

# **PROPOSED AMENDMENTS TO THE TEXAS CONSTITUTION ELECTION – TUESDAY, NOVEMBER 6, 2007**

**Proposition 1—Transferring constitutional facilities funding for Angelo State University.** The 80th Legislature transferred Angelo State University from the governance of the Texas State University System and its board of regents to the Texas Tech University System and its board of regents, as of Sept. 1, 2007. The Texas Tech University System also includes Texas Tech University and the Texas Tech University Health Sciences Center.

The Texas Constitution established the Higher Education Fund (HEF), a constitutional fund created as a counterpart to the Permanent University Fund (PUF) for Texas public institutions of higher education outside the University of Texas and Texas A&M University systems. The Constitution requires the HEF to be used for capital purposes, including acquiring land, constructing and equipping buildings or other permanent improvements, and repairing and renovating buildings and facilities. Proposition 1 would move the Higher Education Fund (HEF) listing for ASU from under the Texas State University System to the institutions grouped after Texas Tech University.

**Proposition 2—Authorizing general obligation bonds to finance student loans.** The Constitution authorizes the state to issue and sell general obligation bonds to finance student loans. The Hinson-Hazlewood College Student Loan Program, which was adopted in 1965, uses general obligation bonds to finance low-interest loans to eligible students seeking an undergraduate, graduate, or professional education at public and private higher education institutions in Texas. The loan program is intended for students with insufficient resources to finance a college education. The loan program is totally self-supporting and receives no general revenue appropriations. It uses money from student loan repayments, federal interest subsidies, lenders allowance, and depositor interest to offset state borrowing costs.

Proposition 2 would authorize the Legislature to allow the Texas Higher Education Coordinating Board (THECB) to issue up to \$500 million in general obligation bonds to finance educational loans to college and university students, in addition to those already authorized under the constitution.

**Proposition 3—10 percent annual increases in the taxable value of homesteads.** Many appraisal districts are raising the value on residential property up to the 10 percent appraisal cap every year. The intent of the law passed in 1997 was to limit the increase in appraisal to 10 percent every three years. However, the law was not clearly written. This proposition will clarify that appraisal districts cannot raise appraisals 10 percent every year, but every three years.

**Proposition 4—General obligation bonds for state agency construction and repair projects.** Proposition 4 would allow the Legislature to authorize the Texas Public Finance Authority (TPFA) to provide for, issue, and sell up to \$1 billion in general obligation bonds for the purchase of needed equipment or maintenance, improvement, repair, and construction projects by or on behalf of the following agencies: Texas Building and Procurement Commission; Parks and Wildlife Department; Adjutant General's Department; Department of State Health Services; Department of Aging and Disability Services; Texas School for the Blind and Visually Impaired; Texas Youth Commission; Texas Historical Commission; Texas Department of Criminal Justice (TDCJ); Texas School for the Deaf; and Department of Public Safety (DPS).

**Proposition 5—Allowing a temporary property tax freeze for smaller city developments.** The Texas Department of Agriculture (TDA) administers the Downtown Revitalization Program and the Main Street Improvements Program. Both programs are aimed at eliminating blight in the downtown areas of smaller cities.

Proposition 5 would authorize the Legislature to allow municipalities with fewer than 10,000 inhabitants to hold an election to permit them to enter into agreements with owners of real property to temporarily freeze ad valorem taxes of any property in or adjacent to an area targeted for certain state redevelopment funding. The amendment would apply only to a municipality receiving funding through the Downtown Revitalization Program or the Main Street Improvements Program.

**Proposition 6—Exemption for one personal vehicle used for business purposes from the business property tax.** In 2003, the Legislature created new penalties for not rendering business property for taxation. However, it was unclear whether personal property also used for business purposes must be rendered for taxation. The Legislature passed legislation in 2005 to specifically exempt a personal vehicle used for business purposes. This constitutional amendment would place this exemption into the Constitution to make the exemption more permanent for the future.

**Proposition 7—Purchase of property taken by condemnation by the original owner for the amount originally paid for the property at the time it was condemned.** Sometimes property that is condemned for a public purpose is no longer needed for the purpose it was condemned. In these circumstances, the original owner is given the opportunity to "repurchase" the land that was taken from them. Currently, if a property owner would like to purchase property that was taken by eminent domain, the law requires the entity that owns the property to sell it for current market value. This is not fair considering the property was taken, but not used for the public purpose for which it was condemned. Such property should be sold back to the original owner at the value when it was condemned. Proposition 7 will make it legal to sell the property at its original value.

**Proposition 8—Clarifies that under a home equity loan, the determination of whether a property is used for agriculture will be made at the loan closing.** In 1997, when the Texas Legislature passed legislation allowing homeowners to enter into home equity loans, agricultural property was not included. Therefore, under current law, a person may not receive a home equity loan on agricultural property. However, some property owners and lenders are attempting to circumvent this restriction by temporarily changing the use of the land. This change will prevent lenders or property owners from selectively switching from or to agriculture use valuation in order to make home equity loans or shelter property from repossession. Current law prohibits using land with an agricultural valuation for a home equity loan.

**Proposition 9—Exempting residence homesteads of totally disabled veterans from property taxation.** Proposition 9 would authorize the Legislature to exempt from ad valorem taxation all or part of the market value of the residence homestead of veterans certified as having a disability rating of 100 percent—totally disabled—as a result of military service.

Proposition 9 also would amend the formula used to categorize veterans' disability ratings to determine their respective property tax exemption. A veteran with a disability rating of:

— at least 10 percent but less than 30 percent could be granted a property tax exemption valued up to \$5,000;

— at least 30 percent but less than 50 percent could be granted a property tax exemption valued up to \$7,500;

— at least 50 percent but less than 70 percent could be granted a property tax exemption valued up to \$10,000; or

— 70 percent or more could be granted a property tax exemption valued up to \$12,000.

**Proposition 10—Deleting constitutional references to county office of inspector of hides and animals.** The county office of inspector of hides and animals was established in 1871 to aid in the prevention of cattle theft by thoroughly inspecting the brands on hides and animals shipped out of the county. The Legislature eventually exempted many counties from electing an inspector, and only about one-third of Texas counties had an inspector of hides and animals by 1945. While the office has few, if any, remaining duties, it still exists, and candidates occasionally seek election to the position.

The 78th Legislature in 2003 enacted SB 1389 by Duncan, which removed from the Agriculture Code almost all the remaining powers and duties of the office of inspector of hides and animals, but the office still is mentioned in the Texas Constitution. Proposition 10 would remove the office of inspector of hides and animals from the Texas Constitution.

**Proposition 11—Requires the Legislature to record the final vote on each bill and constitutional amendment.** The Texas Legislature often passes legislation with a simple voice vote. This practice has been criticized by some as preventing the legislators from being held accountable on how they voted on a particular piece of legislation. This constitutional amendment will require a record vote to be taken on the final passage of every bill or joint resolution (constitutional amendment).

**Proposition 12—Allows the TxDOT to issue up to \$5 billion in general obligation bonds for highway improvement projects.** TxDOT currently has the authority to issue up to \$3 billion dollars in general obligation bonds for highway improvement. These bonds are secured by future revenue from the gas tax. It is projected that future tax revenues can secure up to \$5 billion dollars. Therefore, the Legislature approved this amendment to increase the cap to \$5 billion dollars. The bonds cannot be used for new construction.

**Proposition 13—Allowing judges to deny bail in certain cases involving family violence.** A person accused of a crime generally is guaranteed the right to post bail to secure release from jail pending trial. However, the Texas Constitution does allow courts to deny bail under certain circumstances. Under this provision, a judge has the discretion to deny bail if the defendant is accused of:

- a felony and has been convicted of two prior felonies;
- a felony committed while on bail for a prior felony for which the defendant has been indicted;
- a felony involving the use of a deadly weapon after being convicted of a prior felony; or
- a violent or sexual offense committed while on probation or parole.

Bail may be denied in these circumstances only after a hearing and upon presentation of evidence substantially showing the guilt of the accused.

Proposition 13 would expand the circumstances under which judges can deny bail to include two types of situations involving family violence:

- a person who was accused of *any* offense involving family violence, had been released on bail on those charges, and whose bond had been revoked or forfeited for violating a condition of that bond related to the safety of the victim or the community; or,
- the person had violated a protective order.

**Proposition 14—Permitting judges reaching the mandatory retirement age to finish their elected term.** The Texas Constitution requires a trial-court judge or appellate court justice to leave office when the judge turns 75, and the Comptroller's Office stops paying a judge's salary on the judge's 75th birthday.

The purpose of Proposition 14 is to allow judges to serve out their full elected terms.

**Proposition 15—Authorizing general obligation bonds to fund cancer research.** This constitutional amendment would require the Legislature to establish the Cancer Prevention and Research Institute of Texas. The Institute would support researchers in finding the causes and cures for all types of cancer in humans, provide grants for cancer research and research facilities, and establish the appropriate standards and oversight bodies to ensure the proper use of funds. If this proposition is approved, the Legislature could authorize the Texas Public Finance Authority (TPFA) to issue up to \$3 billion in general obligation bonds on behalf of the Cancer Prevention and Research Institute.

**Proposition 16—Bonds for water and sewer services to economically distressed areas (colonias).** In 1989, the Legislature established the Economically Distressed Areas Program (EDAP) administered by the Texas Water Development Board (TWDB). EDAP provides financial assistance in the form of grants, loans, or grant/loan combinations to bring water and wastewater services to colonias, primarily along the Texas-Mexico border. In 2005, the legislature expanded EDAP to allow other economically distressed areas throughout the state. The program funds construction, acquisition, and improvements to water supply and wastewater collection and treatment facilities, including all necessary engineering work. However, maintenance and operations must be funded by the applicant.

Proposition 16 would allow TWDB to issue up to \$250 million in general obligation bonds for the EDAP program.