



PAUL WORKMAN

STATE REPRESENTATIVE ★ DISTRICT 47



PROPOSED CONSTITUTIONAL AMENDMENTS



PAUL D. WORKMAN
STATE REPRESENTATIVE
District 47

Dear Friends and Neighbors,

Since its ratification in 1876, voters have approved 474 amendments to the Texas Constitution. On Tuesday, **November 5, 2013**, Texans will once again have the opportunity to go to the polls to vote on nine proposed amendments to the Texas Constitution.

This newsletter contains a short summary of each proposed amendment. Please take the time to read about these proposed changes to our Texas Constitution. Don't forget you can take this newsletter with you to the polls.

Early voting begins on Monday, October 21, 2013 and runs through Friday, November 1, 2013.

I hope this newsletter is helpful to you when you make your decisions about the ballot propositions in the upcoming election. If you have any questions about the election or if you would like more information on the proposed constitutional amendments, please do not hesitate to contact my office.

Thank you for allowing me to serve as your voice for District 47 in the Texas House of Representatives. Please stay in touch with me on the issues that are important to you and to Texas.

Sincerely,

Paul D. Workman

AMENDMENT NO. 1 (H.J.R. 62)

The constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a member of the armed services of the United States who is killed in action.

Summary of Proposed Amendment.

Section 1-b, Article VIII, Texas Constitution, provides various exemptions from property (or "ad valorem") taxation for residence homesteads and limitations on certain property taxes imposed on those homesteads. The constitutional amendment proposed by H.J.R. 62 authorizes the legislature to grant the surviving spouse of a member of the armed services of the United States who is killed in action a property tax exemption for all or part of the market value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the service member's death. The amendment also authorizes the legislature to provide that if a surviving spouse who qualifies for and receives such an exemption subsequently qualifies a different property as a residence homestead, the surviving spouse is entitled to a property tax exemption on the new homestead in an amount equal to the amount of the exemption received for the first homestead in the last year in which the surviving spouse received the exemption for that homestead if the surviving spouse has not remarried since the service member's death. The proposed amendment applies only to a tax year beginning on or after January 1, 2014.

AMENDMENT NO. 2 (H.J.R. 79)

The constitutional amendment eliminating an obsolete requirement for a State Medical Education Board and a State Medical Education Fund, neither of which is operational.

Summary of Proposed Amendment.

H.J.R. 79 carries out a decades-old recommendation by the Sunset Advisory Commission and the Legislative Budget Board to repeal a now-obsolete constitutional provision added in 1952 that required the legislature to create a State Medical Education Board, establish a fund, and make appropriations to that fund to be used by that board to provide grants, loans, or scholarships directly to medical students who agree to practice medicine in rural areas of this state. The board was not created until 1973 and, once created, was largely ineffective in serving its purpose of attracting physicians to serve in medically underserved communities. Due to its ineffectiveness, the board has not received state appropriations or issued new loans for more than 20 years, and the legislature has since enacted more effective methods of attracting physicians to serve in rural Texas. In an

ongoing effort to remove unnecessary provisions from the Texas Constitution, H.J.R. 79 removes the requirement for the defunct medical education board and its related fund.

AMENDMENT NO. 3 (H.J.R. 133)

The constitutional amendment to authorize a political subdivision of this state to extend the number of days that aircraft parts that are exempt from ad valorem taxation due to their location in this state for a temporary period may be located in this state for purposes of qualifying for the tax exemption.

Summary of Proposed Amendment.

H.J.R. 133 proposes to amend Section 1-j, Article VIII, Texas Constitution, to authorize the governing body of a political subdivision (such as a municipality, county, or school district) to extend the date by which aircraft parts held by a business in Texas that are exempt from property taxation as "freeport goods" must be transported outside the state in order to retain tax-exempt status. Under the proposed amendment, a governing body could extend the date that such aircraft parts must be exported to not later than the 730th day (the second year) after the date the taxpayer acquired or imported the aircraft parts in this state instead of the 175th day as is currently required by law. The proposed amendment would authorize the legislature to provide the manner by which a governing body could extend the period of time. In addition, the proposed amendment provides that an extension would apply only to the exemption from property taxation by the political subdivision adopting the extension. The proposed amendment would apply only to a tax year beginning on or after January 1, 2014.

AMENDMENT NO. 4 (H.J.R. 24)

The constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of part of the market value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization.

Summary of Proposed Amendment.

H.J.R. 24 proposes to permit the legislature to authorize a new exemption from property (or "ad valorem") taxation of a percentage of the market value of a partially disabled veteran's residence homestead equal to the percentage of the veteran's disability if the residence homestead was donated at no cost to the veteran by a charitable organization. The proposed amendment authorizes the legislature to provide additional eligibility requirements for the new exemption and to grant the surviving spouse of a partially disabled veteran, if the veteran died after qualifying for the new exemption, a property tax exemp-

tion for the same portion of the market value of the same property to which the disabled veteran's exemption applied if the surviving spouse has not remarried, the property was the residence homestead of the surviving spouse when the veteran died, and the property remains the residence homestead of the surviving spouse. The proposed amendment states that limitations and restrictions on certain other property tax exemptions for disabled veterans do not apply to the new exemption.

AMENDMENT NO. 5 (S.J.R. 18)

The constitutional amendment to authorize the making of a reverse mortgage loan for the purchase of homestead property and to amend lender disclosures and other requirements in connection with a reverse mortgage loan.

Summary of Proposed Amendment.

The proposed amendment would amend Section 50(k), Article XVI, Texas Constitution, to authorize advances under a reverse mortgage for the purchase of homestead property that the borrower will occupy as a principal residence and expand the conditions under which a lender may require repayment of this type of reverse mortgage to include the borrower's failure to timely occupy the homestead property within the period specified in the loan agreement. The proposed amendment also would prohibit the making of a reverse mortgage unless both the prospective borrower and the prospective borrower's spouse receive counseling regarding the advisability and availability of reverse mortgages and other financial alternatives that is completed within a prescribed period before the closing date of the loan. In addition, the proposed amendment would replace the constitutionally required written notice provided by lenders to borrowers of a reverse mortgage with a separate written notice containing detailed language related to reverse mortgages, including the grounds for which the lender may foreclose the reverse mortgage.

AMENDMENT NO. 6 (S.J.R. 1)

The constitutional amendment providing for the creation of the State Water Implementation Fund for Texas and the State Water Implementation Revenue Fund for Texas to assist in the financing of priority projects in the state water plan to ensure the availability of adequate water resources.

Summary of Proposed Amendment.

S.J.R. 1 proposes to amend the Texas Constitution by creating the State Water Implementation Fund for Texas and the State Water Implementation Revenue Fund for Texas as special funds in the state treasury outside the general revenue fund to be administered, without further appropriation, by the Texas Water Development Board and used for

the purpose of implementing the state water plan adopted by the board. The proposed amendment authorizes the transfer or deposit of state revenue into each fund, but does not itself make a transfer or deposit of money into either fund.

The proposed amendment permits the legislature to authorize the Texas Water Development Board to enter into bond enhancement agreements payable from the State Water Implementation Fund for Texas to provide additional security for bonds used to finance state water plan projects. Repayment of an amount paid under a bond enhancement agreement may not cause general obligation bonds to be no longer self-supporting. The proposed amendment also permits the legislature to authorize the board to use the State Water Implementation Fund for Texas to finance water projects by direct loan. A bond enhancement or loan agreement is subject to the approval of the Legislative Budget Board.

The proposed amendment also permits the legislature to authorize the Texas Water Development Board, with the approval of the Legislative Budget Board, to issue bonds and enter into related credit agreements that are payable from the State Water Implementation Revenue Fund for Texas.

The proposed amendment requires the Texas Water Development Board to annually set aside from each fund amounts sufficient to make bond or bond enhancement agreement payments that become due from those funds during that year. It prohibits any dedication or appropriation of amounts in a fund from being modified in a way that would impair any outstanding bond or obligation under a bond enhancement agreement secured by a pledge of those amounts unless provisions have been made for a full discharge of the bond or bond enhancement agreement. The proposed amendment also provides that obligations payable from either fund are not considered general obligations of the state. The proposed amendment provides that money in the funds is dedicated by the Texas Constitution for purposes of the limit on spending from undedicated state tax revenues established under Section 22, Article VIII, of the constitution, and also provides that an appropriation from the economic stabilization fund (also known as the rainy day fund) to the State Water Implementation Fund for Texas is an appropriation of state tax revenues dedicated by the constitution for the purposes of that section.

H.B. 4, Acts of the 83rd Legislature, Regular Session, 2013, is the enabling legislation for S.J.R. 1. The bill addresses in more detail the manner in which the proposed water funds are administered, including the manner in which projects are prioritized for funding and

the portion of the money disbursed that is to be applied for various purposes. In addition, H.B. 1025, Acts of the 83rd Legislature, Regular Session, 2013, appropriates \$2 billion out of the economic stabilization fund to the State Water Implementation Fund for Texas to be used by the Texas Water Development Board to finance projects in the state water plan in accordance with H.B. 4. Because S.J.R. 1 provides that an appropriation from the economic stabilization fund to the State Water Implementation Fund for Texas is an appropriation of state tax revenues dedicated by the constitution, the \$2 billion appropriation would not be counted against the biennial state spending cap that is established under Chapter 316, Government Code, to ensure that the rate of growth of certain appropriations does not exceed the rate of growth of the state's economy, as Section 22, Article VIII, of the constitution prohibits. The relevant provisions of H.B. 4 and H.B. 1025 are contingent on the approval by the voters of the constitutional amendment proposed by S.J.R. 1.

AMENDMENT NO. 7 (H.J.R. 87)

The constitutional amendment authorizing a home-rule municipality to provide in its charter the procedure to fill a vacancy on its governing body for which the unexpired term is 12 months or less.

Summary of Proposed Amendment.

If the term of office for a member of the governing body of a municipality is more than two years and not more than four years, current Section 11(b), Article XI, Texas Constitution, prohibits the appointment of a person to fill a vacancy on the governing body and requires the vacancy to be filled by a majority vote of the qualified voters of the municipality at a special election called for that purpose within 120 days after the date the vacancy occurs, regardless of the number of months remaining in the member's vacated term. The proposed amendment creates an exception to current Section 11(b) that authorizes a home-rule municipality to provide by its charter or a charter amendment the procedure to fill a vacancy on the governing body for which the unexpired term is 12 months or less.

AMENDMENT NO. 8 (H.J.R. 147 & S.J.R. 54)

The constitutional amendment repealing Section 7, Article IX, Texas Constitution, which relates to the creation of a hospital district in Hidalgo County.

Summary of Proposed Amendment.

H.J.R. 147 and S.J.R. 54 propose to repeal Section 7, Article IX, Texas Constitution, which permits the legislature to authorize the creation of a hospital district coextensive with Hidalgo County and limits the authorized property tax rate that the hospital district may

impose to 10 cents per \$100 valuation on taxable property within the district. The repeal of this provision does not prevent Hidalgo County, or a defined area in Hidalgo County, from creating a hospital district under other constitutional or statutory authority applicable to the county or area in the county.

AMENDMENT NO. 9 (S.J.R. 42)

The constitutional amendment relating to expanding the types of sanctions that may be assessed against a judge or justice following a formal proceeding instituted by the State Commission on Judicial Conduct.

Summary of Proposed Amendment.

Section 1-a(8), Article V, Texas Constitution, authorizes the State Commission on Judicial Conduct, following an investigation but without formal proceedings, to issue certain types of private or public sanctions against a judge or justice of a court established by the constitution or created by the legislature. In addition, that provision authorizes the commission to institute formal proceedings and, following those proceedings, to issue an order of public censure against or recommend the removal or retirement of the judge or justice, sanctions that are primarily punitive in nature. The proposed amendment expands the sanctions available for assessment by the commission following a formal proceeding by authorizing the commission to issue an order of public admonition, warning, reprimand, or requirement that the judge or justice obtain additional training or education, in addition to the currently authorized punitive sanctions. The proposed amendment applies only to a formal proceeding instituted by the commission on or after January 1, 2014.

S.J.R. 1

(83rd Legislature, 3rd Called Session.
For the November 4, 2014, election.)

The constitutional amendment providing for the use and dedication of certain money transferred to the state highway fund to assist in the completion of transportation construction, maintenance, and rehabilitation projects, not to include toll roads.

EARLY VOTING:
OCTOBER 21-
NOVEMBER 1

ELECTION DAY:
NOVEMBER 5

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VETERAN'S DAY

NOVEMBER 11, 2013

LET'S REMEMBER AND HONOR THOSE WHO HAVE
BRAVELY SERVED OUR NATION'S MILITARY