



# TEXAS LEGISLATIVE STUDY GROUP

*An Official Caucus of the Texas House of Representatives*

## **November 5, 2019 Election – Texas Constitutional Amendments**

### **Proposition 1**

**(HJR 72 – Author: Rep. White; Sponsor: Sen. Huffman)**

Wording on Ballot: “The constitutional amendment permitting a person to hold more than one office as a municipal judge at the same time.”

Analysis: Currently, an unelected, unpaid municipal judge can only serve on the bench to which they are appointed. There are concerns that small counties do not even have attorneys living within their city limits, much less have a court within their municipalities. This creates concerns due to some cities not having a court overseeing them.

Proposition 1 would address these concerns by amending the Texas Constitution to allow an elected or appointed municipal judge to serve in more than one municipality at a time. This would allow smaller counties to have their own courts and have oversight over their systems.

LSG Caucus Recommendation: Favorable

### **Proposition 2**

**(SJR 79 – Authors: Sen. Lucio, Sen. Hinojosa, Sen. Perry; Sponsors: Rep. Mary Gonzalez, Rep. Guillen, Rep. Sheffield, Rep. Murr, Rep. Walle)**

Wording on Ballot: “The constitutional amendment providing for the issuance of additional general obligation bonds by the Texas Water Development Board in an amount not to exceed \$200 million to provide financial assistance for the development of certain projects in economically distressed areas.”

Analysis: The Economically Distressed Area Program (EDAP), within the Texas Water Development Board (TWDB), has been successful in providing safe and secure sources of water and wastewater to many parts of Texas. However, there is a current need of over \$440 million in projected costs solely based on applications to the TWDB from economically distressed areas whose minimal needs are not being met. In 1989 and 2007, voters approved constitutional amendments to authorize the issuance of general obligation bonds to fund EDAP. However, there is no remaining EDAP bonding authority.

Proposition 2 would amend the Texas Constitution in order to authorize the TWDB to issue additional general obligation bonds for the EDAP account, in an amount that does not exceed \$200 million. Proposition 2 requires that the bonds be used to provide financial assistance for the development of water supply, sewer service, and drainage projects in economically distressed areas of Texas.

Certain parts of the state lack adequate sewer services, which has led to public health concerns stemming from raw sewage runoffs or overflowing septic systems. Maintaining and expanding water infrastructure in Texas comes with high costs that are best financed through the issuance of bonds. Proposition 2 would allow for a more reliable and long-term funding of the EDAP.

LSG Recommendation: Favorable

**Proposition 3**

**(HJR 34 – Authors: Rep. Shine, Rep. Darby, Rep. Stephenson; Sponsor: Sen. Bettencourt)**

Wording on Ballot: “The constitutional amendment authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster.”

Analysis: Proposition 3 would amend the Texas Constitution to provide temporary, local-option property tax exemptions authorized by the governing body of a taxing unit, including amounts, duration, and eligibility requirements for property damaged in an area declared by the governor to be a disaster area.

Proposition 3 provides a local-option percentage property tax exemption on a portion of appraisal value based on the extent of damage ranging from 15% to 100% exemption. Taxing units must adopt the exemption within 60 days of the disaster and the value remains exempted until the property is reappraised the following year.

LSG Recommendation: Favorable

**Proposition 4**

**(HJR 38 – Authors: Rep. Leach, Rep. Metcalf, Rep. Burrows, Rep. Cain; Sponsor: Sen. Fallon)**

Wording on Ballot: “The constitutional amendment prohibiting the imposition of an individual income tax, including a tax on an individual’s share of partnership and unincorporated association income.”

Analysis: While currently limited in the Texas Constitution, Proposition 4 proposes an amendment to entirely prohibit an individual state income tax. This would include prohibiting a tax on an individual's share of the partnership and unincorporated association income.

Current constitutional limitations, which require voter approval of state income tax, in addition to approval by the state legislature provide sufficient protection against a state income tax that is not approved by voters. Prohibiting a state personal income tax would unnecessarily tie the hands of future lawmakers by hindering a revenue stream that could be used to shore up future budget shortfalls or school finance problems. Additional concerns include the lack of definition of “individual” in the bill and the potential for interpretation to limit the state franchise tax exemptions to certain entities.

LSG Recommendation: Unfavorable

**Proposition 5**

**(SJR 24 – Authors: Sen. Kolkhorst, Sen. Buckingham, Sen. Campbell, Sen. Flores, Sen. Hinojosa, Sen. Huffman, Sen. Hughes, Sen. Menéndez, Sen. Nichols, Sen. Perry, Sen. Rodríguez, Sen. Zaffirini; Sponsors: Rep. Cyrier, Rep. Price, Rep. Zerwas, Rep. Chris Turner, Rep. Rose)**

Wording on Ballot: “The constitutional amendment dedicating the revenue received from the existing state sales and use taxes that are imposed on sporting goods to the Texas Parks and Wildlife Department and the Texas Historical Commission to protect Texas’ natural areas, water quality, and history by acquiring, managing, and improving state and local parks and historic sites while not increasing the rate of the state sales and use taxes.”

**Analysis:** Proposition 5 would amend the Texas Constitution in order to allow for the automatic appropriation of all revenue from the sporting goods sales tax transferred to the Parks and Wildlife Department and the Texas Historical Commission.

With the increase in population our state parks and historic sites are seeing more visitors every year. This predictable funding would allow for state parks and historic sites to meet construction, operations, and customer demands.

LSG Recommendation: Favorable

**Proposition 6**

**(HJR 12 – Authors: Rep. Zerwas, Rep. Sarah Davis, Rep. Senfronia Thompson, Rep. Morrison, Rep. Coleman; Sponsors: Sen. Nelson, Sen. Watson)**

**Wording on Ballot:** "The constitutional amendment authorizing the legislature to increase by \$3 billion the maximum bond amount authorized for the Cancer Prevention and Research Institute of Texas."

**Analysis:** Proposition 6 amends the Texas Constitution by allowing the maximum bond amount authorized by the Texas Public Finance Authority for the Cancer Prevention and Research Institute of Texas (CPRIT) to be increased from \$3 billion to \$6 billion. This will ensure a stable source of funding for CPRIT for the provision of grants intended for cancer prevention research. In addition, state statute will limit CPRIT from appropriating more than \$300 million in grants per fiscal year, aside from unspent funds from previous years.

LSG Recommendation: Favorable

**Proposition 7**

**(HJR 151 – Author: Rep. Huberty; Sponsor: Sen. Taylor)**

**Wording on Ballot:** "The constitutional amendment allowing increased distributions to the available school fund."

**Analysis:** Currently, there is a maximum amount of \$300 million that can be distributed from the General Land Office (GLO) to the available school fund (ASF).

Proposition 7 would authorize the GLO to increase the funds distributed to the ASF each year to \$600 million. The State Board of Education would also be authorized to make a distribution of up to \$600 million each year under this constitutional amendment.

LSG Recommendation: Favorable

**Proposition 8**

**(HJR 4 – Authors: Rep. Phelan, Rep. Metcalf, Rep. Rodriguez, Rep. Coleman, Rep. Guillen; Sponsor: Sen. Creighton)**

**Wording on Ballot:** "The constitutional amendment providing for the creation of the flood infrastructure fund to assist in the financing of drainage, flood mitigation, and flood control projects."

**Analysis:** Proposition 8 would address the concerns of insufficient state planning in creating projects geared toward flood resiliency projects by creating a special flood infrastructure fund in the state treasury. Proposition 8 would authorize money in the fund to be administered and used, without

further appropriation, by the Texas Water Development Board (TWDB) or that board's successor in functions to provide financing for drainage, flood mitigation, or flood control projects.

LSG Recommendation: Favorable

**Proposition 9**

**(HJR 95 – Author: Rep. Capriglione; Sponsor: Sen. Fallon)**

Wording on Ballot: "The constitutional amendment authorizing the legislature to exempt from ad valorem taxation precious metal held in a precious metal depository located in this state."

Analysis: Proposition 9 would add a constitutional amendment exempting taxation on precious metals held in a precious metal depository located in Texas, whether or not they are held for the production of income. Currently, taxes are collected only on those metals held for income and this constitutional amendment would not only prohibit that tax practice, it would also remove the local taxing unit's jurisdiction to rescind the current exemptions as well. Other states do not tax precious metals and by prohibiting this practice, it would make Texas depositories more competitive.

LSG Recommendation: Favorable

**Proposition 10**

**(SJR 32 – Authors: Sen. Birdwell, Sen. Nelson; Sponsor: Rep. Tinderholt)**

Wording on Ballot: "The constitutional amendment to allow the transfer of a law enforcement animal to a qualified caretaker in certain circumstances."

Analysis: Currently, law enforcement animals go on sale after they fulfill their duties and are retired from their service since they are considered property and the government cannot make a transfer of property without authorizing a fee. These animals, while working as law enforcement, are usually handled by one person and get used to their commands. By putting them up for sale, it separates the animal from the handler that established the relationship.

Proposition 10 would add an amendment to the Texas Constitution allowing these animals to be gifted to their handlers once the animal retires from service, free from any fees. The amendment includes all animals that are considered law enforcement animals. The goal of the amendment is to allow the animals to stay with their handlers and avoid them from going to an unknown owner.

LSG Recommendation: Favorable