Constitutional amendments proposed for the November 2023 ballot

Texas voters have approved 517 amendments to the state Constitution since its adoption in 1876, according to the Legislative Reference Library. Fourteen more proposed amendments will be submitted for voter approval at the general election on Tuesday, November 7, 2023.

The following report contains an explanation of the process by which constitutional amendments are adopted and information on the proposed 2023 amendments, including a background, analysis, and arguments made by supporters and critics on each proposal.

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Amending the Texas Constitution

The Texas Constitution is a living document that can be modified and adapted to suit the evolving needs and wants of the state's residents. In order to make changes to the constitution, a majority of Texas voters must approve a proposed constitutional amendment.

Joint resolutions

When the Texas Legislature wishes to establish a constitutional amendment, it does so by passing a joint resolution. This can be accomplished in either a regular or a special session, and such resolutions cannot be vetoed by the governor.

According to Article 17, Section 1 of the Texas Constitution, a joint resolution must be adopted by at least two-thirds of the members in each legislative house before it can be presented to the electorate. For example, HJR 3 by Bonnen was proposed during the 88th legislative session related to funding for emerging research universities. The final version was approved by both legislative bodies, and on May 29, 2023, HJR 3 was approved for distribution to voters.

In order for a joint resolution to be presented to voters, it must include the proposed text of the constitutional amendment. Additionally, the resolution must specify the election date and the wording of the ballot proposition that will be presented to voters. If multiple propositions are under consideration, the secretary of state conducts a random drawing to assign each proposition a ballot number. If voters reject a proposal to amend the constitution, the Legislature may choose to resubmit it. For instance, in 1921, the 37th Legislature passed a joint resolution to abolish the Board of Prison Commissioners. However, voters initially rejected the proposal on July 23 of that year. Later, in November of 1926, the resolution was resubmitted to voters and passed relatively unchanged.

Election date

The Legislature specifies an election date for voter consideration of proposed constitutional amendments. In recent years, most proposals have been submitted at the November general election held in odd-numbered years.

Publication

Texas Constitution Art. 17, sec. 1 requires that a brief explanatory statement of the nature of each proposed amendment, along with the ballot wording for each, be published twice in each newspaper in the state that prints official notices. The secretary of state prepares the explanatory statement, which must be approved by the attorney general. The first notice must be published 50 to 60 days before the election. The second notice must be published on the same day of the following week. The secretary of state must send a complete copy of each amendment to each county clerk, who must post it in the courthouse at least 30 days before the election.

Enabling legislation

Some constitutional amendments are self-enacting and require no additional legislation to implement their provisions. Other amendments grant discretionary authority to the Legislature to enact legislation in a particular area or within certain guidelines. These amendments require “enabling” legislation to fill in the details of how the amendment would operate. The Legislature sometimes adopts enabling legislation in advance, making the effective date of the legislation contingent on voter approval of a particular amendment. If voters reject the amendment, the legislation dependent on the constitutional change does not take effect.

Effective date

Constitutional amendments take effect when the official vote canvass confirms statewide majority approval unless a later date is specified. Statewide election results are tabulated by the secretary of state and must be canvassed by the governor 15 to 30 days following the election.

For more information on constitutional amendments, please visit the Legislative Reference Library of Texas website at https://lrl.texas.gov/legis/ConstAmends/index.cfm.
Previous election results


Prop 1: Reducing the limitation on property taxes for a person who is elderly or disabled

<table>
<thead>
<tr>
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<tr>
<td>Prop 1</td>
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Prop 2: Raising the residence homestead exemption to $40,000

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<tr>
<td>Against</td>
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Source: Legislative Reference Library of Texas
Proposition 1: Establishing the right to engage in certain agricultural practices

HJR 126 by Burns (Perry)

Background

Texas Constitution Art. 1, the Bill of Rights, governs the right to worship, the right of trial by jury, and protection against imprisonment for debt, among other state constitutional rights.

Digest

Proposition 1 would add sec. 36 to Art. 1 of the Texas Constitution to establish the right to engage in generally accepted farm, ranch, timber production, horticulture, or wildlife management practices on real property a person owned or leased. The proposition would not affect the authority of the Legislature to authorize regulation of these practices by:

- a state agency or political subdivision when there was clear and convincing evidence that the law or regulation was necessary to protect public health from imminent danger;
- a state agency to prevent a danger to animal health or crop production; or
- a state agency or political subdivision to preserve or conserve the state’s natural resources.

The proposition would not affect the authority of the Legislature to authorize the use or acquisition of property for a public use, including the development of the state’s natural resources.

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

Supporters say

Proposition 1 would provide necessary protection for the state’s essential agricultural operations. As the Texas population continues to grow and the demand for food increases, it is important to prevent municipal overregulation that could threaten agricultural production. Proposition 1 would address this issue by ensuring that entities attempting to restrict an agricultural practice provided clear and convincing evidence of the dangers or harms being posed by the practice.

Given the significant loss of farm and ranch land across the state over the past several decades, this proposition would provide needed property rights protections to landowners and lessees. Proposition 1 would ensure that small family-owned farms, which make up the majority of farms in the state, were protected.

Additionally, the proposition would recognize the authority of the state or a political subdivision to protect the state’s natural resources, including water quality. Proposition 1 would not compromise the state’s ability to address public health and animal welfare concerns.

Critics say

By limiting local communities’ and state legislators’ abilities to set reasonable standards regarding food safety, water pollution, and animal welfare, Proposition 1 would enable large, industrial factory farms to operate with less accountability.

The requirement that the threat to health and safety be “imminent” could hinder entities’ ability to regulate agricultural operations that pose a threat to public safety during a natural disaster until it was too late to take necessary action. In addition, the proposition’s requirement for a government entity to demonstrate with clear and convincing evidence that a regulation was necessary is overly stringent. It would be more reasonable to require an entity to demonstrate a regulation’s necessity by a preponderance of the evidence.
Proposition 2: Authorizing property tax exemptions for child-care facilities

SJR 64 by West (Talarico)

Background

Texas Constitution Art. 8, sec. 1(a-b) requires taxation to be equal and uniform and that all real property and tangible personal property in the state be taxed in proportion to its value unless exempt as required or permitted by the constitution.

Digest

Proposition 2 would add sec. 1-r to Art. 8 of the Texas Constitution to allow the governing body of a county or municipality to exempt from property taxation all or part of the appraised value of real property used to operate a child-care facility. The exemption could be a percentage of appraised value but could not be less than 50 percent. The Legislature could define “child-care facility” and provide additional eligibility requirements for the exemption.

The ballot proposal reads: “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.”

Supporters say

Proposition 2 would provide counties and municipalities with the option to establish property tax exemptions for child-care facilities, which could provide important relief to facilities struggling with rising costs. As property values and corresponding taxes continue to rise, many child-care facilities are finding it harder to manage costs and deliver affordable care. Some facilities have had to raise tuition, making child-care less affordable and leaving many families without access.

High inflation and other rising costs also have driven many child-care providers out of business, creating child-care deserts that limit access and opportunities for parents. With the passage of Proposition 2, counties and municipalities would have an opportunity to help facilities lower their costs. This would free-up resources that could be used to lower tuition or increase employee wages to help facilities better compete for the most qualified employees.

Critics say

Proposition 2 would exempt only one group of taxpayers instead of easing the property tax burden for all taxpayers. The rapid and excessive growth in property taxes is impacting all taxpayers across the state. Many small businesses are operating with tight budgets due to increased costs, inflation, and property tax obligations. As property taxes escalate, the financial burden could force many small businesses to close. Rather than creating a new exemption, a better approach would be to make strides toward overall property tax reform that provides relief for all taxpayers.

Notes

The enabling legislation for Proposition 2, SB 1145 by West, will take effect on January 1, 2024, if Proposition 2 is approved by voters. The bill would allow counties and municipalities to authorize a property tax exemption for child-care facilities. Under the bill, property owners that lease space to child-care facilities would be required to provide an affidavit to the chief appraiser certifying that certain disclosures related to the relationship between the exemption and the rent charged had been provided to the facility.
Proposition 3: Prohibiting a tax on the net worth or wealth of individuals

HJR 132 by Hefner (Hughes)

Background

Texas Constitution Art. 8, sec. 24-a prohibits the Legislature from imposing a tax on an individual’s net income, including an individual’s share of partnership and unincorporated association income.

Digest

Proposition 3 would add sec. 25 to Art. 8 of the Texas Constitution prohibiting the Legislature from imposing a tax based on the wealth or net worth of an individual or family, including a tax based on the difference between the assets and liabilities of an individual or family.

The ballot proposal reads: “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.”

Supporters say

Proposition 3 would be a proactive step toward protecting Texans from a tax on wealth. Imposing a tax on an individual’s assets without considering whether income had been earned could discourage investment and innovation and stunt economic growth. A tax on personal wealth also could incentivize adverse spending habits and costly tax payment avoidance strategies as individuals shed or attempt to hide assets to avoid paying taxes.

The Texas Constitution already prohibits adoption of a state income tax without a statewide vote. Proposition 3 was brought forward in the same tradition of ensuring that Texans are allowed a direct say on future legislation in which a tax on their wealth is proposed.

Additionally, Proposition 3 would protect Texans by restricting future legislatures from imposing new taxes instead of adjusting spending to better address state costs.

Critics say

Adopting Proposition 3 could limit the ability of future legislatures to address the needs of Texans, which may be different in the future. Addressing those needs should be the task of future legislators.

Additionally, Proposition 3 fails to recognize that many Black and Latino Texans have been historically denied opportunities to create the kind of generational wealth that would be protected if the proposal passed. Before proposing a constitutional amendment prohibiting a tax on wealth, the Legislature should review racial wealth disparities and create legislation that considers these gaps.
Proposition 4: Authorizing the Legislature to establish certain property tax relief measures

HJR 2 by Metcalf (Bettencourt) - Second Called Session

Background

Art. 8, sec. 1 of the Texas Constitution establishes provisions for taxation in the state, including the taxation of real and tangible personal property, intangible property, and occupation and income taxes. The section requires that all taxation be equal and uniform and that all real property and tangible personal property in the state, unless otherwise exempt, be taxed in proportion to its value. The section also allows the Legislature to limit the maximum appraised value of a residence homestead for ad valorem tax purposes.

Art. 8, sec. 1-b(c) exempts $40,000 of the market value of a residence homestead from ad valorem taxation for general public school purposes. It establishes requirements for the exemption, including that the Legislature provide for formulas to protect school districts against all or part of the revenue loss incurred. This subsection also entitles an adult who is disabled or at least 65 years old to an additional exemption from taxation by a school district of $10,000 of the appraised value of the individual’s residence homestead. Tax Code sec. 11.13(b) provides for the same exemptions in statute.

Art. 8, sec. 1-b(d) establishes other requirements for the residence homestead exemption for individuals with a disability or who are age 65 or older, including that the school property tax amount for a qualified homestead may not be increased while it remains the residence homestead of the individual or the individual’s spouse who receives the exemption. It also requires the Legislature to provide for a reduction in the amount of the limitation for qualified residence homesteads in certain tax years.

Tax Code sec. 11.13(j)(1) defines a “residence homestead” as a structure or separately secured and occupied portion of a structure (together with the land, not to exceed 20 acres, and improvements used in the residential occupancy of the structure, if the structure and the land and improvements have identical ownership) that is:

- owned by one or more individuals, either directly or through a beneficial interest in a qualifying trust;
- designed or adapted for human residence;
- used as a residence; and
- occupied as the individual’s principal residence by an owner, by an owner’s surviving spouse who has a life estate in the property, or, for property owned through a beneficial interest in a qualifying trust, by a trustor or beneficiary of the trust who qualifies for the exemption.

Texas Constitution Art. 16, sec. 30 allows the Legislature to establish that members of certain governing boards are prohibited from serving terms of office that exceed four years. This includes governing board members of emergency service districts, hospital districts, and conservation and reclamation districts.

Digest

Proposition 4 proposes constitutional amendments related to ad valorem tax relief and the governance of certain appraisal entities. The proposition would allow the Legislature to impose a temporary limitation on the maximum appraised value of certain non-homestead real property, increase the residence homestead property tax exemption, and provide for adjustments to certain property tax limitations on the residence homesteads of individuals who are at least 65 years old or individuals with disabilities to reflect certain increases in exemptions.

Limit on maximum appraised value of real property. Proposition 4 would amend Art. 8, sec. 1 of the
Texas Constitution to allow the Legislature to establish a limit on the maximum appraised value of real property for ad valorem tax purposes, with the exception of residence homesteads. The Legislature could limit the maximum appraised value of real property to the lesser of the most recent market value of the property as determined by the appraisal entity or 120 percent, or a greater percentage, of the appraised value of the property for the preceding tax year. The proposition would authorize the Legislature to prescribe additional eligibility requirements for the limitation. This provision would expire December 31, 2026.

**Residence homestead exemption.** The proposition also would amend Art. 8, sec. 1-b(c) to increase the residence homestead property tax exemption from $40,000 to $100,000 of the market value of a residence homestead. This amendment would take effect for the tax year beginning January 1, 2023.

**Adjustments to certain property tax limitations.** Art. 8, sec. 1-b(d) would be amended to establish that for a residence homestead subject to a limitation provided by this subsection in the 2021 tax year or an earlier tax year, the Legislature would be required to provide a reduction in the limitation for the 2023 and subsequent tax years in an amount equal to $15,000 multiplied by the 2022 tax rate for public school purposes applicable to the homestead.

Beginning with the 2023 tax year, for any tax year in which the amount of the homestead exemption applicable to the residence of a married or unmarried adult or to that of an individual who is disabled or an individual at least 65 years old was increased, the Legislature would be required to provide a reduction for that tax year and subsequent tax years in the amount of the limitation on school district property tax imposed to reflect certain increases in exemptions. These provisions would take effect for the tax year beginning January 1, 2023.

**Appraisal district board member term limits.** Proposition 4 would amend Art. 16, sec. 30 to allow the Legislature to establish four-year terms of office for members of the governing body of appraisal entities established in counties with a population of 75,000 or more.

The ballot proposal reads: “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.”

**Supporters say**

Proposition 4 would amend the constitution to enable key provisions of the property tax relief and appraisal reform package in SB 2, Second Called Session, the Property Tax Relief Act, providing substantial property tax relief to individuals and businesses across the state. Many property owners in Texas have expressed concerns about the unpredictability and unaffordability of their property taxes driven by rapidly rising property values. By authorizing a limit on the increase in taxable value for non-homestead properties and increasing the homestead exemption from $40,000 to $100,000, Proposition 4 would provide significant property tax relief to both businesses and homeowners, particularly those with moderately priced homes, where relief is currently most needed. The proposition also would ensure that elderly individuals and people with disabilities received the full benefit of the last homestead exemption increase and any future increases in exemptions.

Raising the homestead exemption would provide for a more evenly distributed tax reduction as every homeowner receiving the homestead exemption would receive the same reduction in their property’s taxable value. While some have expressed concerns that the increased homestead exemption could shift a portion of the school property tax burden from homeowners to businesses, reducing the school district maximum compressed tax rate by the proposition’s enabling legislation, SB 2, would help to prevent a measurable change. Reducing the maximum compressed tax rate also could benefit renters by reducing the amount of property taxes that could be passed on to tenants by landlords.

Limiting the annual growth of the appraised value for certain non-homestead real property also would help more small business owners across the state stay in business.
Furthermore, these provisions are temporary, which would allow for necessary adjustments to be made if additional limitations were implemented in the future.

The proposed four-year terms for certain appraisal district board members could also promote stability in the appraisal process.

**Critics say**

While property tax reductions would benefit many Texans, implementing such a significant homestead exemption could shift a portion of the school property tax burden from homeowners to businesses, which could lead to price increases. In addition, rising property values could reduce the benefits of an increased homestead exemption and require further adjustments to ensure the exemption maintained the same or similar level of benefit for homeowners.

It is crucial to ensure that any property tax reduction or exemption is implemented sustainably and does not compromise necessary funding for public services such as education and healthcare in the long term. Reducing property taxes could make the state more vulnerable to not meeting its funding obligations in the case of a recession. With less reliance on property taxes, school funding could be in jeopardy if the state faced a decline in sales tax revenue, which could result in school funding cuts or a need to raise taxes. Property tax relief also should include measures to directly benefit the state’s significant number of renters.

**Notes**

The enabling legislation for Proposition 4, **SB 2** by Bettencourt, Second Called Session, would make various changes to the Tax Code to reduce property taxes and revise provisions related to appraisal district boards. The bill would:

- reduce the school district maximum compressed tax rate by $0.107;
- increase the school district residence homestead exemption from $40,000 to $100,000 of the appraised value of the homestead;
- establish provisions for people with disabilities and people age 65 and older to receive the full benefit of the property tax exemption approved by voters in 2022; and
- authorize a circuit breaker 20 percent limit for three years on the appraised value increase for non-homestead real property valued at less than $5 million.

In addition, SB 2 would provide state aid to school districts for funding losses related to applicable property tax adjustments. The bill also would establish temporary provisions for school district options to reduce local revenue in excess of entitlement for the 2023-2024 school year to reflect revenue changes due to property tax reductions. The bill would add three elected members to appraisal district boards in counties with a population of 75,000 or more and establishes board member qualifications, terms of office, and replacement procedures. The bill will take effect October 12, 2023, with certain exceptions. Certain articles and sections would take effect at various dates established in the bill with some contingent on the approval of the proposition by voters.
Proposition 5: Establishing the Texas University Fund for emerging research universities

HJR 3 by Bonnen (Huffman)

Background

Texas Constitution Art. 3, sec. 49-g establishes the Economic Stabilization Fund (ESF), also called the “rainy day fund,” as a special fund in the state treasury.

Art. 7, sec. 18 authorizes the issuing of bonds and notes to provide funding for The Texas A&M University and The University of Texas Systems. This section also establishes the Available University Fund consisting of the distributions made from the total return on all investment assets of the Permanent University Fund.

Art. 7, sec. 20 establishes the National Research University Fund for the purpose of providing a dedicated, independent, and equitable source of funding to enable emerging Texas research universities to achieve national prominence as major research universities. The University of Texas at Austin and Texas A&M University are not eligible to receive money from the fund.

Digest

Proposition 5 would amend Texas Constitution Art. 7, sec. 20 to rename the National Research University Fund as the Texas University Fund. The proposition would specify that a state university that was entitled to participate in dedicated funding provided by Texas Constitution Art. 7, sec. 18, rather than only The University of Texas at Austin and Texas A&M University, would not be eligible to receive money from the fund. The proposition also would remove the provision that a state university that became eligible to receive a portion of the distributions from the National Research University Fund in a fiscal biennium would remain eligible to receive additional distributions from the fund in any subsequent fiscal biennium.

The proposition would require that on or after the 90th day of each fiscal year an amount equal to certain interest income, dividends, and investment earnings attributable to the ESF as determined by calculations established in the proposition, be appropriated from the ESF to the comptroller for the purpose of immediate deposit to the credit of the Texas University Fund. The appropriation amount could not exceed $100 million for the fiscal year beginning September 1, 2023. For a fiscal year beginning on or after September 1, 2024, the appropriation amount could not exceed the amount for the preceding fiscal year adjusted by the increase in the general price level during the preceding fiscal year, as determined by the comptroller based on changes in the consumer price index and not to exceed 2 percent per fiscal year.

The ballot proposal reads: “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.”

Supporters say

Proposition 5 would help the state educationally and economically by authorizing the necessary funding for more high-quality research in Texas universities that previously have not been beneficiaries of certain state funds. As established by the proposition’s enabling legislation, HB 1595, Proposition 5 would initially fund Texas State University, Texas Tech University, the University of Houston, and the University of North Texas, which together serve more than 160,000 students, many from working, middle class families. By providing more secure, reliable funding for research within these institutions, the proposition would help to ensure these students have access to the quality education needed to
succeed in today’s most competitive industries and support the state’s Talent Strong Texas higher education strategic plan.

The criteria for universities to qualify for the fund are objective and based on research expenditures and the average number of doctoral degrees awarded annually. Such criteria is currently met by four universities, but other state-funded universities could qualify by meeting these standards. The additional funding allocated by the proposition would come at no further cost to taxpayers.

Critics say

Proposition 5 would only provide funding to a select few universities in the state and would not be the best use of the available funding. By excluding certain institutions, the Texas University Fund could provide an advantage to eligible universities while other schools would be expected to compete with them at the same level. Every university in the state should receive more funding to better provide for its students.

Notes

The enabling legislation for Proposition 5, HB 1595 by Bonnen, would establish provisions regarding the naming and administration of the Texas University Fund, the allocation of a one-time $3.5 billion endowment to the fund, and eligibility criteria for higher education institutions to receive distributions from the fund. HB 1595 also would establish that Texas State University, Texas Tech University, the University of Houston, and the University of North Texas were eligible to receive distributions from the fund each fiscal year. HB 1595 will effect January 1, 2024, if Proposition 5 is approved by voters.
Proposition 6: Creating the Texas Water Fund for financing water projects

SJR 75 by Perry (T. King)

Background

Art. 3, sec. 49-d of the Texas Constitution establishes legislative responsibilities related to the development of reservoirs and water facilities and the sale, transfer, or lease of facilities or public waters.

Water Code ch. 15, subch. B and subch. R create the Water Assistance Fund and the Rural Water Assistance Fund, respectively, to encourage and assist in the planning and construction of various water projects.

Texas Constitution Art. 8, sec. 6 prohibits the withdrawal of money from the state treasury unless a specific appropriation is made by law. However, certain special funds in the treasury are held outside general revenue and may be spent without legislative appropriation.

Digest

Proposition 6 would add sec. 49-d-16 to Art. 3 of the Texas Constitution to create the Texas Water Fund as a special fund in the state treasury outside the general revenue fund. The fund would be administered by the Texas Water Development Board (TWDB) or its successor and could be used only to transfer money to other funds or accounts administered by TWDB or its successor. The proposition would authorize TWDB to restore to the fund money transferred from the fund into another account. Legislative appropriation would not be required for TWDB to transfer money from or restore money to the fund, including the transfer of money from the fund to, or the restoration of the money from:

- the Water Assistance Fund;
- the New Water Supply for Texas Fund;
- the Rural Water Assistance Fund; or
- the Statewide Water Public Awareness Account.

TWDB would be required to allocate at least 25 percent of the money initially appropriated to the Texas Water Fund to be used only for transfer to the New Water Supply for Texas Fund.

Any unexpended and unobligated balance remaining in the fund at the end of a state fiscal biennium would be appropriated to TWDB for the following state fiscal biennium for purposes authorized by the proposition.

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

Supporters say

By creating the Texas Water Fund, Proposition 6 would provide necessary funding to help meet Texas’ growing water needs and ensure Texans have access to safe, clean, and affordable water into the future. The state has a critical need for new water infrastructure. Existing water infrastructure is insufficient, with utilities estimated to be losing more than 135 billion gallons per year due to leaking pipes. Aging and deteriorating water systems are expected to decline significantly over the next few decades, which could cause water shortages. At the same time, water demands are anticipated to continue increasing due to the state’s rapid population growth. Proposition 6 and its enabling legislation, SB 28, would be crucial in addressing declining water infrastructure and providing for new water supplies.

Although the proposition’s enabling legislation would allow funding for produced water and water desalination projects, Proposition 6 would not exempt these water sources from existing water safety regulations. Water reuse and nature-based solutions could qualify for funding under the proposition if the TWDB determined that they would generate new water sources for the state. While the New Water Supply for Texas Fund established in the enabling legislation would specifically support non-
traditional water creation projects, the Texas Water Fund itself would be available for investment in existing systems and infrastructure.

Critics say

Proposition 6, through money transferred to the associated water funds and accounts, could fund potentially unsafe water projects. This includes projects that use the oil byproduct “produced water,” which may have public health risks that are not yet fully understood. The proposition also would permit funds to be allocated for water desalination. Texas currently lacks the regulatory capability to guarantee adequate protection of the state’s bays, estuaries, and marine life if desalination projects are pursued.

Although it is imperative to restore and expand Texas’ water systems, the proposition should focus more explicitly on water reuse and nature-based solutions to maintain and enhance water supplies. In addition, the proposition and its enabling legislation should prioritize supporting projects that conserve water and increase the efficiency of existing water systems to reduce the need for new water supplies.

Other critics say

The $1 billion appropriation to the Texas Water Fund in the fiscal 2023 supplemental budget would fall short of the estimated long-term costs of meeting Texas’ water needs, which some estimate to be tens of billions of dollars in the coming decades. The Legislature should invest significantly more money into the state’s future water supply needs.

Notes

Proposition 6’s enabling legislation, SB 28 by Perry, takes effect September 1, 2023, except for articles related to the creation of the Texas Water Fund, which would take effect January 1, 2024, upon the proposition’s approval by voters. SB 28 would establish the New Water Supply for Texas Fund to finance the creation of seven million acre-feet of new water supplies by 2033, the Texas Water Fund to provide financial assistance to water infrastructure projects, and the Statewide Water Public Awareness Account to aid in developing, administering, and implementing a program to educate residents about water.

SB 30 by Huffman, the supplemental budget for fiscal 2023, will appropriate $1 billion from the general revenue fund to the Texas Water Fund if Proposition 6 is approved by voters.
Proposition 7: Establishing the Texas Energy Fund for electric facility construction and upgrades

SJR 93 by Schwertner (Hunter)

Background

Texas Constitution Art. 8, sec. 6 prohibits the withdrawal of money from the state treasury except in pursuance of a specific appropriation made by law. However, certain special funds in the treasury are held outside general revenue and may be spent without legislative appropriation.

Digest

Proposition 7 would add sec. 49-q to Art. 3 of the Texas Constitution, creating the Texas Energy Fund as a special fund in the state treasury outside the general revenue fund. Money in the fund could be administered and used, without further appropriation, only by the Public Utility Commission of Texas (PUC) or its successor. The fund could only be used to provide loans and grants to finance or incentivize the construction, maintenance, modernization, and operation of electric generating facilities necessary to ensure the reliability of the electric power grid in the state. PUC would be required to allocate money from the fund for loans and grants to eligible projects for electric generating facilities that served as backup power sources. Funds also would have to be allocated to eligible projects in each region of the state in proportion to that region's load share within an electric power grid.

The ballot proposal reads: “The constitutional amendment providing for the creation of the Texas energy fund to support the construction, maintenance, modernization, and operation of electric generating facilities.”

Supporters say

Proposition 7 would increase the reliability of the state's energy grid by using state financial resources to maintain and construct electric generating facilities. The proposition also would ensure that any money collected or distributed under SB 2627, the enabling legislation for Proposition 7, would be in a specifically dedicated account to prevent its use for unrelated programs. Loans and grants from the fund would incentivize the establishment of new dispatchable generation facilities, the construction of which has slowed under the current market structure due to rising interest rates from private investors.

Because of grid-related crises in the past several years, the state has a unique interest in improving reliability quickly. Proposition 7 would enhance the state's ability to address the reliability issue, which could better ensure accountability for its resolution, as the private sector alone may not provide sufficient investment to improve the grid.

Proposition 7 would have a limited impact on the market compared to other mechanisms such as production tax credits and direct procurement of power plants through government subsidies. The proposition also could help foster a more competitive market environment by removing financial barriers to entry into the electric market for developers.

Critics say

Proposition 7 would not be guaranteed to increase reliability because the construction of power plants in Texas has been limited due to concerns about generating sufficient profits, not due to cost barriers or limited investment. There is already robust private investment in
the electric market and government involvement comes with risks, such as market distortion and borrowers defaulting on loans. Some government loan programs related to energy have resulted in high-profile defaults in other states. The state should not expose itself and taxpayers to this possibility.

Notes

Proposition 7’s enabling legislation, SB 2627 by Schwertner, will take effect on the adoption of the proposition. SB 2627 would establish the Texas Energy Fund, administered and used by PUC, to provide loans and grants for the maintenance, modernization, and construction of dispatchable electric generating facilities and backup power.

Upon approval of Proposition 7 by voters, HB 1 by Bonnen, the budget for the 2024-2025 biennium, will direct the comptroller to transfer $5 billion from the general revenue fund to the Texas Energy Fund and will appropriate $5 billion from the fund to PUC to implement the bill.
Proposition 8: Establishing the Broadband Infrastructure Fund

HJR 125 by Ashby (Huffman)

Background

Texas Constitution Art. 8, sec. 6 prohibits the withdrawal of money from the state treasury unless a specific appropriation is made by law. However, certain special funds in the treasury are held outside general revenue and may be spent without legislative appropriation.

Digest

Proposition 8 would add sec. 49-d-16 to Art. 3 of the Texas Constitution, creating the Broadband Infrastructure Fund as a special fund in the state treasury outside the general revenue fund. Money in the fund would be administered by the comptroller and could be used only for the expansion of access to and the adoption of broadband and telecommunications services, including the development and operation of infrastructure.

The comptroller could transfer money from the fund to another fund and transferred money could be used without further appropriation only for the expansion of access to and adoption of broadband and telecommunications services.

The fund would expire on September 1, 2035, unless extended for another ten years by a joint resolution approved by a two-thirds majority in each house of the Legislature. The comptroller would be required to transfer any remaining fund balance to the general revenue fund immediately before the fund expired.

The ballot proposal reads: “The constitutional amendment creating the broadband infrastructure fund to expand high-speed broadband access and assist in the financing of connectivity projects.”

Supporters say

Proposition 8 would increase broadband access and affordability across the state by authorizing major investments in broadband and telecommunications infrastructure in coordination with federal funding programs. Millions of Texans currently lack broadband internet, limiting their access to online education, telehealth, and remote employment opportunities. This lack of access disproportionately affects rural communities, people of color, and low-income families. The fund established by Proposition 8 would provide resources to help close this digital divide, which in turn could improve quality of life and spur economic growth, including higher personal incomes and job creation.

The state should support the use of all available tools, including both fiber and wireless technology, to close the digital divide in Texas. Each technology has advantages and disadvantages, but efforts to support the growth of broadband should retain the flexibility to determine which technologies are feasible for different areas of the state, depending on topography, population density, and other factors. The proposition and enabling bill’s technology-neutral approach would promote competition and maximize efficiency.

While some have suggested that the proposition and its enabling legislation should include a specific provision on labor standards, this is unnecessary because federal regulations already require states to include fair labor practices in their broadband development programs. The federal Broadband Equity, Access, and Deployment (BEAD) program also requires states to develop a plan aimed at achieving a diverse and sufficiently skilled workforce to build and maintain broadband infrastructure.
Critics say

Proposition 8 should require the Broadband Infrastructure Fund to prioritize the development of fiber optic broadband infrastructure, which would be faster, safer, more durable, and more reliable than wireless broadband.

In order to ensure that broadband investment in Texas is successfully implemented by a skilled and properly trained workforce, Proposition 8 should incorporate federally-recommended labor standards for broadband projects that call for a directly employed, rather than subcontracted, workforce. Subcontracting could decrease quality of service and accountability. The state also should incorporate fair labor standards, including robust in-house training requirements, in the criteria for awarding money from the fund.

Other critics say

Using taxpayer money to fund broadband expansion would go beyond the proper scope of state government.

Notes

The enabling legislation for Proposition 8, HB 9 by Ashby, would take effect January 1, 2024, upon the proposition’s approval by voters. HB 9 would establish the Broadband Infrastructure Fund to provide matching funds for the federal Broadband Equity, Access, and Deployment (BEAD) Program, fund and support next-generation 911 services, support the Texas Broadband Pole Replacement Program, and otherwise support expanding access to broadband service in the state.

HB 1 by Bonnen, the state budget for the 2024-2025 biennium, will appropriate $1.5 billion from the general revenue fund to the Broadband Infrastructure Fund if Proposition 8 is approved by voters.
Proposition 9: Authorizing a cost-of-living adjustment for retired teachers

HJR 2 by Bonnen (Huffman)

Background

Texas Constitution Art. 16, sec. 67(b) establishes the Teacher Retirement System of Texas to provide benefits for persons employed in public schools, colleges, and universities supported wholly or partly by the state.

Texas Constitution Art. 8, sec. 6 prohibits the withdrawal of money from the state treasury unless a specific appropriation is made by law. However, certain special funds in the treasury are held outside general revenue and may be spent without legislative appropriation.

Digest

Proposition 9 would add sec. 67-a to Art. 16 of the Texas Constitution, authorizing the 88th Legislature to provide a cost-of-living adjustment to eligible annuitants of the Teacher Retirement System of Texas (TRS). The Legislature could appropriate money for the adjustment from the general revenue fund to the comptroller for deposit to the TRS trust fund. An appropriation of state tax revenues for such an adjustment would be treated as if it were dedicated by the constitution. These provisions would expire September 1, 2025.

The ballot proposal reads: “The constitutional amendment authorizing the 88th Legislature to provide a cost-of-living adjustment to certain annuitants of the Teacher Retirement System of Texas.”

Supporters say

Proposition 9 would allow the 88th Legislature to allocate funds to provide a much-needed cost-of-living adjustment to TRS benefits for thousands of retired teachers. Under current law, the Legislature is not permitted to provide benefit enhancements, so TRS benefits do not change over time to account for price fluctuation. Inflation can be especially burdensome for individuals living on a fixed income, such as retired teachers. Although a cost-of-living adjustment could be provided for through other methods, a constitutional amendment would better guarantee funding amid competing priorities within the state's budget surplus.

In addition to the cost-of-living adjustment, SB 10, the proposition's enabling legislation, would grant retired teachers a one-time supplemental payment of certain benefits. The provision of a cost-of-living adjustment could improve teacher recruitment and retention, which could help to address critical school staffing shortages. The proposition also would not require an increase in TRS member contribution rates.

Critics say

While a cost-of-living adjustment for retired teachers is important, this adjustment could be provided without needing to amend the constitution.

Notes

Section 1 of the enabling legislation for Proposition 9, SB 10 by Huffman, would require TRS to make a one-time cost-of-living adjustment to certain annuitants receiving a monthly death or retirement benefit annuity. This provision will take effect January 1, 2024, if Proposition 9 is approved by voters. Regardless of the proposition's adoption, SB 10 will require TRS to make a one-time supplemental payment of a retirement or death benefit to persons over 70 who are eligible to receive certain annuity payments.
Proposition 10: Exempting certain property held by medical manufacturers from taxation

**Background**

Texas Constitution Art. 8, sec. 1(a-b) requires taxation to be equal and uniform and that all real property and tangible personal property in the state be taxed in proportion to its value unless exempt as required or permitted by the constitution.

**Digest**

Proposition 10 would add sec. 1-x to Art. 8 of the Texas Constitution authorizing the Legislature to exempt from property tax the tangible personal property held by a manufacturer of medical or biomedical products as a finished good. Property to be used in the manufacturing or processing of medical or biomedical products also could be exempted.

The ballot proposal reads: “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.”

**Supporters say**

By exempting medical and biomedical manufacturers from certain property taxes, Proposition 10 would incentivize medical and biomedical manufacturing in Texas and could reduce the state’s reliance on foreign countries for medical supplies. Increasing opportunities for local manufacturers also could discourage supply chain disruptions. The proposition would not impact other tax requirements for medical and biomedical manufacturers and local tax administrators would retain control over the enforcement of the property tax exemption.

**Critics say**

Instead of exempting medical and biomedical manufacturers from ad valorem taxation requirements, the Legislature should focus on reducing taxes for all Texans. The proposition also could burden regular taxpayers, who could be required to pay more to recoup tax revenue that would otherwise be paid by medical manufacturers.

**Notes**

The enabling legislation for Proposition 10, SB 2289 by Huffman, will take effect January 1, 2024, if voters approve the proposed amendment. SB 2289 would exempt from taxation a person’s medical or biomedical property that was located in a medical or biomedical manufacturing facility that the person owned or leased. The bill also would prohibit the governing body of a taxing unit from providing for taxation of medical or biomedical property exempted under the bill.
Proposition 11: Authorizing El Paso County special districts to issue bonds for parks development

SJR 32 by Blanco (Moody)

Background

Texas Constitution Art. 16, sec. 59(c-1) allows the Legislature to authorize certain conservation and reclamation districts to develop parks and recreational facilities by financing such development with taxes. The Legislature may authorize debt payable from taxes to fund improvements and maintenance of such parks and recreational facilities in conservation and reclamation districts, all or part of which are located in certain counties. The debt also may take the form of bonds and is a lien on the property assessed for the payments of the bonds.

The Legislature may not authorize the issuance of bonds or provide for indebtedness against a conservation and reclamation district unless a proposition is first submitted to the qualified voters of the district and the proposition is adopted.

Digest

Proposition 11 would amend Texas Constitution Art. 16, sec. 59(c-1) to add El Paso County to the counties containing a conservation and reclamation district for which the Legislature could authorize bonds payable from property taxes for the development and maintenance of parks and recreational facilities.

The ballot proposal reads: “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.”

Supporters say

Proposition 11 would give voters the choice to expand the means by which the county of El Paso could fund the improvement of parks and recreational facilities. Authorizing the issuance of bonds supported by property taxes for this purpose would give El Paso County the same tool to fund parks development that is available to many other counties with special districts. Proposition 11 would help to address the need for more open spaces, improve quality of life for El Pasoans, and help to attract Texans considering moving to El Paso.

Under Proposition 11, whether or not property taxes were increased would be up to local voters who would decide whether a park project was worth the additional assessment. Proposition 11 also would leave the decision to assess property taxes for such projects to the discretion of conservation and reclamation districts and would not make the assessment mandatory. The proposition would not impair a district’s federal contract, as districts with such contracts could choose not to pursue these projects.

Critics say

Proposition 11 would give certain conservation and reclamation districts in El Paso County the unnecessary authority to assess and impose ad valorem taxes, which could lead to a property tax increase for some taxpayers at a time when the Legislature should continue to focus on property tax cuts. Local governments wishing to fund parks improvements should finance such projects using means other than bonded indebtedness supported by property taxes.
Other critics say

Proposition 11 could interfere with federal contracts held by certain conservation and reclamation districts in the county under the Texas Water Code that require land within the districts to be assessed on a per acre basis rather than an ad valorem basis.

Notes

Proposition 11’s enabling legislation, SB 938 by Blanco, will take effect on the date the proposition takes effect, if approved by voters. SB 938 would allow a conservation and reclamation district all or part of which is located in El Paso County to issue bonds supported by property taxes to pay for the development and maintenance of certain recreational facilities only if the bonds were authorized by a majority of voters of the district.
Proposition 12: Abolishing Galveston County’s Office of County Treasurer

HJR 134 by Bonnen (Middleton)

Background

The Texas Constitution Art. 16, sec. 44 requires the Legislature to prescribe the duties and provide for the election of a county treasurer. This section specifies that the Office of County Treasurer does not exist in counties where the office has been abolished by constitutional amendment.

Digest

Proposition 12 would amend Art. 16, sec. 44 of the Texas Constitution to abolish the Office of County Treasurer in Galveston County. The Commissioners Court of Galveston County could employ or contract with a qualified person or designate another county officer to perform any of the functions that would have been performed by the county treasurer.

The ballot proposal reads: “The constitutional amendment providing for the abolition of the office of county treasurer in Galveston County.” The amendment would take effect January 1, 2024, if approved by the voters in a statewide election and by a majority of the voters in Galveston County.

Supporters say

Voters in Galveston County recently elected a county treasurer who ran on a platform to abolish the office, so abolishing this office has local support. Galveston County's Commissioners Court and many local cities also support the proposition. Additionally, the state and nine other counties of varying sizes and demographics do not have a treasurer's office and still operate smoothly. While some have suggested that this proposition could encourage other counties to abolish their offices of county treasurer, abolishing this office would apply only to Galveston County. Such abolition occurs rarely because it requires a high threshold of support and would only take place under exceptional circumstances, as in Galveston County.

Critics say

Abolishing the Office of County Treasurer in Galveston County would remove residents’ right to vote for an elected office established by the state constitution. The county treasurer's duties should be performed by an independent elected official, not by a person who is appointed or controlled by another political body. Though the state abolished its treasurer's office, similar functions are now performed by the comptroller, who is an elected official.

Because the Office of County Treasurer's functions would still have to be performed, moving employees and duties from one office to another may not result in cost savings. Additionally, county treasurers perform important functions that may not be easily absorbed into other county offices, and statutory requirements that apply to county treasurers do not clearly apply to other offices that would assume these duties. Proposition 12 would remove checks and balances that are necessary to protect county funds and maintain transparency and could set a precedent for other counties to abolish this important elected office.
Proposition 13: Increasing the mandatory retirement age for state justices and judges

HJR 107 by Price (Hinajosa)

Background

Texas Constitution Art. 5, sec. 1-a(1) requires justices and judges of appellate courts, district courts, and criminal district courts to retire on the expiration of the term during which the justice or judge reaches age 75, or an earlier age of at least 70 if prescribed by the Legislature. If a justice or judge turns 75 during the first four years of a six-year term, the office becomes vacant on December 31 of the fourth year of the term.

Digest

Proposition 13 would amend Art. 5, sec 1-a(1) of the Texas Constitution to require a justice or judge of an appellate court, district court, and criminal district court to retire on the expiration of the term during which the justice or judge reached age 79, rather than age 75. The Legislature also could prescribe an earlier retirement age of at least 75 rather than of at least 70.

In addition, the proposition would remove a provision requiring justices and judges to retire on December 31 of their fourth year in office if they turned 75 during the first four years of a six-year term.

The ballot proposal reads: “The constitutional amendment to increase the mandatory age of retirement for state justices and judges.”

Supporters say

Proposition 13 would allow experienced and competent justices and judges who were still willing and capable to continue to serve. Increasing the current mandatory retirement age for certain justices and judges would reflect the fact that more individuals are living and working longer. Allowing judges to serve longer also could ensure a more predictable and stable judicial system. Since Texas elects its judges, the electorate could hold accountable any judges who were not performing adequately at an older age.

Critics say

Proposition 13 would be unnecessary because the current mandatory retirement age allows judges to serve for a sufficient length of time. The proposition also could negatively affect public trust in the judicial system by introducing questions about the competency of older judges. Additionally, increasing the current mandatory retirement age is unnecessary because there are many competent, younger attorneys available to fill the positions of retiring judges.
Proposition 14: Creating the Centennial Parks Conservation Fund

SJR 74 by Parker (Walle)

Background

Texas Constitution Art. 8, sec. 6 prohibits the withdrawal of money from the state treasury unless a specific appropriation is made by law. However, certain special funds in the treasury are held outside general revenue and may be spent without legislative appropriation.

Digest

Proposition 14 would add sec. 49-e-1 to Art. 3 of the Texas Constitution to establish the Centennial Parks Conservation Fund as a trust fund outside the state treasury. The fund could be used only for the creation and improvement of state parks. The Legislature could appropriate money from the fund to the Texas Parks and Wildlife Department or its successor for the purposes prescribed by the proposition.

The ballot proposal reads: “The constitutional amendment providing for the creation of the centennial parks conservation fund to be used for the creation and improvement of state parks.”

Supporters say

The Centennial Parks Conservation Fund created by Proposition 14 and named in honor of the 100th anniversary of the Texas state parks system would preserve and increase access to Texas’ natural beauty for residents across the state. As the state’s population has continued to grow, so has demand for the parks system. However, few state parks have been created in the past several decades. Today, many Texas residents must make reservations weeks or months ahead of time to camp in the available parks. By increasing access to state parks, Proposition 14 would help to ensure all Texans can enjoy the benefits of safe, well-maintained outdoor spaces that bring communities together, support children’s development, and provide residents with places to explore and experience nature.

Additionally, state park acquisition would help protect and preserve Texas’ natural heritage and resources, many of which are currently threatened by rapid development. This significant one-time investment in the parks system would generate additional jobs and tax revenue for the state and its localities. Rural economies could benefit from non-local visitors traveling to parks located nearby. Using the fund to acquire land also would result in future savings for the state, since land prices are projected to continue rising. This fund would be used solely for the acquisition and improvement of state parks, as local parks and other conservation projects have their own dedicated funding sources within the state budget.

Critics say

While preserving land as state parks is important, the acquisition of land for state parks under Proposition 14 would generate long-term operations and maintenance costs for the state, the scale of which is currently unknown. Additionally, Texas has enough public land, and the tax dollars allocated for this purpose should either be given back to taxpayers or used to address other state needs. Funding natural resource conservation on private lands and stewarding them in collaboration with landowners could be a more cost-effective way to conserve land being lost to development.

Other critics say

The proposition should include provisions to fund local parks, water conservation, wildlife conservation, and agricultural resources alongside state parks, as preserving these natural resources also should be a priority.

Notes

Proposition 14’s enabling legislation, SB 1648 by Parker, will take effect January 1, 2024, if Proposition 14 is approved by voters. SB 1648 would establish the
Centennial Parks Conservation Fund to be administered by the Texas Parks and Wildlife Department to create and improve state parks.

**HB 1** by Bonnen, the budget for the 2024-2025 biennium, will appropriate $1 billion from the general revenue fund to the Centennial Parks Conservation Fund if Proposition 14 is approved by voters.
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