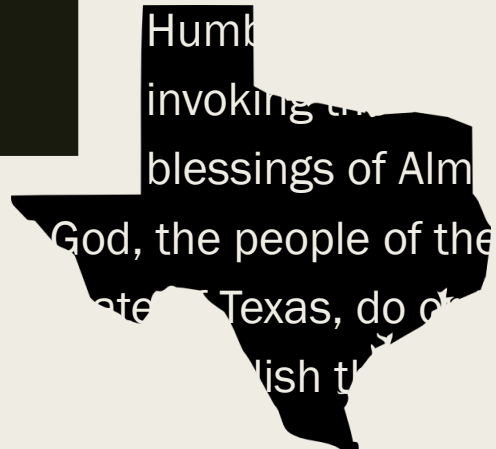


NOVEMBER 7, 2023 ELECTION

# TEXAS CONSTITUTION AMENDMENTS

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Symbols from Karen Marshall, SREC SD25



# Proposition 1 HJR 126

- “The constitutional amendment protecting the right to engage in farming, ranching, timber production, horticulture and wildlife management.”

## PRO

- As demand for food increases, it is important to prevent municipal overregulation that could threaten agricultural production
- Avoids some conflict when suburban expansion & development encroaches on working farmland or ranchland
- Public health & safety & animal welfare would still be addressed by State agencies & political subdivisions

## CON

- No guarantee future legislatures will keep protections
- Threat to health & safety must be imminent before action taken
- Concern of abuse due to vague terms of accepted practice & wildlife management
- Limits reasonable standards and lead to large factory farms and undermine family farms



# Proposition 2      SJR 64

- "The constitutional amendment authorizing a local option exemption from ad valorem taxation by a county or municipality of all or part of the appraised value of real property used to operate a child-care facility."

## PRO

- Inflationary cost hard for Child-care facilities to stay in business
- High cost fewer choices for working families
- Shortage of employees
- Property taxes have contributed to rising costs

## CON

- No requirement to pass savings to working families
- Reduces tax base to cities & counties
- Government Picks winners & losers
- Must be at least 50% exemption
- Amendment 4 reduces property tax for everyone



# Proposition 3      HJR 132

- "The constitutional amendment prohibiting the imposition of an individual wealth or net worth tax, including a tax on the difference between the assets and liabilities of an individual or family."

## PRO

- Ban on wealth tax now will ensure future legislature cannot impose such a tax without the consent of the voters
- Prohibiting the imposition of a wealth tax will help ensure Texans know they will not be penalized for working to create wealth
- Wealth taxes discourage economic innovation & investment.
- European countries have repealed wealth tax due to negative economic consequences.

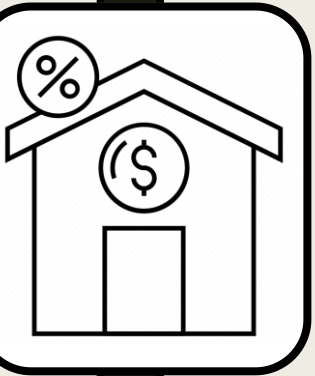
## CON

- The measure is unnecessary because a wealth tax has not been proposed in Texas



# Proposition 4      HJR 2

- "The constitutional amendment to authorize the legislature to establish a temporary limit on the maximum appraised value of real property other than a residence homestead for ad valorem tax purposes; to increase the amount of the exemption from ad valorem taxation by a school district applicable to residence homesteads from \$40,000 to \$100,000; to adjust the amount of the limitation on school district ad valorem taxes imposed on the residence homesteads of the elderly or disabled to reflect increases in certain exemption amounts; to except certain appropriations to pay for ad valorem tax relief from the constitutional limitation on the rate of growth of appropriations; and to authorize the legislature to provide for a four-year term of office for a member of the board of directors of certain appraisal districts."



# Proposition 4    HJR 2

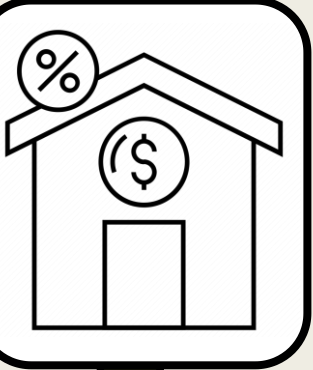
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## PRO

- This returns budget surplus to the taxpayers who are responsible for creating it.
- Many Texans struggle to stay in their homes due to increase property tax burdens. This would alleviate some of this burden
- Increases the exemption amount for property taxes on primary residences (homesteads) from \$40K to \$100K
- Provides tax relief for commercial property owners
- Makes some appraisal board directors elected positions and accountable to local tax payers
- Reduces school tax for elderly or disabled

## CON

- Could shift tax burden from homeowners to business and result in higher prices for consumers
- Does not eliminate property tax
- Compression may be only temporary and taxing entities may increase rates
- Renters are not provided direct relief
- Tax relief is not targeted to needy
- Relief is short lived and will be eaten by inflation



# Proposition 5 HJR 3

- "The constitutional amendment relating to the Texas University Fund, which provides funding to certain institutions of higher education to achieve national prominence as major research universities and drive the state economy."



## FOR

- Renames National research University fund to Texas University Fund
- Investment will attract federal & private research money
- Makes universities competitive with other states
- Will provide economic incentive

## CON

- Excludes Universities supported by the Permanent University Fund
- Removes fund from spending cap
- Removes \$412MM from "Rainy Day fund" in 1<sup>st</sup> year
- Utilizes earnings from "Rainy day fund" as source of revenue up to \$100MM with 2% inflation adjustment
- Already fund University education

# Proposition 6 SJR 75

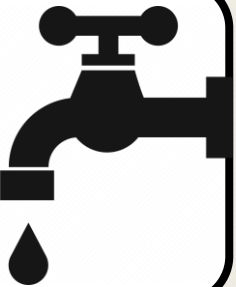
- "The constitutional amendment creating the Texas water fund to assist in financing water projects in this state."

## PRO

- Texas in need of financial investment in water infrastructure and supply development
- Would allow Texas Water Development Board to allocate financial assistance for supply projects
- Statewide approach needed for less urban areas that do not have tax base

## CON

- The Texas Water Development Board should be able to address state's water needs without the creation of new programs
- As with other funds, this would be removed from the budget cap and earmark money to specific projects instead of as needed from the general fund
- Cost \$1B





# Proposition 7      SJR 93

- "The constitutional amendment providing for the creation of the Texas energy fund to support the construction, maintenance, modernization, and operation of electric generating facilities."

## PRO

- Additional State funding is needed to increase the reliability of the state's electric market, particularly with regard to dispatchable generation
- Creating the Texas energy fund would enable the PUC to provide loans & grants to finance or incentivize the construction, maintenance, modernation and operation of electric generating facilities including infrastructure
- Texas needs improved power grid reliability, to avoid widespread power outages like we had during Winter Storm Uri in 2021, and to prevent problems during long, hot summers in the future as our state population rapidly increases.

## CON

- Providing funding to increase the reliability of the Texas grid would be more appropriate through the rate payer system as opposed to providing state subsidies funded by all taxpayers
- As with other funds, this would be removed from the budget cap and earmark money to specific projects instead of as needed from the general fund
- Cost \$5B



# Proposition 8 HJR 125

- "The constitutional amendment creating the broadband infrastructure fund to expand high-speed broadband access and assist in the financing of connectivity projects."

## PRO

- Provides resources to close digital divide which would improve quality of life and increased economic growth
- The money will be used to support projects that enhance the availability and usage of broadband, and can be combined with federal funds.
- Fund managed by State Comptroller
- Fund lasts until 9/1/2035
- 7 million Texans lack broadband internet access

## CON

- Fund should prioritize fiber optic infrastructure
- Previously allocated \$600 MM for broadband with expectation of \$1B from federal BEAD program
- New fund is excessive & fiscally irresponsible
- As with other funds, this would be removed from the budget cap and earmark money to specific projects instead of as needed from the general fund
- Cost \$1.5B



# Proposition 9      HJR 2

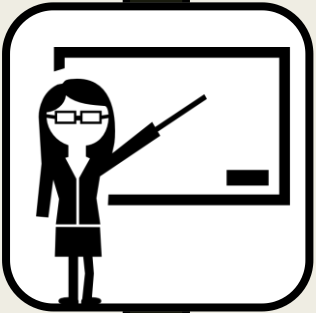
- "The constitutional amendment authorizing the 88th Legislature to provide a cost-of-living adjustment to certain annuitants of the Teacher Retirement System of Texas."

## PRO

- The annuity from the Teacher Retirement System of Texas (TRS) does not include a COLA. Retired teachers have lost considerable purchasing power with high inflation
- Funding a COLA for TRS retirees will provide much needed relief

## CON

- Cost \$3.355B
- Does not count toward spending cap



# Proposition 10    SJR 87

- The constitutional amendment to authorize the legislature to exempt from ad valorem taxation equipment or inventory held by a manufacturer of medical or biomedical products to protect the Texas healthcare network and strengthen our medical supply chain.

## PRO

- Taxes on medical mfg inventory discourage capital investment and expansion of this industry in Texas
- Most mfg is located abroad. The cost to ship increased 50% in 2021.
- Inflationary pressures & supply chain constraints provide need to regionalize mfg.
- This would create jobs

## CON

- Cost \$29MM in 1<sup>st</sup> 2 years
- Then \$40MM annually
- Government picking winners & losers



# Proposition 11      SJR 32

- “The constitutional amendment authorizing the legislature to permit conservation and reclamation districts in El Paso County to issue bonds supported by ad valorem taxes to fund the development and maintenance of parks and recreational facilities.”

## PRO

- Conservation & reclamation districts were created in 2003 but not in El Paso county. This would expand to El Paso county for creation of parks and open spaces.
- This would improve the quality of life and make El Paso more competitive for Texans considering moving.

## CON

- The county can already issue bonds for parks and recreational facilities. Another taxing entity is not needed.
- Economic opportunity is the driving force in relocating not parks



# Proposition 12 SJR 134

- "The constitutional amendment providing for the abolition of the office of county treasurer in Galveston County."

## PRO

- The current Galveston County Treasurer testified at the legislature that he hopes he will be the last to hold this office.
- The county will have the option to either hire a qualified person or assign the financial duties of the treasurer to another county officer such as auditor, CFO, and purchasing agent.
- Treasurer's office does not provide sufficient added protection for taxpayers to justify the cost
- 9 counties have eliminated their county treasurer.

## CON

- Stand-alone office by person elected by county voters provides essential checks & balances
- No real cost savings as duties are still necessary
- This could lead to concentration of power within the county
- As this is constitutionally elected, it is important to maintain office.



# Proposition 13 HJR 107

- "The constitutional amendment to increase the mandatory age of retirement for state justices and judges."

## PRO

- As people are living & working longer, it is appropriate to allow judges & justices to server beyond current mandatory retirement age of 75
- Increase mandatory age from 75 to 79
- Increases minimum age from 71 to 75
- This will allow experienced and competent judges to continue to serve
- This could decrease turnover & ensure more predictable & stable judicial system
- Since all are elected, the electorate can address issues of performance

## CON

- May box out younger candidates who are willing to serve
- Health issues and cognitive decline may become an issue.



# Proposition 14    SJR 74

- "The constitutional amendment providing for the creation of the centennial parks conservation fund to be used for the creation and improvement of state parks."

## PRO

- Provides stable & long term funding source to protect natural resources & cultural history
- Texas has lower park acreage per capita than many other states
- Current park system is strained by user demand requiring reservations many months in advance
- This would allow purchase of new parks now before land becomes more expensive
- Parks are a driver of economic activity and provide recreational, educational, and conservation opportunities

## CON

- Cost \$1B
- As with other funds, this would be removed from the budget cap and earmark money to specific projects instead of as needed from the general fund
- A State Parks & Wildlife exists with a budget already to fund creation and improvement.





TTP – True Texas Project  
 TFFR – Texans for Fiscal Responsibility  
 TAFT – Texas American Federation of Teachers  
 GHP – Greater Houston Partnership

# Voting Recommendations

Amend	TTP	TFFR	TAFT	GHP	TML	TAB	BSE	TJN	
1	-	Y	-				-	Y	
2	N	N	-				-	N	
3	Y	Y	N				Y	Y	
4	Y	Y	-				Y	Y	
5	N	N	-	Y	-	Y	-	N	
6	N	-	-	-	Y	Y	-	-	
7	N	N	Energy Companies are FOR					-	N
8	N	N	Communication Companies are FOR					-	N
9	-	-	TASB, AFL-CIO, Raise your Hand Texas, Retired Teachers FOR						Y
10	N	N		Y	BIOMED Groups FOR				N
11	N	-	El Paso Water						N
12	N	Y	Galveston County Treasurer, Dickinson Council member						Y
13	--	N	Judges, TLR, TTLA						Y
14	N	N	Environment Texas, Sierra club						N

Y = FOR, N = AGAINST, - = Neutral, No Position Info, TML - Texas Municipal League

TAB – Texas Association of Business