

SUMMARY OF THE PROPOSED AMENDMENTS ON THE NOVEMBER 7 BALLOT

Early Voting: October 23–November 3, 2023

Proposition 1: The Right to Farm and Ranch Constitutional Amendment

- This constitutional amendment will protect the right to engage in farming, ranching, timber production, horticulture, and wildlife management.
- What it means: With Texas cities continuing to grow, this amendment would raise the bar for state and local regulation of generally accepted farming and ranching practices.
- In summary, it requires state and local governments to provide evidence that the regulation is needed to protect the public from danger.
- For example, it would prevent a city from banning farming in an area for no specific reason, but it would allow for a government to require ranchers to put up fences for their livestock.
- The amendment would not affect state or local government efforts needed to preserve or conserve natural resources, such as water, fish, wildlife and trees. Nor would it affect state actions needed to protect animal health and crop production.
- This amendment is authored by Rep. DeWayne Burns of Cleburne and sponsored by Senator Charles Perry of Lubbock.

Proposition 2 – "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."

- What it means: This amendment would allow cities and counties to exempt childcare providers from property taxes for any facilities used to run a childcare business. The value of the exemption would have to be at least 50 percent of the property's appraised value.
- Many childcare businesses are preparing to close in the next year now that COVID-19 relief funds are about to end. The U.S. Chamber of Commerce Foundation found that the Texas economy loses nearly \$9.4 billion a year from breakdowns in child care.
- The amendment was sponsored by State Senator Royce West of Dallas.

Proposition 3 – "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."

- What it means: This amendment would prohibit a wealth tax. It requires lawmakers to ask voters for authorization before imposing any new state taxes on residents based on the market value of their assets.
- In 2019, Texans approved Proposition 4 with 74% of the vote to prohibit the state from levying an income tax on individuals to the Texas Constitution.
- However, because Section 1, Article VIII, Texas Constitution, requires or authorizes, under certain circumstances, the taxation of both tangible and intangible property, a tax on an individual's or family's wealth or net worth, such as a property tax on an individual's stock holdings or bank accounts, is not strictly prohibited by the Texas Constitution.
- This proposition amends Article VIII by adding Section 25, which would prohibit the imposition of a tax on the wealth or net worth of individuals or families.
- State Rep. Cole Hefner of Mount Pleasant is the primary author of the amendment and it is sponsored by Senator Bryan Hughes of Mineola.



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Proposition 4 – "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."

- What it means: In short, this is the Property Tax and State Education Funding Amendment. The state legislature did not pass a property tax amendment during the 2023 regular legislative session. Gov. Greg Abbott called for a special session in May to address property taxes. Unfortunately, the nine amendments proposed were not passed. Gov. Abbot then called for a second special legislative session in June, where Proposition 4 was introduced as House Joint Resolution 2 and it passed in the House by a vote of 132-5 and unanimously in the Senate on the same day.
- The approved \$12.7 billion package of property tax cuts now needs voter approval in order to take effect.
- In summary, the package would send \$7.1 billion to school districts so they can lower their property tax rates. School district taxes make up the bulk property taxes so the amendment raises the amount of a home's value that cannot be taxed to pay for public schools from \$40,000 to \$100,000. In addition, it authorizes the state legislature to limit the annual appraisal increase on non-homestead real property.
- If Prop 4 is approved, appraisal districts could not raise the taxable value of those properties by more than 20% each year for the next three years. The limit would expire in 2026 unless lawmakers and voters decide to extend it. It will also allow voters to elect three members to their local appraisal district's board of directors, which are currently appointed.
- The amendment was primarily authored by Rep. Will Metcalf of Conroe and sponsored by Senator Paul Bettencourt of Houston.

Proposition 5 – "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."

- What it means: This amendment would rename the National Research University Fund to the Texas University Fund. The university fund would gain the annual interest income, dividends and investment earnings from Texas' rainy day fund to support research at state universities. Total money moved to the university fund in the 2024 fiscal year would be limited to \$100 million. The annual amount may be adjusted for inflation and is limited to a 2% growth rate.
- The Texas A&M and University of Texas systems will not receive money from the fund as they receive research funds from a separate Permanent University Fund.
- The Texas Higher Education Coordinating Board will determine which universities are eligible and how much each will receive. The fund will be managed by the comptroller and the Texas Treasury Safekeeping Trust Company.
- The amendment was sponsored by Rep. Greg Bonnen of League City.



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Proposition 6 – "The constitutional amendment creating the Texas water fund to assist in financing water projects in this state."

- What it means: This amendment would create a new special fund in the state treasury outside of the general revenue fund, endowed with a \$1 billion down payment. The fund would be administered by the Texas Water Development Board to support a wide range of projects including fixing Texas' aging, deteriorating pipes, acquiring more water sources and mitigating water loss.
- It is estimated that the state loses 136 billion gallons of water a year to leaking water main pipes. Additionally, the state will be 7-million-acre feet short of supply in the next 50 years.
- Senator Charles Perry of Lubbock authored this amendment, and it is sponsored by Representative Tracy King of Laredo.

Proposition 7 – "The constitutional amendment providing for the creation of the Texas energy fund to support the construction, maintenance, modernization, and operation of electric generating facilities."

- What it means: This amendment would create a fund administered by the Public Utilities Commission and allows the state legislature to distribute loans and grants to companies with the aim of building new natural gas-fueled power plants. This would include giving a 3% interest loan for the construction of or upgrades to gas-fueled power plants on the state's main electric grid and paying a bonus for getting new plants connected by June 2029.
- The amendment was authored by Senator Charles Schwertner of Georgetown and sponsored by Rep. Todd Hunter of Corpus.

Proposition 8 – "The constitutional amendment creating the broadband infrastructure fund to expand high-speed broadband access and assist in the financing of connectivity projects."

- What it means: This amendment would allocate \$1.5 billion to expand internet availability in Texas, where some 7 million people currently lack access. These dollars would help pay to develop and finance broadband and telecommunications services as well as 911 services.
- State Rep. Trent Ashby of Lufkin authored the amendment and it is sponsored by Senator Joan Huffman of Houston.

Proposition 9 – "The constitutional amendment authorizing the 88th Legislature to provide a cost-of-living adjustment to certain annuitants of the Teacher Retirement System of Texas."

- What it means: During the regular session, lawmakers passed Senate Bill 10, which would provide some retired Texas teachers with cost-of-living raises to their monthly pension checks. For some, this is the first raise they will see in almost 20 years.
- But to afford these raises, lawmakers need to ask voters to allow them to use \$3.3 billion from the general revenue fund and move it to the retired teachers fund.

Proposition 10 – "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."

- What it means: School districts, cities and counties are currently allowed to collect property taxes on the value of equipment and inventory that are held by the manufacturers of medical or biomedical products, such as pharmaceuticals, personal protective equipment stocks, and medical devices.
- This amendment would exempt those from a facility's overall property values, leading to a potential decrease in their taxes.
- Sen. Joan Huffman of Houston authored the amendment.



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Proposition 11 – "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."

- What it means: Eleven counties' conservation and reclamation districts are currently permitted to issue bonds supported by property taxes to fund recreational development and improvement. This proposed amendment would add El Paso County to the list.
- This amendment was authored by Senator Cesar Blanco and sponsored by Representative Joe Moody of El Paso.

Proposition 12 – "The constitutional amendment providing for the abolition of the office of county treasurer in Galveston County."

- What it means: The Texas Constitution provides that the office of county treasurer may be abolished via a constitutional amendment. The amendment would abolish the Galveston County treasurer and authorize the county to employ or contract a qualified person or designate another county officer to fulfill the functions previously performed by the treasurer. Nine other counties have abolished their office of county treasurer through the same process.
- Galveston County's current treasurer, Hank Dugie, ran on eliminating the position and won, saying in his campaign video the office is, "redundant and a waste of more than half a million dollars each year."
- This amendment was authored by Rep. Greg Bonnen of League City and sponsored by Senator Mayes Middleton of Galveston.

Proposition 13 – "The constitutional amendment to increase the mandatory age of retirement for state justices and judges."

- What it means: This amendment raises the mandatory retirement age to 79 from the current mandatory retirement age of 75. Proposition 13 would also increase the minimum retirement age from 70 to 75 for state judges.
- No opposition to the proposed constitutional amendment was expressed during legislative consideration of the proposal.
- This amendment was authored by Rep. Four Price of Amarillo and sponsored by Senator Chuy Hinajosa of McAllen.

Proposition 14 – "The constitutional amendment providing for the creation of the centennial parks conservation fund to be used for the creation and improvement of state parks."

- What it means: This amendment would create the Centennial Park Conservations Fund allowing for the investment of more than \$1 billion for state parks. The funding would go to buying more land for the state parks system, which celebrates its 100th anniversary this year.
- The amendment was authored by Senator Tan Parker of Flower Mound and sponsored by Rep. Armando Walle of Houston.

