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House District 59**

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September 2013 Newsletter

Hello Friends;

I was able to enjoy several events across the district this past month. The Brady World Championship Goat Cook-Off, Hamilton County Dove Festival and the Somervell County 4-H Banquet each showed Texas hospitality at its best.

On November 5th, voters in Texas will go to the polls to decide whether to accept nine amendments to the Texas constitution. As early voting will start in just a few weeks, this newsletter provides information about each of these proposed amendments. Given the importance of water to our area of the state, note that proposition 6 provides a financing mechanism for the state water plan. Please contact us if you need additional information.

This past month, I was honored to receive two awards from organizations that represent two of my passions—education and healthcare. The Mills County Retired Teachers' Association and the Texas Pediatric Association both presented their awards for work during this past legislative session. I was humbled to receive these honors. A sincere "thank you" goes out to each of these groups.

Sincerely,

J D Sheffield

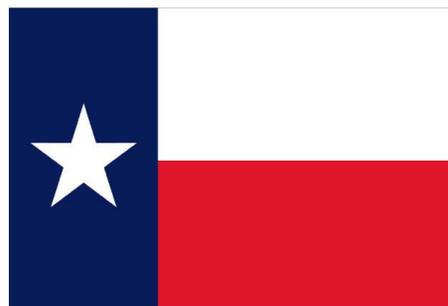


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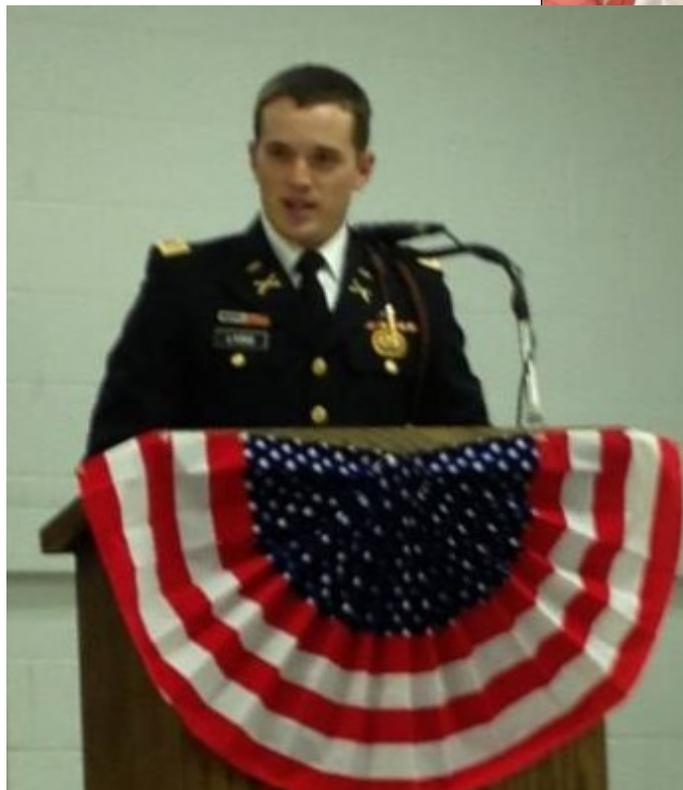
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Somervell County 4-H Awards Banquet

Sheffield met with key-note speaker Lt. Tuff Lyons at the Somervell County 4-H Banquet on Sept. 17.



Great job by all of the 4-H students!



Hamilton County Dove Festival



Brady World Championship Goat Cook-Off



The World Championship Goat Cook-Off was a lot of fun—great food and entertainment was organized by the Brady Chamber of Commerce.





Hamilton County Dove Festival

RESOLUTION

WHEREAS, Proud residents of Hamilton County are celebrating the 42nd annual Hamilton County Dove Festival from August 30 to 31, 2013; and

WHEREAS, A much-anticipated, family-friendly event, the festival marks the start of the dove hunting season and draws some 5,000 visitors annually to the city of Hamilton; and

WHEREAS, This year's calendar of events includes a parade, carnival, fun run, gun show, softball tournament, and wine tasting, as well as music by Jeff Ensor and Derrick Poe and a performance by the Hamilton Dance Studio; highlights on Saturday evening include the Miss Hamilton County Dove Festival Pageant at Hamilton High School and the Ranch Rodeo and Dance at the Circle T Arena; and

WHEREAS, Local festivals celebrate the distinctive cultures of Texas communities, and the Hamilton County Dove Festival promises fun and entertainment for both residents and visitors alike; now, therefore, be it

RESOLVED, That the 2013 Hamilton County Dove Festival be commemorated and that the festival's organizers and participants be extended sincere best wishes for an enjoyable and memorable event.

J. D. Sheffield

State Representative

Information on Proposed Constitutional Amendments

Nine measures will go before voters on November 5, 2013

On November 5th, Texas voters will have the opportunity to go to the polls to decide nine proposed amendments to the Texas Constitution. This is the first of three articles providing voters with information about the proposed amendments. The following information on these amendments is provided by the Texas Legislative Council, a government agency that provides nonpartisan research and support to the Texas Legislature. The wording of the amendment is followed by a brief analysis. For more complex issues, a statement supporting and opposing passage is also included. For additional information or questions, please contact the office of State Representative J.D. Sheffield at (512) 463-0628.

Proposed Amendment Number 1

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.

This amendment 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. Section 1, Article VIII, Texas Constitution, provides that all real and tangible personal property shall be taxed in proportion to its value unless the property is exempt as required or permitted by the constitution. An example of existing constitutional exemption is the homestead exemption.

Although Section 1-b provides exemptions from property taxes on the residence homesteads of certain disabled veterans and the surviving spouses of those veterans, that section does not currently include an exemption from or other limitation on property taxes applicable to the residence homestead of the surviving spouse of a member of the armed services of the United States who is killed in action.

Proponents of the measure state: The surviving spouses of service members killed in action are as deserving of a residence homestead property tax exemption as the surviving spouses of totally disabled service members, who were extended such an exemption just two years ago. Existing benefits for military widows and widowers can be inadequate, particularly for a newly single parent having to adjust to the loss of a husband or wife.

Opponents of the measure express concern that if the legislature continues to expand the categories of property owners who receive property tax exemptions, local governments may have to raise property taxes on other property owners in order to generate the same amount of revenue. Also unknown is the fiscal effect on local governments and whether the exemption would encourage surviving spouses who are residents of other states to move to Texas, further hindering the ability of local governments to generate sufficient revenue without raising property taxes.

Proposed Amendment Number 2

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

No negative comments were expressed during legislative hearings or from other sources.

Proposed Constitutional Amendment 3

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.

In 1989, Texas voters approved an amendment to the Constitution to exempt from property taxes certain goods, including airplane parts, under a "freeport exemption." Under the proposed amendment, a governing body could extend the date by which 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.

Supporters of the measure argue the current 175-day limit on how long certain tangible personal property may be held in a Texas business's inventory to qualify for a freeport tax exemption unfairly disqualifies aircraft parts, which generally are held in inventory for longer periods.

Questions about the cost of the measure to local governments, as well as costs to the state when offsetting lost school district tax revenue through the school finance system, remain unanswered because the number of taxing units that would extend the freeport exemption period under the amendment and the taxable value of the parts that would become subject to the exemption cannot be predicted.

Proposed Constitutional Amendment 4

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.

The measure 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.

Because of the method used by the U.S. Department of Veterans Affairs to determine disability ratings, a veteran who otherwise would qualify for a 100 percent disability rating may find that rating lowered unexpectedly, with a connected reduction in disability payments for a variety of reasons, such as doing charitable work, despite suffering from a service-related condition or injury that limits employment opportunities. Basing a property tax exemption for disabled veterans on a 100 percent disability rating may lead to similarly situated disabled veterans, though equally deserving, not receiving the benefits of a tax exemption.

Supporters of the measure state that while there are many instances of donated homes for veterans, a donated home can become a burden if the recipient cannot pay the resulting property taxes because disability payments are insufficient and the veteran's service-related disability precludes earned income through gainful employment.

While no formal comments in opposition were made in committee hearings or by the Legislature, a review of other sources indicated concern that singling out specific groups for property tax exemptions could erode local property tax bases and undermine uniformity in taxation.

Proposed Constitutional Amendment 5

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

A home equity conversion mortgage for purchase allows borrowers 62 years of age or older to purchase a new home, using money from the sale of the old home in combination with the proceeds from a home equity conversion mortgage. Home equity conversion mortgages for purchase are not offered in Texas because under current state law, borrowers are not permitted to use equity accumulated in their existing home and a reverse mortgage to finance the purchase of a new home. The proposed constitutional amendment would expressly permit this type of reverse mortgage.

The measure expands the existing loan counseling requirement to include the borrower as well as the spouse. Detailed written notice that includes actions or inactions of the borrower that could result in a possible foreclosure of the reverse mortgage is required 12 days prior to closing on the loan.

Supporters argue that it is not uncommon for older homeowners to find themselves in the market for a new home. To do so, Texas seniors currently must sell one home and purchase another, either by paying in cash or by taking out a new mortgage, in two separate transactions, with separate closing costs on each transaction.

No negative comments were recorded during Legislative hearings or floor debate. Additionally, a review of other sources also did not reveal any apparent opposition to the amendment.

Proposed Constitutional Amendment 6

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.

This measure proposes to amend the Texas Constitution by creating the State Water Implementation Fund for Texas (SWIFT) and the State Water Implementation Revenue Fund for Texas (SWIRFT) 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 Texas Water Development Board (TWDB) is required to adopt a state water plan that provides for the orderly development, management, and conservation of water resources and preparation for and response to drought conditions in order that sufficient water will be available at a reasonable cost to ensure public health, safety, and welfare, further economic development, and protect the agricultural and natural resources of the state. According to the 2012 plan, 8.3 million acre-feet of additional water supply will be needed by 2060. The plan recommends 562 water management strategies and projects that, if implemented, would provide 9 million acre-feet of additional water supply. The cost of implementing the recommended water management strategies and projects is \$53 billion. Municipal water providers are expected to need nearly \$27 billion in state financial assistance to implement the strategies recommended in the plan. Among the recommendations of the plan is that the legislature develop a long-term, affordable, and sustainable method to provide financial assistance for the implementation of the plan. This constitutional amendment, together with two acts of the 83rd Legislature, House Bill 4 and House Bill 1025, seeks to accomplish that purpose by creating the SWIFT and SWIRFT to provide support for financial assistance provided by the Texas Water Development Board for projects included in the state water plan.

(continued on next page)

Supporters state that ensuring an adequate water supply is vital to the public health and continued economic well-being of the state. The current ongoing drought, coupled with the water needs of the state's growing population, has raised the specter of critical shortages in the state's water supply, making it of paramount importance that the state invest in water infrastructure to ensure Texas' continued prosperity. If the state's growing water needs are not addressed, the state stands to suffer from the loss of over a million jobs, billions of dollars in lost income, reduced economic activity, and decreased tax revenues in the coming years.

The proposed amendment establishes the State Water Implementation Fund for Texas and the State Water Implementation Revenue Fund for Texas, which are to be capitalized by a one-time appropriation of \$2 billion from the economic stabilization fund (Rainy Day Fund), for the purpose of financing water projects included in the state water plan. Using money from the economic stabilization fund for water infrastructure is an appropriate use of the fund, which was created as a savings account from which the legislature can appropriate funds as necessary to respond to emergencies such as the current drought, and will provide a better return on investment than if the money were left in the fund. Such a use of money from the fund will neither harm the state's credit rating nor hinder the state's ability to respond to an emergency.

Opponents of the measure state the economic stabilization fund should not be used to capitalize the two funds to be created by the proposed amendment. Instead, such funding should come from the general revenue fund. Drawing down funds from the economic stabilization fund to capitalize the two funds may negatively affect the state's credit rating and leave the state inadequately equipped to respond to future emergencies. Furthermore, constitutionally dedicating the money used to capitalize these two new funds are unnecessary as there already exist two constitutionally dedicated water development funds as well as several financial assistance programs for water infrastructure administered by the Texas Water Development Board. Through the two new funds, the state would act like an investment bank, and it is not the state's role to be in the commercial investment banking business. Financing for local water projects should be provided not by the state, but by the users benefiting from those projects.

Proposed Constitutional Amendment 7

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.

Currently under the Texas Constitution, 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, the appointment of a person to fill a vacancy on the governing body is prohibited. In order for a vacancy to be filled, a special election must be called within 120 days after the date the vacancy occurs, regardless of the days remaining in the member's vacated term. This measure creates an exception that authorizes a home-rule municipality to provide by its charter a procedure to fill a vacancy on the governing body for which the unexpired term is 12 months or less.

Supporters state that current constitutional provisions unduly burden a home-rule municipality that needs to fill a short-term vacancy on its governing body by requiring the municipality to conduct both a special election to fill the vacancy for the remainder of an unexpired term and a general election for a new term within a relatively short period. Such repetitive elections significantly increase costs to the municipality, candidates, and taxpayers. Because any amendment to a municipal charter authorizing such an alternative to a special election would require approval of the municipality's voters, such a change would preserve democratic accountability.

No negative comments were entered during the 83rd Legislature regarding this proposed amendment. However, it has been observed that elections are critical in ensuring that governments are accountable to the citizens and that allowing municipal officials to make appointments to fill vacancies in municipal offices could make the government more vulnerable to corruption.

Proposed Constitutional Amendment 8

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

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. The passage of this measure only impacts Hidalgo County.

Supporters argue that this constitutional provision that has limited the feasibility of creating a hospital district in Hidalgo County. This is due to the imposition of a limitation on the property tax rate (10 cents per \$100 valuation) that a district created in that county may levy. This rate is significantly lower than virtually all other hospital districts created throughout the state.

Some concern has been expressed about the potential effect of the proposed amendment on the property tax rate in Hidalgo County. If the voters approve the repeal of the constitutional provision that limits the property tax rate that a Hidalgo County hospital district could levy, general law would allow Hidalgo County voters to approve a higher property tax rate for a district created in Hidalgo County.

Proposed Constitutional Amendment 9

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.

The 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. This provision authorizes the commission to institute formal proceedings and, following those proceedings, 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.

This measure 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.

Supporters state that the proposed amendment would allow the commission to use its full range of sanctions following formal proceedings, remove a disincentive to the conduct of open proceedings, and better serve the commission in the administration of justice. No opposition to the measure has been expressed.



Constitutional Amendment Election
November 5, 2013

Mills County Retired Teachers Association honors Sheffield as “A+ Legislator”



Earl Wall presents Dr. Sheffield a poster signed by members of the Mills County Retired Teachers (Pictured Left). Sheffield meets with Mr. Priddy, a long time school board trustee (Below).



September marked the first month that the House District 59 office in Stephenville was open. Please join us for an open house on October 2 from 4:00 PM to 5:30 PM. Our office is located at 150 North Harbin Drive, Suite 402 of the Inter-Bank Building. Staff is available on Monday and Wednesday afternoons.



Follow me on Facebook and Twitter!

