

**November 3, 2015**

**State Constitutional Amendment Election Ballot Language  
Early voting Monday, October 19 through Friday, October 30**

**Study The Amendments Before You Vote!**

Please carefully study the pros and cons of each proposed amendment before you vote!

**Please do not assume the mailers you receive urging passage of constitutional amendments tell the entire story!**

**Proposition One**

*S.J.R. 1 proposes amending the Texas Constitution to increase the market value portion of the residence homestead exemption for public school property taxes from \$15,000 to \$25,000, to reduce the limit on the total amount of public school property taxes that may be imposed on the homestead of an elderly or disabled person, to authorize the legislature to prohibit a political subdivision governing body that has adopted a residential homestead property tax exemption from reducing the amount of or repealing the exemption, and to prohibit the legislature from imposing a transfer tax on a transaction that conveys fee simple title to real property.*

**Pros:** The proposed amendment **eases** public school property tax burdens on homeowners by increasing the amount of the mandatory school district residence homestead exemption. The enabling legislation would increase the mandatory homestead exemption from \$15,000 to 25,000. The taxable value of homesteads owned by the elderly or people who are disabled also would be correspondingly reduced. By making the exemption effective for 2015 taxes, the proposed amendment ensures that the benefits of the increased homestead exemption are felt immediately. **Even if the homestead exemption increase does not result in an outright reduction in the property tax burden because of appraisal increases,** it will reduce the rate of growth in property taxes on residence homesteads. **The only permanent benefit of this amendment is the constitutional ban on sales taxes or new transfer taxes on real estate transactions.** It also allows the Legislature to prohibit a governmental entity (i.e. county, city, etc.) that already allows a local option exemption from reducing or repealing the amount of that exemption.

**Grassroots America Cuts through the Spin:**

**This does NOT represent any lasting structural reform in property taxes!** The increase in the mandatory school district residence homestead exemption will provide only nominal property tax relief for homeowners and reduce property taxes for the average homeowner by about \$126 a year. **Increases in appraisals and local property tax rates may mean that no actual reduction in property taxes occurs, merely a reduction in the rate of growth of property taxes.** **While the homestead exemption increase will provide only nominal**

property tax relief for any individual homeowner and no relief at all for those who do not own their own homes, it will cost the state \$1.24 billion every two years to make up the revenue loss for school districts. That is in addition to the \$8.4 billion a year the state already spends for tax relief provided in prior years that likewise never materialized because of rising appraisals and tax rates. The state may not continue to generate revenue surpluses sufficient to make up the revenue loss to school districts arising from the homestead exemption increase. Property taxes are a local matter. The best way to control local property taxes is for voters to hold local officials accountable.

**Grassroots America's recommendation – vote for it, but do so understanding that this is not a real and lasting tax cut. Structural reform of our property tax system must be addressed.** Since state taxes are guaranteed to pick up the tab for any reductions in local school property taxes, this is merely a tax shift from one taxpayer pocket to the other.

### **Proposition Two**

*H.J.R. 75 Provides that the surviving spouse of a totally disabled veteran who died before the law authorizing a residence homestead exemption for the veteran took effect is entitled to receive the same property tax exemption to which the disabled veteran would have been entitled if the surviving spouse has not remarried and the property was and remains the residence homestead of the surviving spouse. The proposed amendment applies only to property taxes imposed for a tax year beginning on or after January 1, 2016.*

**Pros:** Current law unintentionally and inequitably creates two classes of surviving spouses of totally disabled veterans: the surviving spouse of a totally disabled veteran who died on or after January 1, 2010, is eligible to receive a property tax exemption if that spouse meets certain qualifications, while the surviving spouse of a totally disabled veteran who died before January 1, 2010, is not eligible to receive that exemption. The proposed amendment corrects that problem and recognizes that the sacrifice made by a totally disabled veteran and the person's surviving spouse is the same regardless of the date on which the disabled veteran died. In addition, the fiscal effect of the proposed amendment and the enabling legislation on taxing units would be minimal, while the benefit to the family of any individual disabled veteran who died before 2010 would be considerable.

Since the federal government fails to properly pay members of the military for their service to this country and miserably fails in providing high quality veteran health care benefits, **Grassroots America recommends a vote for this amendment.** It's the least we can do.

### **Proposition Three**

*S.J.R. 52 removes the requirement under Section 23, Article IV, Texas Constitution, that requires certain state officers elected by the voters statewide, including the comptroller of*

*public accounts, commissioner of the General Land Office, attorney general, commissioner of agriculture, and railroad commissioners, to reside at the state capital while in office.*

**Pros:** Would allow certain state officers elected by the voters statewide to maintain a residency at a location in this state other than Austin. The capital residency requirement was included in the 1876 Texas Constitution when state officers traveled to the state capital by horse and buggy and has not been amended since. State officers' duties extend to locations other than the state capital, and performance of those duties may require the officers to spend a majority of their time away from Austin. Any state officer who, as a result of the lack of a state capital residency requirement, fails to spend sufficient time at the state capital is accountable to the voters at the next election. Further, the residency requirement creates for statewide offices an elite class of candidates who live in or can afford to move to Austin. Finally, a majority of the other states in the United States do not require their state officers to reside at the seat of government.

**Cons:** Would allow state officers, who are serving in full-time paid positions, to be physically present at the state capital infrequently and to possibly neglect their duties of office. Essentially, state officers serve as the chief operating officers for their respective state agencies, which have central offices in Austin, and the officers' duties require the officers to be available to the agency employees serving in Austin. State officers are often required to conduct statewide business at the seat of government, and residency in a location other than Austin would likely increase the state-reimbursed travel expenses of the officers. Finally, a state officer, by maintaining a residence away from the state capital, may be able to select a residence based on the officer's perception that the location would provide a more favorable venue than Travis County for any legal action brought against the officer.

### **Grassroots America's position: For**

#### **Proposition Four**

*H.J.R. 73 authorizes the legislature by general law to permit a professional sports team charitable foundation to conduct charitable raffles under the terms and conditions imposed by the law and to use raffle proceeds to pay reasonable advertising, promotional, and administrative expenses. The provision limits the applicability of the law to an entity defined as a professional sports team charitable foundation on January 1, 2016, and limits the conduct of the raffles to games hosted at the home venue of the professional sports team associated with the foundation.*

**Pros:** Almost all professional sports teams have charitable foundations associated with their team. The law limits their use of raffles in the state of Texas to two per year. This amendment increases that number to the number of home games of the specific professional sports team that has the charitable foundation. This bill would help increase

philanthropic activities in the state, benefit communities in need, and help to raise additional money for the foundation to do its work. Other states that have professional sports teams generally authorize similar activities.

**Cons:** There is concern that passage of this amendment will open the door to expand gambling in the state; however, that would take specific legislative action since gambling is illegal in Texas.

### **Grassroots America's position: For**

#### **Proposition Five**

***S.J.R. 17** amends the Texas Constitution to increase from 5,000 to 7,500 the maximum population threshold of a county that may construct and maintain private roads if the county imposes a reasonable charge for the work.*

**Pros:** This would give rural counties and private landowners in those counties more flexibility to update private roads that are poorly maintained. Poorly maintained roads create public safety hazards for citizens and emergency services. Private landowners still would have the flexibility to hire a private company instead of the county if they chose to do so. The proposed amendment would include approximately 20 additional counties with populations between 5,000 and 7,500. The population limitation is necessary to prevent populous counties from competing with the private road construction industry. However, in the rural counties that would be covered by the proposed amendment, there are no private industries with which to compete, and counties should be allowed to deal with minor projects to maintain road safety. It would not be profitable for private companies to travel to rural counties for minor projects.

**Cons:** Counties are notorious for poor records on maintaining public county roads. Many counties do a poor job of calculating their own internal unit costs and often public roads are put on the back burner, while funds are diverted to projects that expand local government's size and scope, rather than focusing on core functions, such as maintaining public roads. Private roadwork done by county commissioners opens up a Pandora's Box of political favoritism and cronyism and puts the taxpayers on the hook. The charge for county work on a private road should not be discussed in terms of "reasonable," but instead should accurately recover **ALL** the costs of performing the work – all labor costs, equipment, and materials. Taxpayers should never be put in a situation where they subsidize political favoritism.

### **Grassroots America recommends a vote against.**

## **Proposition Six**

*S.J.R. 22 creates a new right for people to hunt, fish, and harvest wildlife and establishes hunting and fishing as preferred methods of managing and controlling wildlife and includes the use of traditional methods of hunting, fishing, and harvesting. Under the proposed amendment, laws or regulations that conserve and manage wildlife and preserve the future of hunting and fishing apply to the exercise of the right to hunt, fish, or harvest wildlife. The proposed amendment does not affect laws or regulations that relate to trespass, property rights, eminent domain, or the municipal regulation of the discharge of a weapon in a populated area in the interest of public safety.*

**Pros:** Supporters of the amendment feel that animal rights groups and anti-hunting activists may try to impose stricter limits on hunting and fishing in this state, and supporters therefore seek constitutional protection for those activities as a preventive measure to preserve the opportunity to hunt and fish for future generations. Protecting hunting and fishing would also guard the economic benefit enjoyed by the state from revenue generated by those activities because the surrounding industry contributes to employment, investment, and tax revenue. Additionally, industry related to hunting and fishing results in increased funding for conservation efforts and provides an incentive to landowners to maintain habitat, including open spaces, for game and nongame animals. By specifically including traditional methods of hunting, fishing, and harvesting wildlife, and stating that hunting and fishing are preferred methods of managing and controlling wildlife, the proposed amendment does not prohibit the use of other methods and would still allow the prohibition of methods that are not sporting or that could endanger wildlife populations.

**Cons:** Opponents of the amendment feel that the amendment is unnecessary because there is no threat to hunting and fishing in this state; however, many states are passing such laws to prevent anti-gun, anti-hunting groups, and animal worshippers from eroding our rights to hunt, fish, and harvest wildlife.

**Grassroots America** believes in setting up a firewall against the progressive left and recommends a vote for this amendment.

## **Proposition Seven**

*S.J.R. 5 amends the Texas Constitution directing the comptroller of public accounts to annually deposit to the state highway fund \$2.5 billion of state sales and use tax revenue that exceeds the first \$28 billion of those taxes collected during the fiscal year, and 35 percent of the state motor vehicle sales, use, and rental tax revenue that exceeds the first \$5 billion of those taxes collected during the state fiscal year and dedicates the tax revenue deposited to the state highway fund to constructing, maintaining, or acquiring rights-of-way for public roadways other than toll roads and to paying certain transportation-related bond*

*debt. The proposed amendment would allow the legislature by a two-thirds vote to reduce the amount of those taxes to be deposited to the state highway fund and provides that, unless extended by the legislature, the deposit of state sales and use tax revenue ends in 15 years and the deposit of motor vehicle sales, use, and rental tax revenue ends in 10 years.*

**Pros:** The proposed amendment would provide a more consistent and reliable source of funding for transportation projects in the state and begins the process of ending the diversion of gas taxes to non-road uses. This state's current transportation system is inefficient and in poor repair in many areas, which has a negative effect on the state's economy. Large transportation projects can take many years to complete and may include unforeseen costs, making it impractical to disburse the entire cost of a project at one time. The current practice of funding such projects using biennial appropriations, however, can lead to delays when an expected appropriation is not received or has to be spent for debt service. The state needs a predictable, dedicated revenue source that allows for future planning to address the state's infrastructure demands. The proposed amendment would provide that source of funding so that existing projects can be completed and new projects can be planned up to 10 years in advance and started in areas that will lead to the greatest return on the state's monetary investment. Although the dedication of state tax revenue to the state highway fund reduces the amount of revenue that would otherwise be available for general state purposes, the proposed amendment contains mechanisms by which the dedicated revenue would be available for those general purposes if needed.

**Cons:** There were NO structural reforms made to transportation policy and processes that would ensure the highest quality roads built at the very best price. Throwing more money into a broken, untrustworthy system will never fix it. Shoveling in more money simply feeds a beast that will never be satisfied. Sending new and bigger revenue streams into a government agency that so flagrantly wastes existing funds, is simply asking for more taxpayer abuse.

We will continue to insist on legislative reforms to end the waste and cronyism that puts taxpayers on the hook for toll roads that fail to produce the income needed to be solvent. Legislators must do a better job of prioritizing the taxes we pay to get the job done in a measurably more transparent, effective, and efficient way.

Only because Lt. Governor Dan Patrick has launched several interim legislative transportation reform initiatives, which will address much of the waste and taxpayer abuses embedded in transportation policy and process, **Grassroots America will recommend a vote for this incremental step toward ending diversions from the highway fund.** We can also support the fact that none of this revenue can be used for toll roads.