board member or family member if the gift is:

- Given by a family member of the person accepting the gift;
- A political contribution as defined by Title 15, Election Code; or
- Food, lodging, transportation, or entertainment accepted as a guest.
- A Board member who has a substantial interest in a business entity if:
  - the person owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the business entity; or
  - funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year.
  - a person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.
  - a local public official is considered to have a substantial interest under this section if a person related to the official in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has a substantial interest under this section.

A Board member shall file the conflict disclosure statement with the records administrator of Denton CAD not later than 5 pm on the seventh business day after the date on which the Board member becomes aware of the facts requiring the filing of the statement.

A Board member commits an offense if the member knowingly violates this section. An offense under Local Government Code Chapter 171 and 176 is a class C misdemeanor.

It is an exception to the application of this subsection if the person filed the required conflicts disclosure statement not later than the seventh business day after the date the person received notice from Denton CAD of the alleged violation.

Local Government Code: Chapter 171 and 176

## **LIABILITY OF BOARD MEMBERS**

### **LIABILITY INSURANCE**

It is the policy of the Denton Central Appraisal District to carry the directors and officers liability coverage which shall be paid for out of the District's annual operating budget. The minimum coverage provided shall be \$1,000,000 for each wrongful act with an annual aggregate total of \$2,000,000.

The liability insurance covers:

- Members of the Board of Directors
- The Ex Officio Member
- Members of the Appraisal Review Board
- The Chief Appraiser
- All Employees of the District (including temporary or part-time employees)

## **LITIGATION ARISING FROM PERFORMANCE OF OFFICIAL DUTIES**

This provision is applicable to the following personnel associated with the Denton Central Appraisal District:

- Members of the Board of Directors
- The Ex Officio Member
- Members of the Appraisal Review Board
- The Chief Appraiser
- All Employees of the District (including temporary or part-time employees)

Should any of the above personnel involuntarily become a defendant in any civil or criminal litigation brought against them pursuant to the performance of their official duties, it shall be the policy of the Denton Central Appraisal District to provide a defense of such legal or administrative action and pay for the costs thereof including attorneys' fees incurred in defending said litigation or administrative action, but only to the extent the accused person or conduct is not covered by insurance.

It shall further be the policy of the District that immediately upon being notified that an administrative or litigation action has been instigated against a District representative covered above, the Chief Appraiser shall inform all insurance carriers of the situation and determine as soon as possible what the insurance will cover. If it is determined that insurance coverage does not exist in full or in part, or is denied entirely, the engagement and selection of the attorney who will defend affected personnel shall be left wholly to the discretion of the Denton Central Appraisal District Board of Directors.

In addition, should any judgment for money damages be finally rendered against any of the above personnel as a result of said administrative action or litigation brought against such persons pursuant to the performance of such person's official duties, it shall be left wholly to the discretion of Denton Central Appraisal District Board of Directors to pay any judgment or other liability rendered against the affected person(s) which are not covered by insurance.