



Texas Constitutional Amendment Overview

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*Christina Sanchez
Assistant County Attorney*

Prop 1: “Right to Farm” “The constitutional amendment protecting the right to engage in farming, ranching timber production, horticulture, and wildlife management.”

- Creates a constitutional right for farmers and ranchers to engage in normal practices of agricultural operations on property they own or lease
- Would limit both local governments and future State legislatures to regulate based on “clear and convincing” evidence
- Limits the government to regulate only “imminent” health and safety dangers

Prop.2: “Childcare Tax Exemption” “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 childcare facility.”

- Authorizes a county or municipality to exempt from ad valorem taxation all or part of the appraised value of real property used to operate a child-care facility
- Authorizes the county or municipality to adopt the exemption as a percentage of the appraised value of the property, provided that the percentage adopted by the governing body is not less than 50%
- Authorizes the legislature by general law to define “child-care facility” for purposes of the exemption and to prescribe eligibility requirements for the exemption

Prop. 3: “Wealth Tax”

“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.”

- Prohibits the creation of a “wealth tax” including “a tax on the difference between the assets and liabilities of an individual or family”
- Proposition would require voter approval for such a measure to be enacted

Prop. 4- “Property Tax Relief”

“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 \$1000,000; 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 appropriations; and to authorize the legislature to provide for a four year term of office for a member of the boards of directors of certain appraisal district.”

- “Circuit Breaker”- Institutes a three-year, 20% cap on appraisal increase for commercial and non-homestead properties valued at \$ 5 mill. or below
- Raises the State’s school district homestead exemption
- “Tax Freeze” on the total amount of ad valorem taxes that may be imposed for public school purposes on the homestead of a person that is 65 or older OR disabled
- Sends \$7.1 billion to school districts so they can lower property taxes
- Allows voters to elect three members to their appraisal district’s board of directors

Prop. 5: “Texas University Fund”

“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.”

- Establishes a new permanent endowment (\$3.9 billion from budget surplus/1 time only), the Texas University Fund (“TUF”) with no new taxes, to provide reliable funding for faculty, research and graduate studies at rising universities
- TUF is a one-time allocation from the State’s budget surplus to be combined with funds (\$900 million) in the underfunded National Research University Fund (NRUF)
- Each year endowment will be supplemented with investment earnings from the Economic Stabilization Fund, aka the Rainy Day Fund.

Prop. 6: “Water Infrastructure”

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

- Creates the Texas Water fund as a special fund in the State treasury that would be administered by the TX Water Development Board
- A one-time \$1 billion payment to the TX Water Fund is appropriated contingent upon passage of Prop. 6
- Money can only be used for the following programs: 1) New Water Supply for Texas Fund, 2) State Water Implementation Fund for TX (SWIFT), 3) Clean Water or Drinking Water State Revolving Funds, 4) Rural Water Assistance Fund, 5) Statewide Water Public Awareness programs, 5) TX Water Development Fund II Water Financial Assistance Account, and 6) TX Water Development Fund II State Participation Account

*Source: Texas Water Development Board, Proposition 6 and Texas Water Fund Frequently Asked Questions, twdb.Texas.gov/home/tabs/doc/hot/SB_28-TexasWaterFund-FAQ.pdf

Prop. 7: “Energy Fund” “The constitutional amendment providing for the creation of the Texas energy fund to support the construction, maintenance, modernization, and operation of electric generating facilities.”

- Creates a dedicated fund to incentivize upgrades and new construction of dispatchable energy generating facilities
- \$7.2 billion dedicated to 3% interest loans for companies to build new power-generating facilities
- \$1.8 billion to build up ERCOT’s backup supply of power
- \$1 billion for projects outside of ERCOT operating region (El Paso)
- Fund, administered by the Public Utility Commission of TX, would provide grants and loans for natural gas-fired generating facilities
- Qualifying projects would get a 3% loan from the State to build new natural gas power plants, and energy companies would have as much as 10% of their development costs defrayed if they meet certain deadlines.

Prop. 8: “Broadband Fund” “The constitutional amendment creating the broadband infrastructure fund to expand high-speed broadband access and assist in the financing of connectivity projects.”

- Creates a Broadband Infrastructure Fund of \$1.5 billion to expand high-speed internet availability
- Fund administered by Texas Comptroller’s Office
- The BIF could be used for:
 - Administration of grants through the Broadband Development Office
 - Funding 9-1-1- and Next Generation 9-1-1 services. Authorizes a one-time transfer of \$155.2 mill. from the BIF to the next generation 9-1-1- services fund
 - Supports the TX Broadband Pole Replacement Program
 - Expands broadband access in economically distressed communities
 - Provides matching funds for the federal Broadband Equity, Access and Deployment (BEAD) Program.

* Source: Getting to Know the Broadband Infrastructure Fund, by Mirah Avini, texas2036.org/posts/getting-to-know-the-broadband-infrastructure-fund/

Prop. 9: “Teachers Retirement Income”

“The constitutional amendment authorizing the 88th legislature to provide a cost of living adjustment to certain annuitants of the Teacher Retirement System of Texas.”

- Provides a cost-of-living adjustments for certain individuals covered by Texas Retirement System
- \$3.355 billion appropriated from legislation for cos-of-living adjustment
- COLA tiered as follows:
 - Those who retired on/before Aug. 31, 2001 receive a 6% COLA
 - Those who retired after Aug. 31, 2001 and on/before Aug. 31, 2013 receive a 4% COLA
 - Those who retired after Aug. 31, 2013 and on/before Aug. 31, 2020 receive a 2% COLA.
- Includes retired janitors, nurses, administrators, staff AS LONG as person receives a Texas Retirement System (TRS) annuity.

Prop. 10: “Biomedical Tax Exemption”

“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 TX healthcare network and strengthen our medical supply chain.”

- “Tax Exemption” on medical and inventory
- If passed by the voters, the exemption would automatically apply
- Requires individuals claiming the exemption to file an application to confirm the person’s current qualification for the exemption

Prop. 11: “El Paso Conservation and Reclamation Districts”

“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.”

- Adds El Paso County to the list of counties that may authorize conservation and reclamation districts (special districts) to develop and finance parks and other purely recreational facilities via voter approved bonds
 - El Paso County currently has 7 water districts
- District would decide whether to issue bonds, not El Paso County, for the development and maintenance of recreational facilities
 - Indoor or outdoor swimming pools and golf courses are exempt
- Voters in a particular district decide whether to issue bonds for parks and recreation facilities
- Issue was on 2011 constitutional amendment ballot

Prop. 12: “Galveston County Treasurer” “The Constitutional amendment providing for the abolition of the office of county treasurer in Galveston County.”

- Abolishes the office of county treasurer in Galveston County and authorizes the commissioners court to employ or contract with a qualified person, or designate a county officer, to perform the functions of a county treasurer
- Requires majority of Galveston County voters to approve
- El Paso County abolished County Treasurer position

Prop. 13: “State Judge Retirement Age” “The constitutional amendment to increase the mandatory age of retirement for state justices and judges.”

- Increases the mandatory age of retirement of state justices and judges from 75 to 79
- Repeals the provision regarding mandatory retirement at the end of the 4th year in a six-year term for those judges reaching age 75 during the first four years
 - Currently, State district judges who turn 75 during their four-year term can finish it out, while appellate judges who turn 75 midterm can stay until Dec. 31 of the fourth year of their six-year term

Prop. 14: “Centennial Parks Conservation Fund” “The constitutional amendment providing for the creation of a centennial parks conservation fund to be used for the creation and improvement of state park.”

- Creates the Centennial Parks Conservation Fund, allocating a one-time payment of \$1 billion from state government surplus to acquire and develop new state parks across TX
 - Can only be used to create parkland, and not on employee salaries or the maintenance and operation costs
 - Why centennial? TX celebrates 100th anniversary of its state parks system
 - Would constitute the largest investment in parks in TX history
- Does not create a new tax



Questions?

