

Texas

Legislative

Council

**14 PROPOSED
CONSTITUTIONAL
AMENDMENTS
ANALYZED**

*retirement system... legislative pay...
ad valorem tax... contract purchase...*

government consolidation... dallas county road

*bonds... tenarkana cigar and tobacco
tax... industrial bonds... university*

fund... legislators' eligibility for other office

General Election -- November 5, 1968

TEXAS LEGISLATIVE COUNCIL
of the
60th Legislature of Texas

LIEUTENANT GOVERNOR PRESTON SMITH, CHAIRMAN

SPEAKER BEN BARNES, VICE CHAIRMAN

SENATORS

JACK HIGHTOWER

BARBARA JORDAN

DAVID RATLIFF

MURRAY WATSON, JR.

J. P. WORD

REPRESENTATIVES

DON CAVNESS

R. H. (DICK) CORY

PAUL FLOYD

GENE HENDRYX

GEORGE T. HINSON

GRANT JONES

MENTON J. MURRAY

TOMMY SHANNON

JAMES SLIDER

RALPH WAYNE

EXECUTIVE DIRECTOR:

ROBERT E. JOHNSON
P.O.DRAWER D, CAPITOL STATION
AUSTIN, TEXAS 78711

TABLE OF CONTENTS

| | Pages |
|---|-----------|
| Introduction | 5 |
| Analysis of 14 Proposed Constitutional Amendments | 8 - 46 |
| Appendix--Resolutions Proposing Amendments | i - xxxii |

Proposed Amendments Listed by Place on Ballot, Subject, and Resolution

| Amendment No. on Ballot | Subject | Analysis Page No. | Resolution | Appendix Page No. |
|----------------------------|---|----------------------|------------|----------------------|
| 1 | Employees Retirement System of Texas | 8 | S.J.R. 39 | iii |
| 2 | Public Assistance Pay- ments | 12 | S.J.R. 41 | v |
| 3 | Investment of Perma- nent University Fund | 14 | H.J.R. 20 | vii |
| 4 | Road Bonds--Dallas County | 17 | S.J.R. 37 | ix |
| 5 | Legislative Salary | 20 | H.J.R. 61 | x |
| 6 | Tax Exemption--Pollution Abatement Devices | 22 | S.J.R. 24 | xi |
| 7 | Abolishing State Ad Valorem Property Tax, with Exceptions | 24 | S.J.R. 32 | xii |
| 8 | State Contract Purchasing Requirements | 28 | H.J.R. 49 | xiv |

| Amendment No. on Ballot | Subject | Analysis Page No. | Resolution | Appendix Page No. |
|----------------------------|--|----------------------|------------|----------------------|
| 9 | Teacher Retirement System of Texas | 30 | S.J.R. 4 | xv |
| 10 | Cigar, Cigarette Tax Refund--Texarkana | 32 | H.J.R. 50 | xvii |
| 11 | Government Consolidation of Functions--El Paso, Tarrant Counties | 34 | H.J.R. 60 | xviii |
| 12 | Industrial Revenue Bonds, Cities | 37 | S.J.R. 14 | xix |
| 13 | Tax Exemption--Property Stored in Warehouse | 40 | H.J.R. 16 | xx |
| 14 | Fixing Time of Eligibility of Legislators for Other Offices | 43 | H.J.R. 22 | xxi |

INTRODUCTION

The constitutional amendments appearing on the ballot at the general election on November 5, 1968, are the remaining 14 of a total of 20 proposed by the 60th Legislature during the regular session in 1967. Six of the 20 amendments have already been considered and adopted by the Texas electorate. With the adoption of those six amendments on November 11, 1967, the Texas Constitution of 1876 has been amended a grand total of 184 times.

The six amendments adopted last year contained provisions, in brief, as follows: (1) gave permissive authority to counties to put all tax money in a single general fund rather than depositing it in separate funds corresponding to tax levies for each of four constitutional purposes--general fund, road and bridge fund, public improvement fund, and jury fund; (2) permitted participation by municipalities in operation of mental health, mental retardation, and public health services; (3) extended the veterans' land program by authorizing the sale of \$200,000,000 of state bonds to purchase lands for sale to veterans; (4) authorized counties to pay medical, doctor, and hospital bills of law-enforcement officers injured in line of duty; (5) authorized the Parks and Wildlife Department to issue and sell general obligation bonds in the amount of \$75,000,000 to finance acquisition and development of lands for state parks and recreation areas; and (6) permitted nonelective state officers and employees to serve in other nonelective positions under the state or United States government where there is no conflict of interest and where the state will benefit.

Each of the 14 proposed amendments to appear on the ballot on November 5, 1968, is analyzed in this report. The Texas Legislative Council takes no position, pro or con, with respect to the merit of these proposals. In listing arguments FOR and AGAINST, the Council is merely presenting the arguments most commonly offered by proponents and opponents of each proposal.

A list of the 14 amendments to appear on the ballot at the general election, November 5, 1968, follows:

To Be Voted on November 5, 1968

Amendment No. 1 Relating to the Employees Retirement System of Texas and revising existing provisions concerning the management of the retirement, disability, and death compensation fund for officers and employees and the administration of the system.

Amendment No. 2 Increasing the amount which may be expended in one year from state funds for public assistance payments to needy aged, needy disabled, needy blind, and needy children to \$75,000,000.

Amendment No. 3 Providing for the investment of the Permanent University Fund by the Board of Regents of The University of Texas System in certain types of securities within the "prudent man rule."

Amendment No. 4 Authorizing Dallas County, by vote of a majority of qualified property taxpaying electors voting, to issue certain road bonds without the necessity for further legislation and providing that bonds issued or to be issued under Subsections (a) and (b) of Section 52, Article III, not be included in determining the debt limit.

Amendment No. 5 Authorizing an annual salary for members of the legislature in an amount not to exceed \$8,400 per year and extending the per diem allowance to 140 days of the Regular Session.

Amendment No. 6 Giving permissive authority to the legislature to exempt from ad valorem taxation devices installed to eliminate or abate harmful effects of air emissions or water effluents on air and water quality of the state.

Amendment No. 7 Providing for continuously reducing state ad valorem property taxes and abolishing all state ad valorem property taxes after December 31, 1976, with the exception of the tax levied for certain institutions of higher education.

Amendment No. 8 Deleting certain constitutional provisions relating to the purchase of fuel by the state and the refurbishing under contract of rooms and halls used by the legislature and eliminating the requirement that the governor, the secretary of state, and the comptroller approve certain contracts of purchase.

Amendment No. 9 Allowing contributions to be made to the Teacher Retirement System of Texas on the basis of full salary of members.

Amendment No. 10 Authorizing the legislature to provide for the refund of the tax on cigars and tobacco products sold at retail within corporate limits of Texarkana, Texas, or any incorporated city or town in Texas contiguous with Texarkana.

Amendment No. 11 Authorizing the legislature to provide for consolidation of governmental offices and functions and giving political subdivisions authority to contract for performance of governmental functions in El Paso and Tarrant counties.

Amendment No. 12 Granting the legislature power to authorize cities and counties to issue revenue bonds for industrial development purposes.

Amendment No. 13 Exempting from ad valorem taxation certain property temporarily stored in a public warehouse.

Amendment No. 14 Fixing the time during which members of the legislature shall be ineligible to hold other offices.

AMENDMENT NO. 1--S.J.R. NO. 39

[Relating to the Employees Retirement System of Texas and revising existing provisions concerning the management of the retirement, disability, and death compensation fund for officers and employees and the administration of the system.]

This proposed amendment to Subsection (a) of Section 62, Article XVI, relates to the Employees Retirement System of Texas and the State Retirement, Disability and Death Compensation Fund. It establishes the Employees Retirement System of Texas, hitherto a statutory agency, as a constitutional state agency. The general administration and responsibility for operation of the System are vested in a State Board of Trustees of the Employees Retirement System of Texas, to be constituted and to serve as now or hereafter provided by the legislature. It also grants the legislature authority to raise the percent of state matching fund compensation contributions to the State Retirement, Disability and Death Compensation Fund for officers and employees of the state from the present maximum of 5 percent up to a maximum of 6 percent. Other provisions of the proposed amendment establish guidelines for investments of the fund by the Board of Trustees.

With respect to this investment authority, the proposed amendment makes it possible for the Board of Trustees to buy securities other than federal and other government bonds. However, certain safeguards for the fund are provided, including:

(1) No more than 1 percent of the book value of the total assets of the Employees Retirement System shall be invested in the stock of any one corporation, nor shall more than 5 percent of the voting stock of any one corporation be owned.

(2) Stocks eligible for purchase shall be restricted to stocks of companies incorporated within the United States which have paid cash dividends for 10 consecutive years or longer immediately prior to the date of purchase and which, except for bank and insurance stocks, are listed upon an exchange registered with the Securities and Exchange Commission or its successors.

(3) No less than 25 percent of the book value of investments of the fund shall, at any one time, be invested in government and municipal securities.

(4) Funds available for investment shall be only those funds remaining after a sufficient amount is kept on hand to meet payments as they become due each year under the retirement plan.

Legislation to reorganize the Employees Retirement System of Texas for state employees was also enacted by the 60th Legislature in regular session. However, the measure (S.B. 63) designed to expand coverage of various categories of state employees and to increase retirement compensation was among those vetoed by the Governor. In his veto message he explained that he "opposed procedure by which benefits were increased for legislative members of the system."

[For full text of the Resolution proposing Amendment No. 1, see appendix.]

Background

The slow development of a retirement system for public officials and employees in Texas was doubtless attributable to the lack of permanency of tenure. Terms of office of elected officials in Texas, until fairly recent years, have been limited by the Constitution to two years. As there is no state civil service system, this situation resulted in a large biennial turnover in public personnel, so that public service was generally looked upon as a temporary rather than a permanent means of livelihood.

On November 5, 1946, however, the Texas Constitution was amended to add a Section 62, which, in Subsection (a), authorized the legislature to levy taxes to provide a Retirement, Disability and Death Compensation Fund for the appointive officers and employees of the state. A measure implementing the amendment was subsequently enacted by the 50th Legislature in 1947, and this Act (compiled as Article 6228a, Vernon's Texas Civil Statutes) created the "Employees Retirement System of Texas."

In the original amendment of 1946, maximum contribution by the state to the Retirement, Disability and Death Compensation Fund was limited to "five percentum (5%) of the compensation paid to each such person by the State . . ." and could not in any one year ". . . exceed the sum of One Hundred and Eighty Dollars (\$180) for any such person."

This \$180 restriction on annual contributions was removed by amendment of Subsection (a), Section 62, Article XVI, in 1958. The 1958 amendment liberalized investment authority of the Board of Trustees administering the fund. In addition to government bonds, the Board was authorized to invest in "such other securities as are now or hereafter may be permitted by law as investments

for the Permanent University Fund or for the Permanent School Fund of this State." In reply to a request submitted by the Board, the Attorney General (Tex. Att'y. Gen. Op. No. C-704 (1966)) ruled that the investment of Employees Retirement Funds in corporate securities is subject to the discretion and judgment of the Board of Trustees of the Employees Retirement System, and not that of the Board of Regents of The University of Texas, subject, however, to the limitation and restrictions imposed in this section. This broader investment authority permitted the Board of Trustees of the Employees Retirement System to take advantage of the higher returns offered by certain securities.

In the proposed Amendment No. 1, the investment authority is broadened still further and the terminology relating to the Board of Regents is removed, thereby leaving no doubt that the Board of Trustees of the Employees Retirement System has full jurisdiction.

ARGUMENTS

For:

1. In the modern concept of employment, pensions are an absolutely indispensable complement of wages. As they are earned and contractual by nature, not free gifts, it is important that public employees have confidence in the perpetuity of the retirement system. By establishing the Employees Retirement System of Texas as a constitutional agency, as proposed by this amendment, public employees will have greater assurance that the administering agency will be a permanent one.
2. Adequate safeguards for funds available for investment are included in the proposed amendment. However, under its terms, it is still possible for the Board of Trustees of the Employees Retirement System to place funds where greater returns on investment can be realized.

Against:

1. The Employees Retirement System of Texas is already a statutory agency. As the Board of Trustees of the Employees Retirement System and the State Retirement, Disability and Death Compensation Fund now have constitutional status, it is not necessary that the agency be given this status also. There is no need to lengthen an already bulging Constitution by adding nonessential provisions that can be effectuated by statute.

2. The broadened investment authority granted the Board of Trustees whereby stocks of companies within the United States may be purchased with money from the Retirement, Disability and Death Compensation Fund is largely a technical change in that the Board already has comparable authority. It is authorized to purchase the same securities that are now or may hereafter be permitted by law as investments for the Permanent University Fund or the Permanent School Fund.

AMENDMENT NO. 2--S.J.R. NO. 41

[Increasing the amount which may be expended in one year from state funds for public assistance payments to needy aged, needy disabled, needy blind, and needy children to \$75,000,000.]

This proposed amendment to Section 51-a of Article III raises the ceiling on state funds used for financial assistance to the needy aged, needy disabled, needy blind, and needy children from \$60,000,000 to \$75,000,000 to assure Texas recipients that they will not be disqualified from receiving the maximum amount permitted under the federal program simply through a deficiency of state funds to meet federal standards.

[For full text of the Resolution proposing Amendment No. 2, see appendix.]

Background

The public welfare provisions of the Texas Constitution originated during depression years. Amendments to them have been proposed and adopted almost as regularly as the Congress has changed the terms whereby the states become eligible for available federal funds.

Prior to 1933, public assistance was held by most Texas citizens to be the concern of local governmental units rather than the responsibility of the central state government. However, the depression of the 1930's, the shift in Texas from an agrarian to an industrial society and economy, and the influence of federal legislation led to the passage of the first public welfare amendment--Section 51a of Article III. This first amendment authorized the state to issue 4-1/2 percent general obligation bonds in the amount of \$20,000,000, with the proceeds to be used in "furnishing relief and work relief to needy and distressed people and in relieving the hardships resulting from unemployment."

In 1935 a new Section 51-b was added to Article III, which initiated the policy of providing aid to aged citizens with payments provided partially from federal funds and partially from current revenue of the state. Sections 51-c and 51-d were added in 1937 and authorized grants to the needy blind and needy children. In 1945 Sections 51-b, 51-c, and 51-d were consolidated by an amendment designated "Section 51-a," which, in effect, repealed the old Section 51a. A limit of \$35,000,000 per year was established in the 1945 amendment as the amount

that could be spent out of state funds for public assistance to needy aged, needy blind, and needy children. The limit was increased to \$42,000,000 in 1954; to \$47,000,000 in 1957; to \$52,000,000, plus \$2,500,000 for the permanently and totally disabled, in 1962; and in 1963, to \$60,000,000 in money payments for all classes of public assistance--needy aged, needy disabled, needy blind, and needy children--in the present Section 51-a of Article III.

This \$60,000,000 ceiling would be raised to \$75,000,000 by adoption of the proposed Amendment No. 2.

ARGUMENTS

For:

1. The proposed Amendment No. 2 does not make an appropriation but rather allows the legislature greater discretion in meeting the needs of all four classes of welfare recipients in the state by raising the ceiling on the use of state funds for this purpose from \$60,000,000 to \$75,000,000. Texas consistently has been in the lowest percentiles of the nation with respect to welfare, ranking 50th in administrative cost per recipient for old age assistance, 44th in percent receiving old age assistance, 49th in assistance in aid to dependent children, and 45th in assistance in aid to permanently and totally disabled. Because aid for dependent children allotments are based on a family of four, the higher ceiling provided by the proposed amendment would make it possible for the legislature to have greater discretion in giving budgetary consideration to larger families. Further, the proposed amendment would permit consideration to be given to last year's 4 percent rise in the cost of living in budgeting for all four classes of recipients.

Against:

1. The large overall expenditure of state funds which this amendment would authorize would increase each recipient's income only a few dollars a month but would require \$15,000,000 in new funds at a time when the state is already hard pressed to meet existing financial obligations. Instead of encouraging dependency on public welfare, the state should begin to draw a line in combating growing socialism and the welfare state.

AMENDMENT NO. 3--H.J.R. NO. 20

[Providing for the investment of the Permanent University Fund by the Board of Regents of The University of Texas System in certain types of securities within the "prudent man rule."]

This proposed amendment to Section 11a, Article VII, broadens the base of the authority of the Board of Regents of The University of Texas System in investing

guaranteed in any manner in whole by the United States Government or any of its agencies; and (2) corporation bonds, preferred stocks, and common stocks deemed by the Board of Regents to be proper investments. This amendment also marked the first use of the "prudent man rule" investor standard to govern investments of this fund. Investment in corporate stocks and bonds was limited to not more than 50 percent of the fund. Further, no more than one percent could be invested in securities issued by any one corporation and ownership of the voting stock of a single corporation was limited to five percent. Only stocks of companies chartered in the United States and paying dividends for 10 consecutive years or longer, immediately prior to purchase date and (except for bank and insurance stock) listed on a national exchange were eligible for investment.

ARGUMENTS

For:

1. The erosion in the value of the dollar, which has been under way for many years, and which seems to be accelerating, requires that changes be made in the basic format of the Permanent University Fund. Only by investing a greater portion of the fund in corporate stocks can the value of the fund and the income produced thereby be maintained, or increased. On August 31, 1967, the value of the U.S. Government bonds owned by the fund had declined 18.7 percent from their cost. The corporate stocks owned had increased 32.9 percent, and were producing income at a rate 28 percent in excess of the rate produced by the U.S. Government bonds. The elimination of the 50 percent restriction on the ownership of corporate securities is necessary to safeguard the Permanent University Fund and its income in terms of the continually diminishing purchasing power of the dollar.
2. Included in Boston Fund's 1967 study of college and university endowment funds were 17 funds, each with assets in excess of \$100,000,000. Only two of these funds had less than 50 percent of their money in corporate stocks. The range of corporate stock holdings was from 39 percent to 76 percent, and the average was 59.5 percent. This compares with 30.6 percent for the Permanent University Fund. Clearly, the current restrictions on the operation of the Permanent University Fund are not in keeping with investment policies widely accepted and practiced by the more successful college and university endowment funds. The elimination of the 50 percent restriction on the ownership of corporate securities is a necessary step to the modernization of the operation of the Permanent University Fund.

Against:

1. Fluctuations in the stock market affect the day-to-day value of the Permanent University Fund. The maintenance of present investment policies can reduce the impact of these fluctuations on the fund. For that reason, the 50 percent restriction on the amount of the fund allotted for investment in common stocks should be retained. The present restriction guarantees that at least half the endowment for The University of Texas System and Texas A&M University System is not subject to the possibility of capital loss, if such securities are held to maturity.
2. During the last few years, the stocks of many rapid-growth corporations have fluctuated because of unsettled conditions. This situation gives added support to maintaining present investment policies regarding investment of the Permanent University Fund. Unsound investment of a major portion of the Permanent University Fund could result in insufficient funds to meet bonded indebtedness for the extensive building programs undertaken by institutions participating in the fund.

AMENDMENT NO. 4--S.J.R. NO. 37

[Authorizing Dallas County, by vote of a majority of qualified property
taxpaying electors voting, to issue certain road bonds without the
necessity for further legislation and providing that bonds issued
or to be issued under Subsections (a) and (b) of Section 52,
Article III, not be included in determining the debt limit.]

This proposed amendment adds a new Section 52e to Article III of the Texas Constitution. The new section would authorize Dallas County to issue bonds for constructing, maintaining, and operating macadamized, graveled, or paved roads and turnpikes without having to include the amount of bonds issued under (a) and (b) of Article III, Section 52, Texas Constitution, in determining the debt limit.

[For full text of the Resolution proposing Amendment No. 4, see appendix.]

Background

Section 52 of Article III, last amended in 1904, might be called the cornerstone of constitutional provisions relating to authority of counties, cities, towns, or other political corporations or subdivisions to lend credit. It provides that with legislative authority and by a two-thirds majority vote of the qualified property taxpaying electors voting, any county, political subdivision of a county, any number of adjoining counties, or political subdivision of the State, or any defined district within the State of Texas, which may or may not include towns, villages, or municipal corporations, may, in addition to all other debts, issue bonds or otherwise lend its credit in any amount not to exceed one-fourth of the assessed valuation of the real property of the district or territory. Total bonded indebtedness of any city or town, however, could never exceed the limits imposed by other provisions of the Constitution. Further, the bonding district is authorized to levy and collect taxes to pay the interest on bonds issued under Section 52 and provide a sinking fund for redemption of the bonds.

Three classes of purposes for use of funds derived from the bonds are set forth in Section 52, Article III:

(a) The improvement of rivers, creeks, and streams to prevent overflows, and to permit of navigation thereof, or in aid of such purposes.

(b) The construction and maintenance of pools, lakes, reservoirs, dams, canals and waterways for the purposes of irrigation, drainage or navigation, or in aid thereof.

(c) The construction, maintenance and operation of macadamized, graveled or paved roads and turnpikes, or in aid thereof.

The severe floods in Texas during 1913 and 1914 emphasized the need for water conservation and reclamation, and it soon became apparent that Section 52 was too restrictive in limiting the amount of indebtedness which a district could incur to provide adequate protection of soil and water resources. In 1917 the legislature proposed and the people adopted Section 58 of Article XVI, Texas Constitution, providing for creation of conservation and reclamation districts with unlimited power to incur debt. Section 59 provided a method for avoiding the debt restrictions under Subsections (a) and (b) of Section 52; however, no comparable provision has been added to the Constitution to avoid the debt limitation on projects under Subsection (c) of Section 52.

ARGUMENTS

For:

1. Construction and maintenance of sufficient roads and turnpikes to meet traffic needs of the rapidly growing Dallas region have been hampered by the constitutional debt limit which prevents the county from acquiring the necessary funds to carry on the construction and maintenance. Amendment No. 4 would liberalize the debt limitation in Dallas County and enable the county to meet its expanding needs.
2. The requirement included in the proposed amendment that bonds may be issued only upon approval granted by majority vote of the qualified property taxpaying electors voting gives Dallas County citizens adequate assurance that they cannot be taxed further without their full knowledge and majority consent. At the same time, it modifies the present requirement which enables a minority of only one-third to override the wishes of the majority.
3. Amendment No. 4 is limited to Dallas County, so that adoption of the amendment will ease Dallas' critical problem without giving other counties in the state a free hand to extend their indebtedness.

Against:

1. The change in the proposed amendment which makes a majority rather than a two-thirds majority the requisite vote for approval of a bond election to provide funds for the construction of roads and turnpikes makes it too easy for a bond election to pass. When elections are called with the timing selected to assure turnout of only those in favor of an issue, a majority of the voters can be, in fact, disenfranchised.
2. Further clutter to an already overburdened constitution would result if the proposed amendment should be adopted. Within the limits of constitutional safeguards requiring a two-thirds majority vote in a bond election and authority granted individually on each bond election by the Texas Legislature, it is already possible to achieve the ends which this amendment purports to accomplish. The delay resulting from the present requirement of legislative authority on each issue serves the people in good stead by preventing impulsive action without adequate study.
3. The liberalized debt limit in the proposed amendment is much broader than it appears and the reduction of the number of voters that must approve the extended indebtedness will open to Dallas County the means for squandering more of the taxpayers' money with little effort.

AMENDMENT NO. 5--H.J.R. NO. 61

[Authorizing an annual salary for members of the legislature in an amount not to exceed \$8,400 per year and extending the per diem allowance to 140 days of the Regular Session.]

This proposed amendment to Section 24, Article III, would effect three changes in constitutional provisions relating to (1) legislative salaries--which would be increased from \$4,800 to \$8,400 per year; (2) legislative per diem--which would remain at the present rate of \$12, but would be paid for the full 140-day maximum of a regular session instead of being cut off after the first 120 days; and (3) mileage allowance in going to and returning from the seat of government--which would permit one round trip per month at \$2.50 for every 25 miles traveled, instead of one round trip for the entire session. The present stipulation that no member is entitled to mileage for an extra session called within one day following adjournment of the regular or a called session remains unchanged in the proposed amendment.

[For full text of the Resolution proposing Amendment No. 5, see appendix.]

Background

Before the Constitution of 1876 was adopted, earlier constitutions permitted the legislature, by law, to increase or diminish the compensation of members, except that no increase could become effective during the session at which the increase was made. But the original Constitution of 1876 limited the per diem allowance to \$5 and, to further discourage long sessions, it provided that this allowance should be reduced to \$2 after the first 60 days.

In 1930 an amendment was adopted which increased the per diem allowance to \$10 for the first 120 days of a session, and a reduced allowance of \$5 for any succeeding days beyond that period. Another amendment in 1954 increased the per diem allowance to \$25 for the first 120 days and no per diem allowance thereafter, should the session extend beyond the 120-day maximum.

The innovation of the annual salary was adopted by the electorate in 1960. In this latest amendment to Section 24, Article III, an annual salary not to exceed \$4,800, plus per diem of \$12 for 120 days of the regular session and 30 days of each special session, was authorized. A proposed amendment to increase the per diem to \$20 and extend payment over the full 140 days allowed for a regular session and the full 30 days of a special session was defeated by the voters in 1965.

ARGUMENTS

For:

1. The legislator can no longer be considered a part-time official because redistricting has given him more constituents to serve and his legislative work necessarily includes many hours spent on standing and special interim committees which meet between sessions. Consequently, little time is left to devote to his private business or profession. The \$4,800 pre-inflation, annual stipend now provided under the Constitution is scarcely adequate to accommodate present-day costs of living. In the same way, the 120-day cutoff period for payment of the small \$12 per diem allowance even though expenses continue throughout the full session of 140 days places an additional hardship on legislators. In view of personal maintenance costs, the imposition of a time limit on a \$12 per diem allowance is unrealistic. It is unlikely that any legislator would attempt to extend the length of session and remain away from his home in order to collect an allowance of \$12 per day.
2. In order to keep a finger on the pulse of constituents, it is essential that members of the legislature visit their home districts during a legislative session. The one round trip allowed at a minimal 10¢ per mile, or \$2.50 for every 25 miles traveled, makes it necessary for the legislator to finance personally the remaining trips he must make to his home district.

Against:

1. An \$8,400 annual salary, amounting to \$700 per month, would be payment for what might be called a part-time job and is far in excess of the full-time salary drawn by the average Texan. In addition, the proposed amendment grants a longer period during which the \$12-per diem allowance would be paid, thus adding still further to the expense of state government operations at a time when state finances are already overburdened in meeting the constantly expanding needs of a growing population.
2. It is not necessary for legislators to return to their home districts every month, which the proposed increase in travel authorization would encourage. Adequate office allowances are provided, without constitutional limitation, whereby members can be in constant touch by telephone or telegraph with their constituents, without cost to themselves. If members are forced by financial pressure to stay on the job in Austin, sessions might be shorter and more productive.

AMENDMENT NO. 6--S.J.R. NO. 24

[Giving the legislature permissive authority to exempt from ad valorem taxation devices installed to eliminate or abate harmful effects of air emissions or water effluents on air and water quality of the state.]

This proposed amendment adds a new Section 2-a to Article VIII, for the purpose of authorizing the legislature to abolish the ad valorem tax on all or a portion of any equipment, device, or improvement installed or constructed on real property, which is designed to eliminate or abate the harmful effect of air emissions or water effluents on the air and water quality of the state. To qualify for the exemption, as provided in Subsection (a) of the proposed amendment, the capital investment in such property must have been made to comply with or exceed air or water quality standards established by law.

Subsection (b) of the proposed amendment merely provides that legislation enacted in anticipation of the adoption of the new Section 2-a is not void because of its anticipatory nature. Actually no anticipatory legislation was enacted by the 60th Legislature to implement the proposed amendment.

[For full text of the Resolution proposing Amendment No. 6, see appendix.]

Background

In Texas and throughout the nation, increasing pollution of air and water as a result of population growth and rapid industrial development has become the source of great concern. To assist in pollution control, the last several legislatures in Texas have enacted legislation and authorized special studies on pollution problems of both air and water. Acting on the report of a study committee created by the 59th Legislature, the 60th Legislature enacted legislation recognizing that control of the quality of the state's water justifies the full-time efforts of an adequately powered, separately staffed state agency, to be known as the "Texas Water Quality Board." The act provided for extensive local government involvement in recommending water quality criteria and standards and in enforcing standards once they have been set by the Water Quality Board. It established a framework for making state grants to local governments for quality control purposes, and provided a civil penalty for violations.

The 60th Legislature, also, to remedy certain weaknesses made apparent by its application, rewrote the act creating the first air pollution control program in Texas, the "Clean Air Act of Texas," which was enacted by the 59th Legislature. The new law placed a higher degree of control in the hands of local officials.

However, the Texas Air Control Board was continued as the main authority for setting air standards and emission limits and for defining similar authority held by local air pollution control officers.

The proposed Amendment No. 6 would go one step further toward strengthening these constructive efforts to eliminate or abate the harmful effects of air emissions or water effluents on air and water quality of the state. It would permit the legislature to provide ad valorem tax exemptions as an additional incentive toward pollution control.

ARGUMENTS

For:

1. The health and welfare of the people of Texas and the progress of the state are dependent in large measure on the purity of the air we breathe and the abundance of fresh, clean water. The installation of anti-pollution devices requires costly capital outlays by individuals and corporations affected by recently enacted legislation, and those complying with the statutes at great expense in capital investment should not be further penalized by higher ad valorem tax assessments.

Against:

1. The ad valorem tax exemption which the proposed amendment permits the legislature to authorize would certainly be contrary to the "equal and uniform" standards for taxation that Texans and Americans hold as a fundamental right. Granting this exemption on the premise that the health and welfare of Texas citizens are served thereby could be applicable with equal logic to capital expenditures for safety devices designed to reduce occupational hazards. Increased value of property resulting from capital improvements should be taxed accordingly, no matter the purpose of the improvements.

AMENDMENT NO. 7--S.J.R. NO. 32

[Providing for continuously reducing state ad valorem property taxes and abolishing all state ad valorem property taxes after December 31, 1976, with the exception of the tax levied for certain institutions of higher education.]

This proposed amendment adds a new Section 1-e to Article VIII. It is comprised of five subsections that set forth procedure for diminishing and eventually abolishing all state ad valorem property taxes, with the exception of the 10 cents per \$100 valuation tax for college and university building programs. In essence, the five subdivisions provide that:

(1) After December 31, 1978, no state ad valorem taxes shall be levied on property within this state for state purposes except part of the tax levied by Article VII, Section 17. [Article VII, Section 17, now provides for a two-cent ad valorem tax creating a special fund for the continuing payment of Confederate pensions as set forth under Section 51, Article III, and for the establishment and continued maintenance of the State Building Fund (10 cents per \$100 valuation) established in Section 51b, Article III, of the Constitution.]

(2) Rates for the state ad valorem tax authorized by Section 3, Article VII (now not to exceed 35 cents per \$100 valuation for support of Texas public schools), are phased out by the proposed Amendment No. 7 in a diminishing series for the years 1968 through 1974, including (a) 35 cents on January 1, 1968; (b) 30 cents on January 1, 1969; (c) 25 cents on January 1, 1970; (d) 20 cents on January 1, 1971; (e) 15 cents on January 1, 1972; (f) 10 cents on January 1, 1973; (g) 5 cents on January 1, 1974; and (h) no tax thereafter for school purposes. Subsection 2 stipulates further that any deficit in an amount set aside from these ad valorem tax revenues in the fund to provide free textbooks for Texas public school children shall be met by appropriation from the general funds of the state.

(3) The ad valorem tax of two cents on the \$100 valuation now levied by Article VII, Section 17, of the Constitution for widows of Confederate veterans, Texas Rangers and their widows eligible for retirement or disability pensions, shall not be levied after December 31, 1976. The legislature is

authorized to establish a trust fund at any time prior to December 31, 1976, to meet the needs of these retired or disabled persons, and after such fund has been established the ad valorem tax now levied by Article VII, Section 17, is abolished. Thus, at the discretion of the legislature, this two-cent tax may be abolished even prior to December 31, 1976.

(4) Unless otherwise provided by the legislature, after December 31, 1976, all delinquent state ad valorem taxes, penalties, and interest, less costs of collection, shall be used to secure bonds issued for permanent improvements at institutions of higher learning as now authorized by Article VII, Section 17, of the Constitution.

(5) Fees paid by the state for both assessing and collecting state ad valorem taxes shall not exceed two percent of the state taxes collected.

[For full text of the Resolution proposing Amendment No. 7, see appendix.]

Background

Dating from the depression years (1929-1939), there has been considerable agitation for total abolition of the state ad valorem tax. In 1932 Section 1a of Article VIII was added to the Constitution and stipulated that \$3,000 of the assessed taxable value of all residence homesteads were to be exempt from taxation for state purposes, with the exception of that portion of state taxes remitted to certain counties or other political subdivisions during the period of remission. A further amendment to Section 1a in 1933 provided that if the governing board of the counties or other political subdivisions certified to the state comptroller that the need for remission of taxes had ceased to exist, then the state homestead tax exemption would also extend to those counties or political subdivisions.

As the importance of general property taxes for state revenue purposes declined during World War II years when revenues from other forms of taxation were large and steadily increasing, Section 1a was amended further and Sections 1b and 1c were added (1948), to become effective January 1, 1951. With these amendments, the state property tax for general revenue purposes was abandoned with a few minor exceptions. The 1948 amendment did provide, however, that the ad valorem tax was to remain an integral and important part of the tax

structure of the political subdivisions of the state. The residence homestead to the extent of \$3,000 of its taxable value was no longer taxable by the state, and the \$3,000 valuation exemption of the homestead was also made applicable to county taxes. Counties were authorized to levy a general property tax not to exceed 30 cents on the \$100 valuation, the income of which was earmarked for farm-to-market roads and for flood control.

The first ad valorem tax to provide an annual operating fund for public schools was instituted by amendment of Section 3, Article VII, in 1883. Maximum rate set by the 1883 amendment was 20 cents per \$100 valuation. In 1918 another amendment permitted the adoption of free textbooks and provided for a state tax to supply the necessary revenues. The state ad valorem tax was raised from 20 cents to 35 cents on the \$100 valuation for maintenance and support of the public schools and for providing free textbooks. It is this 35-cent ad valorem tax which Amendment No. 7 proposes to phase out at the rate of five cents each year, beginning in 1969, until it is finally abolished on January 1, 1975.

The two-cent ad valorem tax now levied for Confederate pensions by Article VII, Section 17, was reduced from 7 cents per \$100 valuation in 1947. The remaining five cents of the original seven-cent tax was allocated as a constitutional source of revenue for the use of certain state-supported colleges in the construction of new buildings.

Article VII, Section 17, was again amended in 1965 to increase the five-cent college building fund tax to 10 cents on the \$100 valuation in order that additional schools, named in the amendment, would benefit from the fund. This ten-cent college building fund tax is the one segment of the present state ad valorem tax which is not abolished by the proposed amendment.

The two-cent segment of the tax, providing for pensions of widows of Confederate veterans, and retirement and disability payments to Texas Rangers and their widows (Section 66, Article XVI), will be abolished after December 31, 1976, if Amendment No. 7 is adopted. Should the legislature choose to do so, the proposed amendment authorizes establishment of a trust fund before December 31, 1976, to be used in satisfying the needs of the present two-cent tax, and thus it is possible that the tax may be abolished prior to the deadline set in Amendment No. 7.

ARGUMENTS

For:

1. The state ad valorem tax has long been the subject of attack on the basis that it is poorly and inequitably administered. Certainly, under-evaluation, evasion, and lack of uniformity in the assessment rate from county to county, among different kinds of property within the same county, and among individual owners of the same kind of property in the same county do exist in many instances. Adoption of the proposed amendment would overcome these inequities in keeping with the constitutional mandate that taxation be "equal and uniform." (Article VIII, Section 1)
2. Complete abolition of the state ad valorem tax by gradual reductions over a period of years, as proposed by Amendment No. 7, would create no undue pressure on the state fiscal structure. It would benefit counties and local subdivisions of the state, now finding it ever harder to meet growing government needs with present revenue sources, by making the ad valorem tax exclusively available to them.

Against:

1. Phasing out of the ad valorem tax at a time when it is ever harder to obtain funds needed for state government operations, as proposed by Amendment No. 7, would necessitate an increase in other taxes, possibly the state sales tax, to provide compensating revenues. Tax experts are already predicting an increase in the present sales tax, and further increases, in view of the one percent levied by most Texas cities, would overburden those least able to pay.
2. The ad valorem tax, though it may sometimes be inequitably assessed, is drawn from those most able to pay. Abolition of the tax would inevitably benefit the "haves" at the expense of the "have nots."

AMENDMENT NO. 8--H.J.R. NO. 49

[Deleting certain constitutional provisions relating to the purchase of fuel by the state and the refurbishing under contract of rooms and halls used by the legislature and eliminating the requirement that the governor, the secretary of state, and the comptroller approve certain contracts of purchase.]

This proposed amendment to Section 21 of Article XVI, relating to state purchasing contracts and their approval, makes four basic provisions:

(1) It deletes "fuel used in the Legislative and other departments of government, except the Judicial Department . . ." from the contract purchase requirement.

(2) It deletes "repairing and furnishing the halls and rooms used for meetings of the Legislature and its committees . . ." from present contract requirements.

(3) It relieves the governor, the secretary of state, and the comptroller from the tedium of approval of all such contracts.

(4) It changes the reference to "Deaf and Dumb Asylum" to "Texas School for the Deaf" to conform with the change in name of this institution made by the legislature in 1949.

Other provisions relating to contract for stationery and printing and safeguarding the state from participation by a member or officer of any department in such contract, remain unchanged.

[For full text of the Resolution proposing Amendment No. 8, see appendix.]

Background

Section 21, Article XVI, as now contained in the Constitution, has never been amended. It was placed in the Constitution of 1876 in answer to practices of the reconstruction government, which granted contracts for fuel and printing at exorbitant prices as special favors to friends or relatives of those wielding governmental powers. Beginning in 1919 with the creation of the Board of Control as the state purchasing agent, this agency, in effect, has exercised the function of calling for and awarding all state contracts. Compliance with the constitutional provision requiring approval of the governor, the secretary of state,

and the comptroller has generally been perfunctory, although the Board of Control does give notice to the three officers when bids on printing or fuel are to be opened.

The proposed amendment merely streamlines the existing Section 21, Article XVI, by doing away with unused, excess verbiage.

ARGUMENTS

For:

1. The governor, secretary of state, and comptroller, all busy officials, should not be burdened with the strictly storekeeping function of approving purchasing contracts. Approval of contracts by these officials has, in actual practice, become a mere formality and something of a nuisance. Such "approval" is performed by ministerial subordinates of these officials, so that the requirement has in reality become so much "red tape."
2. Contract purchase requirements for fuel for the legislative and other departments of government were also a holdover from the reconstruction period, and since the capitol complex has its own central power plant today, this requirement in the Constitution is outdated. Removing the requirement by adoption of the proposed amendment would simply serve as a clean-up measure for the Constitution.

Against:

1. Even though action of the governor, secretary of state, and comptroller may be perfunctory in passing on purchasing contracts awarded by the State of Texas, the requirement that these officials act in this capacity serves as a check on those actually performing the service. Purchasing agents and officials unconsciously exert more caution under the knowledge that their actions are subject to review by high state officials.
2. Although the present needs for fuel by legislative and other departments of government can be met without fear of graft and corruption, circumstances could change and, certainly, this provision of Section 21, Article XVI, as originally included in the Constitution of 1876, is not harmful.

AMENDMENT NO. 9--S.J.R. NO. 4

[Allowing contributions to be made to the Teacher Retirement System of Texas on the basis of full salary of members.]

This proposed amendment to Section 48a of Article III removes the ceiling on contributions which teachers may make to the Teacher Retirement System for their own retirement benefits. As now provided in Section 48a, Article III, a ceiling of 6 percent on a maximum of \$8,400 in salary, or \$504 in contributions, is set. Amendment No. 9 would permit contributions, and resulting retirement benefits, to be based on a teacher's full salary, rather than the first \$8,400 of that salary.

A change in wording in the proposed amendment directs that money coming into the Teacher Retirement Fund be managed and invested as provided in Section 48b of Article III of the Texas Constitution. The result of the change in wording has already been effectuated through the adoption of Section 48b in 1965.

[For full text of the Resolution proposing Amendment No. 9, see appendix.]

Background The original Section 48a, Article III, of the Texas Constitution, was added in 1936 in an effort to provide a form of security for teachers that would serve as an incentive for qualified persons to become and remain teachers. This first amendment established a ceiling on contributions of \$180 annually, plus interest, to be matched by the state in determining the total amount of the annuity payable to the participant.

In 1956 Section 48a, Article III, was amended to raise the ceiling on contributions to \$504, as further encouragement to persons to enter and remain in the teaching profession. This higher ceiling, with resulting increase in annuity benefits, also recognized the rising cost of living and the need for greater retirement income for subsistence.

Continuing inflation and salary increases for teachers provided by the legislature during the past several sessions have indicated a need for still larger retirement benefits, which Amendment No. 9 proposes to provide.

ARGUMENTS

For:

1. If Texas is to attract and keep the kind of teaching personnel needed to bring Texas public schools up to first rank among the states, teachers must be given adequate retirement benefits as well as good salaries. The legislature has frequently increased teachers' salaries in recognition of the need for good teachers, and it is imperative that retirement benefits be commensurate with these higher earnings. Adoption of the proposed Amendment No. 9 would make this possible.

Against:

1. Estimates indicate that it will cost the state some \$3 million in matching funds during the biennium after the 61st session of the legislature if the present \$504 ceiling on contributions by teachers and other public school employees for retirement benefits is removed.

AMENDMENT NO. 10--H.J.R. NO. 50

[Authorizing the legislature to provide for the refund of the tax on cigars and tobacco products sold at retail within corporate limits of Texarkana, Texas, or any incorporated city or town in Texas contiguous with Texarkana.]

This proposed amendment adds a new Section 1-j to Article VIII permitting the legislature to authorize a refund on the tax paid on the first sale in this state of cigars and tobacco products which are subsequently sold at retail within the corporate limits of Texarkana, Texas, or any incorporated city or town in Texas contiguous to Texarkana. Obviously, the purpose of the proposed amendment is to permit Texarkana, Texas, and contiguous incorporated cities or towns in Texas to compete with Texarkana, Arkansas, where there is no tax on the sale of cigars and tobacco products.

[For full text of the Resolution proposing Amendment No. 10, see appendix.]

Background

Border areas of Texas, whether adjoining neighboring states or the Republic of Mexico, are often placed at a disadvantage in the sale of certain products taxable in Texas but not taxable even a step away in alien territory. Section 1 of Article VIII of the Constitution of Texas provides in part "... Taxation shall be equal and uniform." The only recourse in providing exceptions to this provision is by constitutional amendment. Therefore, from time to time, amendments have been proposed to authorize these exceptions. Although the Bureau of the Census considers the Texarkana metropolitan area as one statistical area, the proposed amendment would be applicable only in the Texas portion.

ARGUMENTS

For:

1. Amendment No. 10, if adopted, would be purely local in its effect. It would benefit merchants of Texarkana, Texas, which constitutes approximately two-thirds of the Texarkana Standard Metropolitan Statistical Area, without detriment to the majority of those selling cigars and tobacco products in other parts of the state. The revenues

lost to Texas from the tax refunds authorized by the proposed amendment would be minimal, while Texas retailers of cigars and tobacco products in Texarkana, Texas, would be able to compete favorably with those in Texarkana, Arkansas. The tax exemption proposed by Amendment No. 10 would have the bonus effect of stimulating the entire economy of Texarkana, Texas, which would regain profits on a wide variety of other goods now purchased by Texas citizens journeying to the Texarkana, Arkansas, sector of the city to avoid payment of taxes in the purchase of cigars and tobacco products.

Against:

1. If the proposed Amendment No. 10 should be adopted, merchants in all areas of the state now losing business to out-of-state competitors because of Texas tax inequities would doubtless seek the equal-competition benefits obtained by the Texarkana, Texas, tobacco retailers.

AMENDMENT NO. 11--H.J.R. NO. 60

[Authorizing the legislature to provide for consolidation of governmental offices and functions and giving political subdivisions authority to contract for performance of governmental functions in El Paso and Tarrant counties.]

This proposed amendment adds a new Section 64 to Article III of the Texas Constitution. The new section would authorize two approaches in solving the problem of proliferation of duplicate functions--assessing and collecting taxes, providing library services, for example--by cities, towns, and political subdivisions in Tarrant and El Paso counties:

(1) Subsection (a) of the proposed amendment authorizes the legislature to provide for consolidating governmental offices and functions of any one or more political subdivisions comprising or located within El Paso or Tarrant counties. Any statute enacted by the legislature to implement this subsection must require an election to be held within the political subdivisions affected. Approval by a majority of the voters in each subdivision affected is required before consolidation can take effect.

(2) Subsection (b) of the proposed amendment authorizes the county and the local governments wholly within the county to contract with one another for the performance of governmental functions, under such terms and conditions as may be prescribed by the legislature. Further, under Subsection (b), "no person acting under a contract made pursuant to this Subsection (b) shall be deemed to hold more than one office of honor, trust or profit or more than one civil office of emolument." The term, "governmental functions," in this authorization includes functions of statewide importance as well as of local importance performed by the counties for the state. No election would be necessary to approve a contract.

[For full text of the Resolution proposing Amendment No. 11, see appendix.]

Background

Population growth and industrial development in Texas following World War I brought ever-increasing demands upon local governments for services. It soon became evident that counties and municipalities would no longer be able to supply these needs. However, constitutional limitations, particularly with respect to taxation, often barred existing political subdivisions from giving assistance, and thus the special district was created. As the name implies, a "special district" is established and operated to provide a special service, such as soil conservation, water conservation and supply, hospital care, and education.

In view of the increasing use of special districts, some with overlapping jurisdictions and assessments, the legislature sought to provide densely populated areas with means of consolidating many of the services and functions. In 1933 the Home Rule Amendment, which allowed counties to provide additional services on a countywide basis, was adopted by the electorate. This amendment (Section 3, Article XIX, Texas Constitution) provides that any county with a population of at least 62,000 may adopt a home-rule charter by a two-thirds vote of the electorate in both incorporated and unincorporated areas. Votes in incorporated and unincorporated areas must be tallied separately; therefore, the county is, in effect, divided into two electorates, both of which must approve a proposed charter before it is effective.

The County Home Rule Enabling Act is extremely long and detailed, and at present no county has adopted a home-rule charter. The proposed amendment seeks to facilitate consolidation of governmental offices and functions in providing services to densely populated areas. There is a basic difference between the proposed amendment and the Home Rule Amendment: the Home Rule Amendment calls for a charter and possible consolidation of all governmental functions and political subdivisions; the proposed amendment permits the consolidation of offices and functions but would not abolish any local government. It could be implemented by a majority of the voters of each political subdivision or, for the second authorization, without a vote at all.

This amendment follows recommendations of the Texas Research League in reporting the need for a realignment of the state's metropolitan county governments to meet 20th century problems.

ARGUMENTS

For:

1. It is more efficient and economical for local political subdivisions of the state to combine in performing functions which must be provided in cities, towns, and other political subdivisions of heavily populated counties. In this way costly duplication of facilities as well as effort can be eliminated. The proposed amendment would make the consolidation of governmental functions possible in Tarrant and El Paso counties, but only on a permissive basis, with the approval of a majority of the voters in subdivisions or under the terms and conditions of a legislative act.
2. Under the proposed amendment, one governmental unit could be authorized to make assessments for all political subdivisions under an equal and fair assessment ratio, and thereby provide more equitable apportionment of ad valorem taxes.
3. By consolidating functions and governmental offices in each of these two counties on an areal basis, which is possible under the proposed amendment, planning could be coordinated to meet the needs of these growing metropolitan areas.

Against:

1. Adoption of Amendment No. 11 would be but the first step toward over-centralization of government at the county level, and the end result could place too much authority and too many functions in the hands of a select few. Corruption and graft are generally more prevalent where controls of the people at the local level have been relinquished.
2. It would be unwise to adopt an amendment applicable only to two Texas counties with large urban areas and overlapping functions of government when there are at least 21 other metropolitan statistical areas in counties of the state which face the same or at least similar problems. The Constitution should not be cluttered with one amendment after another of purely local application, but should be reserved as a vehicle for statewide mandate.
3. The countywide area could assume expensive responsibilities in providing various services primarily or exclusively to the cities, thus increasing unfairly the countywide tax burden.

AMENDMENT NO. 12--S.J.R. NO. 14

[Granting the legislature power to authorize cities and counties to issue revenue bonds for industrial development purposes.]

This proposed amendment adds a new Section 52a to Article III of the Texas Constitution with the purpose of empowering the legislature to allow cities and counties to issue revenue bonds and use the proceeds to buy land and equip industrial plants.

At the time the legislature proposed this amendment in 1967, interest on bonds of the type authorized was exempt from federal income taxation and thus had the advantage of attracting low interest rates. Now pending in the Congress, however, is legislation that would remove the tax exemption on interest from industrial revenue bonds. When HR 15414, pertaining to excise and other taxes, reached the Senate after being passed without amendment by the House of Representatives in the Congress, Senator Abraham Ribicoff introduced an amendment to the measure to withdraw the tax exemption on interest from industrial revenue bonds. The Senate passed the measure with the Ribicoff amendment and returned it to the House of Representatives on April 15, 1968. On May 22, 1968, HR 15414, containing the Ribicoff amendment, was still in conference in the House of Representatives.

Meanwhile, on March 23, 1968, the Commissioner of Internal Revenue published in the Federal Register his Regulation 1.103-7, which would remove interest on industrial revenue bonds from their tax-exempt status. As of May 22, 1968, this regulation was still subject to approval or rejection. Should either the Ribicoff amendment or the IRS regulation be adopted, industrial development bonds would be deprived of the tax advantage that now gains for them a low interest rate.

Bonds of the type authorized by the proposed Amendment No. 12 would be repaid through lease payments made by industries, and property acquired from proceeds of the bonds would be subject to ad valorem taxes. The use of tax revenue, utility revenue, and revenue from services of any county, city, or town for payment of the bonds is prohibited.

Enabling legislation giving the cities and counties and navigation districts authority to issue revenue bonds under terms of the proposed amendment was also enacted by the 60th Legislature. The measure (H.B. 446, compiled in Vernon's Texas Civil Statutes as Article 7170, Sections 1-14) is designated the "Texas Industrial Development Act."

[For full text of the Resolution proposing Amendment No. 12, see appendix.]

Background

In 1957 the Texas Legislature amended the old act creating the Texas Industrial Commission to provide for the organization and operation of a program to attract and locate new industries in the state. Location of new industries and expansion of industries already in Texas immediately turned sharply upward, so that in 1967, 296 new industries located in Texas and 370 existing plants were enlarged or expanded. Nevertheless, Texas remains one of the few states in the nation without an industrial bond program, the purpose of which is to encourage the development of industry. Neighboring states of New Mexico, Oklahoma, Louisiana, and Arkansas are among the 44 states with bond programs similar to that authorized in the proposed Amendment No. 12.

ARGUMENTS

For:

1. Adoption of Amendment No. 12 would place Texas in a competitive position with neighboring states of New Mexico, Oklahoma, Louisiana, and Arkansas in inducing new industries to locate in the state.
2. As proposed by Amendment No. 12, the industrial revenue bonds issued by cities and counties would be repaid through lease payments made by industry for land and plants and, therefore, would not be a burden on the taxpayer or state revenues. At the same time, the availability of plants and plant sites made possible through revenues from the industrial bonds would provide an incentive for new industries to locate in Texas and would stimulate industrial growth and the overall Texas economy.

Against:

1. The authority granted the legislature by the proposed amendment to permit cities and counties to issue industry-attracting revenue bonds is not only a form of subsidy to new industry but also has the effect of placing local governments in the commercial real estate business for other than a direct public purpose. The credit of cities and counties issuing the bonds could be jeopardized, and existing industries would be penalized by giving newcomers an unfair advantage.
2. The proposed amendment could induce harmful competition between cities to provide the most favorable conditions for an industrial concern.

AMENDMENT NO. 13--H.J.R. NO. 16

[Exempting from ad valorem taxation certain property
temporarily stored in a public warehouse.]

This proposed amendment adds a new Section 1-f to Article VIII to provide for exemption from ad valorem taxation of "merchandise, products, goods or wares in the temporary custody of a public warehouseman,..." under certain conditions:

(1) The warehouseman must have no financial connection other than as bailee for hire with the owner, shipper, or consignees of the merchandise, products, goods, or wares.

(2) The property must have been shipped to or from the warehouse by regulated or bona fide private carrier.

(3) The property must not be held by the warehouseman longer than six months and shall have a predetermined out-of-state destination at point of origin.

Further, Amendment No. 13 stipulates that books and records relating to out-of-state shipments covered by the proposal shall be available for reasonable inspection by proper taxing authorities.

[For full text of the Resolution proposing Amendment No. 13, see appendix.]

Background

Under present Texas law, the assessment rate on stored goods ranges from \$2.70 to \$5.90 per \$100 valuation, depending on how large the city or what political subdivision is the taxing authority. Presently exempted from assessment is out-of-state property consigned to an in-state consignee, but to be shipped out of state, if such property is not detained in the state for more than 90 days. The exemption also includes goods, wares, and merchandise, whether or not moving on through rates, detained in the state for not more than nine months for assembly, manufacturing, storage, or processing for out-of-state shipment; unsold wool stored by ranchmen in federal warehouses and rice in the hands of the producers and stored in warehouses in the state. The assessment date of the tax is based on inventory as of January 1, each year (Article 7243, Vernon's Texas Civil Statutes).

States bordering Texas on all sides have some sort of free port law, meaning, in most instances, that a manufacturer can ship goods to any of our border states, store the goods there and distribute the goods in small quantities (just that which absolutely has to be delivered) to the point of destination in Texas. By storing his goods in the border states, the manufacturer is able to "go around" Texas with the remainder of his goods to avoid paying ad valorem taxes now levied on stored goods in Texas. The proposed amendment would make it possible for Texas warehousemen to have a competitive tax advantage.

ARGUMENTS

For:

1. Over two-thirds of all the states, 34 states and the District of Columbia, have some form of free port tax legislation in their statutes. The 16 states (including Texas) without free ports are placed at a disadvantage competitively and are also limited in potential growth as distribution centers for major manufacturers and processors.
2. The practical effect of the present ad valorem tax law, which does not exempt certain property temporarily stored in public warehouses from assessment, is the collection of minimal revenues from this source because: (1) manufacturers and processors, particularly the larger ones and major companies from out of state, make a practice of moving their goods prior to the January 1 date of assessment; or (2) they move their goods instate by out-of-state carriers after January 1, and thereby avoid assessment.
3. The adoption of the proposed amendment would make it possible for Texas to attract a wealth of new dollars which are now going to states in a more competitive position because of the tax advantage they are able to offer warehousemen distributing interstate goods.

Against:

1. The adoption of the proposed amendment would be another step in a long series of getting "around" the "equal and uniform" provisions of the Constitution as they relate to taxation.
2. It is impractical for the State of Texas to give up still another source of revenues, when there is already a great need for new revenue sources if Texas state government is to provide the benefits and services required by a rapidly growing population in an urbanized society.
3. By exempting a part of warehouse inventory from ad valorem taxes, as proposed by Amendment No. 13, the way would be clear for inaccurate renditions under the temptation to avoid taxation also on goods which could not be legitimately considered exempt.

AMENDMENT NO. 14-H.J.R. NO. 22

[Fixing the time during which members of the legislature shall be ineligible to hold other offices.]

This proposed amendment to Section 18, Article III, is designed to modify slightly present constitutional restrictions on eligibility of members of the legislature for other offices during their legislative terms.

New language added by Amendment No. 14 provides that "the fact that the term of office of Senators and Representatives does not end precisely on the last day of December but extends a few days into January of the succeeding year shall be considered as *de minimis*, and the ineligibility herein created shall terminate on the last day in December of the last full calendar year of the term for which he was elected."

Retained by Amendment No. 14 is the provision that no senator or representative shall, during the term for which he was elected, be eligible for (1) any civil office of profit under this state which shall have been created, or the emoluments of which have been increased, during such term, or (2) any office or place, the appointment to which may be made, in whole or in part, by either branch of the legislature. Also retained by the proposed amendment is the restriction that "no member of either House shall vote for any other member for any office whatever, which may be filled by a vote of the Legislature, except in such cases as are in the Constitution provided, nor shall any member of the Legislature be interested, either directly or indirectly, in any contract with the State, or any county thereof, authorized by any law passed during the term for which he was elected."

[For full text of the Resolution proposing Amendment No. 14, see appendix.]

Background

In 1966 Franklin Spears and Galloway Calhoun, Jr., both state senators, filed separate petitions for original writs of mandamus ordering Will D. Davis, Chairman of the State Democratic Executive Committee, to place their names on the primary ballot as candidates for democratic nomination for the office of Attorney General of Texas. (Spears v. Davis, 398 S.W. 2d 921, heard by the Supreme Court on January 31, 1966)

The Texas Election Code then provided:

No person ineligible to hold office shall ever have his name placed upon the ballot at any general or special election, or at any primary election where candidates are selected under the primary laws of this State; and no such ineligible candidates shall ever be voted upon, nor have votes counted for him at any general, special, or primary election. (Art. 1.05, Vernon's Texas Election Code)

It is the obligation of the state chairman of the party executive committee to ascertain that those making application for filing on the primary ballot are eligible for the general election ballot. Eligibility of both Senator Spears and Senator Calhoun was questioned by Chairman Davis on the basis that senatorial terms of each would overlap the term of office of Attorney General, for which both sought a place on the primary ballot. Both relators were members of the 59th Legislature, which raised the salary of the attorney general from \$20,000 to \$22,500 per annum, effective with the biennium beginning September 1, 1965.

The decision of the supreme court in favor of the relators turned on the interpretation of constitutional provisions establishing the beginning and ending dates of the terms of office of representatives and the absence of similar provisions relating to senators. The majority opinion stated:

It would appear that the principal purpose of Article 3, Section 18, of the Texas Constitution is to remove, if possible, any improper personal motive of gain that might influence a Legislator to create or increase the emoluments of a public office with the intention of resigning his legislative post in order to take the office which he, as a Legislator, had helped to create or make more attractive from a financial standpoint. The purpose sought to be served by the provisions of Article 3, § 18 of the Constitution will in no way be frustrated by holding the relators eligible to hold the office of Attorney General for the term beginning January 1, 1967.

...we hold that both Senator Spears and Senator Calhoun are entitled to the relief prayed for them in their respective petitions

Chief Justice Calvert, in dissenting, suggested that the Constitution be amended to provide the exception pertaining to overlapping terms.

Shortly after this case was decided, the Texas Constitution was amended to provide that senators and representatives take office on the date set by law for the convening of the regular session of the legislature. This still left an overlap of several days between the date when the terms of such offices as that of attorney general begin and the date when terms of office of legislators expire. Under the proposed Amendment No. 14, the overlap would not render legislators ineligible to run for another office.

ARGUMENTS

For:

1. The proposed amendment merely negates the unintended result caused by overlap in terms stemming from the 1966 amendment which set the commencing date of a legislator's term of office as the date of convening of a regular session of the legislature. The proposed amendment does not impair in any way the effectiveness of the existing restrictions designed to prevent a legislator from resigning to take another government position which was either created or had its emoluments increased while he was a member.

Against:

1. Section 18, Article III, was designed to prevent legislators from resigning to take state offices which were created, or the emoluments of which were increased, during their term of office. Any relaxation of this prohibition, even for a few days as proposed by Amendment No. 14, would set a bad precedent for future legislatures.

Amendment No. 1

By: Parkhouse, Herring

S.J.R. No. 39

A JOINT RESOLUTION

PROPOSING an amendment to Subsection (a) of Section 62, Article XVI of the Constitution of Texas, relating to establishment of a retirement, disability and death compensation fund for officers and employees of the state, so as to create as an agency of the State of Texas the Employees Retirement System of Texas, vesting the general administration and responsibility of the proper operation of said system in a state board of trustees to be known as the State Board of Trustees of the Employees Retirement System of Texas, authorizing said Board to invest assets of said system in various obligations and subjects of investment, subject to certain restrictions stated therein and such other restrictions as may hereafter be provided by law; providing that contributions of members and the state shall not exceed at any time six per centum (6%) of the compensation paid to each such person by the state; providing that such Amendment shall be self-enacting; providing for the necessary election, form of ballot, proclamation, and publication; and declaring legislative intent that the adoption of this Joint Resolution shall constitute repeal of Senate Joint Resolution No. 3, previously adopted by this the 60th Legislature, so that the proposition as set forth in this Resolution may be submitted to the voters of this state in lieu of the proposition contained in Senate Joint Resolution No. 3.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Subsection (a) of Section 62, Article XVI of the Constitution of the State of Texas be amended so as to read hereafter as follows:

“Section 62. (a) The Legislature shall have the authority to levy taxes to provide a State Retirement, Disability and Death Compensation Fund for the officers and employees of the state, and may make such reasonable inclusions, exclusions, or classifications of officers and employees of this state as it deems advisable. The Legislature may also include officers and employees of judicial districts of the state who are or have been compensated in whole or in part directly or indirectly by the state, and may make such other reasonable inclusions, exclusions, or classification of officers and employees of judicial districts of this state as it deems advisable. Persons participating in a retirement system created pursuant to Section 1-a of Article V of this Constitution shall not be eligible to participate in the Fund authorized in this subsection; and persons participating in a retirement system created pursuant to Section 48-a of Article III of this Constitution shall not be eligible to participate in the Fund authorized in this subsection except as permitted by Section 63 of Article XVI of this Constitution. Provided, however, any officer or employee of a county as provided for in Article XVI, Section 62, Subsection (b) of this Constitution, shall not be eligible to participate in the Fund authorized in this subsection, except as otherwise provided herein. The amount contributed by the state to such Fund shall equal the amount paid for the same purpose from the income of each such

person, and shall not exceed at any time six per centum (6%) of the compensation paid to each such person by the state.

"There is hereby created as an agency of the State of Texas the Employees Retirement System of Texas, the rights of membership in which, the retirement privileges and benefits thereunder, and the management and operations of which shall be governed by the self-enacting and shall become effective immediately upon its adoption without any enabling legislation."

Sec. 2. The foregoing Constitutional Amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on November 5, 1968, at which election all ballots shall have printed thereon the following:

"FOR the Constitutional Amendment amending Subsection (a) of Section 62, Article XVI of the Constitution of the State of Texas relating to the Employees Retirement Fund and the Employees Retirement System of Texas, revising provisions for investments of moneys and other assets of the Fund, and changing other existing provisions and making other new provisions with respect to the administration of the Employees Retirement System."

"AGAINST the Constitutional Amendment amending Subsection (a) of Section 62, Article XVI of the Constitution of the State of Texas relating to the Employees Retirement Fund and the Employees Retirement System of Texas, revising provisions for investments of moneys and other assets of the Fund, and changing other existing provisions and making other new provisions with respect to the administration of the Employees Retirement System."

Sec. 3. The Governor of Texas shall issue the necessary Proclamation for the election and this Amendment shall be published in the manner and for the length of time required by the Constitution and laws of this state.

Sec. 4. The present Resolution is adopted for the express purpose of replacing Senate Joint Resolution No. 3, previously adopted by this, the 60th Legislature, which Senate Joint Resolution No. 3 is expressly repealed by the adoption of this Resolution so that this Resolution, which correctly states a proposition erroneously stated in Senate Joint Resolution No. 3, may be submitted to the voters in lieu of Senate Joint Resolution No. 3.

By: Bernal

S.J.R. No. 41

A JOINT RESOLUTION

PROPOSING an Amendment to the Constitution of the State of Texas, amending Section 51-a of Article III by raising the limit on the amount that may be expended in any one year out of state funds for Public Assistance payments only to Seventy-five Million Dollars (\$75,000,000); providing for the necessary election, form of ballot, proclamation, and publication.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Section 51-a of Article III of the Constitution of the State of Texas be amended, and the same is hereby amended, so as to read as follows:

“Section 51-a. The Legislature shall have the power, by General Laws, to provide, subject to limitations herein contained, and such other limitations, restrictions and regulations as may by the Legislature be deemed expedient, for assistance to and/or medical care for, and for rehabilitation and any other services included in the Federal legislation providing matching funds to help such families and individuals attain or retain capability for independence or self-care, and for the payment of assistance to and/or medical care for, and for rehabilitation and other services for:

“(1) Needy aged persons who are citizens of the United States or noncitizens who shall have resided within the boundaries of the United States for at least twenty-five (25) years and are over the age of sixty-five (65) years;

“(2) Needy individuals who are citizens of the United States who shall have passed their eighteenth (18th) birthday but have not passed their sixty-fifth (65th) birthday and who are totally and permanently disabled by reason of a mental or physical handicap or a combination of physical and mental handicaps;

“(3) Needy blind persons who are citizens of the United States and who are over the age of eighteen (18) years;

“(4) Needy children who are citizens of the United States and who are under the age of twenty-one (21) years, and to the caretakers of such children.

“The Legislature may define the residence requirements, if any, for participation in these programs.

“The Legislature shall have authority to enact appropriate legislation which will enable the State of Texas to cooperate with the Government of the United States in providing assistance to and/or medical care on behalf of needy persons, and in providing rehabilitation and any other services included in the Federal legislation providing matching funds to help such

families and individuals attain or retain capability for independence or self-care and to accept and expend funds from the Government of the United States for such purposes in accordance with the laws of the United States as they now are or as they may hereafter be amended, and to make appropriations out of state funds for such purposes; provided that the maximum amount paid out of state funds to or on behalf of any individual recipient shall not exceed the amount that is matchable out of Federal funds; provided that the total amount of such assistance payments and/or medical assistance payments out of state funds on behalf of such recipients shall not exceed the amount that is matchable out of Federal funds; provided that if the limitations and restrictions herein contained are found to be in conflict with the provisions of appropriate Federal Statutes as they now are or as they may be amended, to the extent that Federal matching money is not available to the state for these purposes, then and in that event the Legislature is specifically authorized and empowered to prescribe such limitations and restrictions and enact such laws as may be necessary in order that such Federal matching money will be available for assistance and/or medical care for or on behalf of needy persons; and provided further, that the total amount of money to be expended per fiscal year out of state funds for assistance payments only to recipients of Old Age Assistance, Aid to the Permanently and Totally Disabled, Aid to the Blind, and Aid to Families with Dependent Children shall never exceed Seventy-five Million Dollars (\$75,000,000).

"Nothing in this Section shall be construed to amend, modify or repeal Section 31 of Article XVI of this Constitution; provided further, however, that such medical care, services or assistance shall also include the employment of objective or subjective means, without the use of drugs, for the purpose of ascertaining and measuring the powers of vision of the human eye, and fitting lenses or prisms to correct or remedy any defect or abnormal condition of vision. Nothing herein shall be construed to permit optometrists to treat the eyes for any defect whatsoever in any manner nor to administer nor to prescribe any drug or physical treatment whatsoever, unless such optometrist is a regularly licensed physician or surgeon under the laws of this state."

Sec. 2. The foregoing Constitutional Amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on the first Tuesday after the first Monday in November 1968, at which election all ballots shall have printed thereon the following:

"FOR the Constitutional Amendment raising the limit on the amount that may be expended in any one year out of state funds for Public Assistance payments only to Seventy-five Million Dollars (\$75,000,000)."

"AGAINST the Constitutional Amendment raising the limit on the amount that may be expended in any one year out of state funds for Public Assistance payments only to Seventy-five Million Dollars (\$75,000,000)."

Sec. 3. The Governor of the State of Texas is hereby directed to issue the necessary proclamation for said election and have the same published and held as required by the Constitution and the laws of the State of Texas. The publication of this Amendment shall be limited to the publication of Sections 1 and 2 of this Resolution only.

Amendment No. 3

By: **Armstrong, Haines of Brazos,**
Cavness, et al

H.J.R. No. 20

HOUSE JOINT RESOLUTION

PROPOSING an amendment to Section 11a, Article VII, of the Constitution of Texas, providing for the investment of the Permanent University Fund by the Board of Regents of The University of Texas System in certain types of securities within the prudent man rule.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Section 11a, Article VII, of the Constitution of the State of Texas, be amended to read as follows:

“Section 11a. In addition to the bonds enumerated in Section 11 of Article VII of the Constitution of the State of Texas, the Board of Regents of The University of Texas may invest the Permanent University Fund in securities, bonds or other obligations issued, insured, or guaranteed in any manner by the United States Government, or any of its agencies, and in such bonds, debentures, or obligations, and preferred and common stocks issued by corporations, associations, or other institutions as the Board of Regents of The University of Texas System may deem to be proper investments for said funds; provided, however, that not more than one per cent (1%) of said fund shall be invested in the securities of any one (1) corporation, nor shall more than five per cent (5%) of the voting stock of any one (1) corporation be owned; provided, further, that stocks eligible for purchase shall be restricted to stocks of companies incorporated within the United States which have paid dividends for five (5) consecutive years or longer immediately prior to the date of purchase and which, except for bank stocks and insurance stocks, are listed upon an exchange registered with the Securities and Exchange Commission or its successors.

“In making each and all of such investments said Board of Regents shall exercise the judgment and care under the circumstances then prevailing which men of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital.

“The interest, dividends and other income accruing from the investments of the Permanent University Fund, except the portion thereof which is appropriated by the operation of Section 18 of Article VII for the payment of principal and interest on bonds or notes issued thereunder, shall be subject to appropriation by the Legislature to accomplish the purposes declared in Section 10 of Article VII of this Constitution.

"This amendment shall be self-enacting, and shall become effective upon its adoption, provided, however, that the Legislature shall provide by law for full disclosure of all details concerning the investments in corporate stocks and bonds and other investments authorized herein."

Sec. 2. The foregoing constitutional amendment shall be submitted to a vote of the qualified electors of the state at an election to be held on the first Tuesday after the first Monday in November 1968, at which election all ballots shall have printed thereon the following:

"FOR the constitutional amendment providing for investment of the Permanent University Fund by the Board of Regents of The University of Texas in certain types of securities within the prudent man rule."

"AGAINST the constitutional amendment providing for investment of the Permanent University Fund by the Board of Regents of The University of Texas in certain types of securities within the prudent man rule."

Sec. 3. The governor shall issue the necessary proclamation for the election, and this amendment shall be published as required by the Constitution and laws of this state. The publication of this amendment shall be limited to Sections 1 and 2 of this Resolution only.

Amendment No. 4

By: Parkhouse, Wade and Mauzy

S.J.R. No. 37

A JOINT RESOLUTION

PROPOSING an amendment to Article III, Constitution of the State of Texas, by adding a new Section 52e to give Dallas County the power to issue bonds under Article III, Section 52 of the Constitution for the construction, maintenance and operation of macadamized, graveled or paved roads and turnpikes, or in aid thereof, upon a vote of a majority of the resident property taxpayers voting thereon who are qualified electors of said county, and to provide that bonds heretofore or hereafter issued under Subsections (a) and (b) of said Section 52 shall not be included in determining the debt limit prescribed in said Section, and fixing the date for the election on the adoption of said amendment.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Article III, Constitution of the State of Texas, be amended by adding a new Section 52e to read as follows:

“Section 52e. Bonds to be issued by Dallas County under Section 52 of Article III of this Constitution for the construction, maintenance and operation of macadamized, graveled or paved roads and turnpikes, or in aid thereof, may, without the necessity of further or amendatory legislation, be issued upon a vote of a majority of the resident property taxpayers voting thereon who are qualified electors of said county, and bonds heretofore or hereafter issued under Subsections (a) and (b) of said Section 52 shall not be included in determining the debt limit prescribed in said Section.”

Sec. 2. The foregoing constitutional amendment shall be submitted to vote of the qualified electors of this state at an election to be held on the first Tuesday after the first Monday in November, 1968, at which election all ballots shall have printed on them the following:

“FOR the amendment of Article III of the Constitution to provide that Dallas County may issue road bonds under Section 52 of Article III upon a vote of a majority of the resident property taxpayers voting thereon who are qualified electors of said county, and to provide that bonds heretofore or hereafter issued under Subsections (a) and (b) of said Section 52 shall not be included in determining the debt limit prescribed in said Section.”

“AGAINST the amendment of Article III of the Constitution to provide that Dallas County may issue road bonds under Section 52 of Article III upon a vote of a majority of the resident property taxpayers voting thereon who are qualified electors of said county, and to provide that bonds heretofore or hereafter issued under Subsections (a) and (b) of said Section 52 shall not be included in determining the debt limit prescribed in said Section.”

Sec. 3. The Governor of the State of Texas shall issue the necessary proclamation for the election and this amendment shall be published in the manner and for the length of time that is required by the Constitution and laws of the state. The publication of this Amendment shall be limited to the publication of Sections 1 and 2 of this Resolution only.

Amendment No. 5

By: Jamison

H.J.R. No. 61

HOUSE JOINT RESOLUTION

PROPOSING an amendment to Section 24, Article III, Constitution of the State of Texas, to provide that members of the Legislature shall receive as salary an amount not exceeding \$8,400 per year and to extend to 140 days of the Regular Session the per diem allowance of members of the Legislature.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Section 24, Article III, Constitution of the State of Texas, be amended to read as follows:

"Section 24. Members of the Legislature shall receive from the Public Treasury an annual salary of not exceeding Eight Thousand, Four Hundred Dollars (\$8,400) per year and a per diem of not exceeding Twelve Dollars (\$12) per day of each Regular Session and each Special Session of the Legislature. No Regular Session shall be of longer duration than one hundred and forty (140) days.

"In addition to the per diem the Members of each House shall be entitled to mileage in going to and returning from the seat of government not to exceed one round trip per month during such time as the Legislature is in session, which mileage shall not exceed Two Dollars and Fifty Cents (\$2.50) for every twenty-five (25) miles, the distance to be computed by the nearest and most direct route of travel, from a table of distances prepared by the Comptroller, to each county seat now or hereafter to be established; no Member to be entitled to mileage for any extra Session that may be called within one (1) day after the adjournment of the Regular or Called Session."

Sec. 2. The foregoing constitutional amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on the first Tuesday after the first Monday in November 1968, at which election all ballots shall have printed on them the following:

"FOR the constitutional amendment providing the members of the Legislature shall receive as salary an amount not exceeding Eight Thousand, Four Hundred Dollars (\$8,400) per year."

"AGAINST the constitutional amendment providing the members of the Legislature shall receive as salary an amount not exceeding Eight Thousand, Four Hundred Dollars (\$8,400) per year."

Sec. 3. The Governor of the State of Texas shall issue the necessary proclamation for the election, and the amendment shall be published in the manner and for the length of time as required by the Constitution and laws of this state. Such publication of this amendment shall be limited to Sections 1 and 2 of this resolution only. However, in the event that prior to the first Tuesday after the first Monday in November 1968, there is adopted an amendment to this Constitution allowing compensation of members of the Legislature to be fixed by law, then this Resolution shall not be submitted to a vote of the qualified electors of this state and this Resolution shall be void and of no force and effect and shall be treated as though it had not been proposed by the Legislature.

By: Wilson

S.J.R. No. 24

A JOINT RESOLUTION

PROPOSING an Amendment to Article 8 of the Constitution of the State of Texas by adding a Section 2-a to authorize the Legislature to provide a system for exempting certain property from ad valorem taxation.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. Article 8, Constitution of the State of Texas, is amended by adding a Section 2-a to read as follows:

"Section 2-a. (a) The Legislature may, by General Law, exempt from ad valorem taxation by the state and its political subdivisions all or a portion of any equipment, device or improvement installed or constructed on real property, which is designed to eliminate or abate the harmful effect of air emissions or water effluents on the air and water quality in this state, to the extent that the capital investment in such property is made to comply with or to exceed air or water quality standards established by law.

"(b) Legislation which may be enacted in anticipation of the adoption of this Section is not void because of its anticipatory nature."

Sec. 2. The foregoing Constitutional Amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on the first Tuesday after the first Monday in November 1968, at which election all ballots shall have printed thereon the following:

"FOR the Constitutional Amendment giving permissive authority to the Texas Legislature to exempt from ad valorem taxation by the State of Texas and its political subdivisions equipment installed on real property to eliminate or abate the harmful effect of air emissions and water effluents, provided that the capital investment in such equipment complies with the air and water quality standards established by the State of Texas."

"AGAINST the Constitutional Amendment giving permissive authority to the Texas Legislature to exempt from ad valorem taxation by the State of Texas and its political subdivisions equipment installed on real property to eliminate or abate the harmful effect of air emissions and water effluents, provided that the capital investment in such equipment complies with the air and water quality standards established by the State of Texas."

Sec. 3. The Governor shall issue the necessary proclamation for the election, and this Amendment shall be published in the manner and for the length of time required by the Constitution and laws of this state. The publication of this Amendment shall be limited to the publication of Sections 1 and 2 of this Resolution only.

By: Connally

S.J.R. No. 32

A JOINT RESOLUTION

PROPOSING an amendment to Article VIII of the Constitution of the State of Texas by adding a Section 1-e providing for a gradual abolition of the property tax levied by Article VII, Section 3; and abolition of the Two Cent ad valorem tax levied by Article VII, Section 17 after December 31, 1976; and providing for deletion of references to ad valorem taxes in Article III, Section 51.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Article VIII, Constitution of the State of Texas, be amended by adding a new Section 1-e to read as follows:

“Section 1-e.

“1. From and after December 31, 1978, no State ad valorem taxes shall be levied upon any property within this State for State purposes except the tax levied by Article VII, Section 17, for certain institutions of higher learning.

“2. The State ad valorem tax authorized by Article VII, Section 3, of this Constitution shall be imposed at the following rates on each One Hundred Dollars (\$100.00) valuation for the years 1968 through 1974: On January 1, 1968, Thirty-five Cents (35¢); on January 1, 1969, Thirty Cents (30¢); on January 1, 1970, Twenty-five cents (25¢); on January 1, 1971, Twenty Cents (20¢); on January 1, 1972, Fifteen Cents (15¢); on January 1, 1973, Ten Cents (10¢); on January 1, 1974, Five Cents (5¢); and thereafter no such tax for school purposes shall be levied and collected. An amount sufficient to provide free textbooks for the use of children attending the public free schools of this State shall be set aside from any revenues deposited in the Available School Fund, provided, however, that should such funds be insufficient, the deficit may be met by appropriation from the general funds of the State.

“3. The State ad valorem tax of Two Cents (2¢) on the One Hundred Dollars valuation levied by Article VII, Section 17, of this Constitution shall not be levied after December 31, 1976. At any time prior to December 31, 1976, the Legislature may establish a trust fund solely for the benefit of the widows of Confederate veterans and such Texas Rangers and their widows as are eligible for retirement or disability pensions under the provisions of Article XVI, Section 66, of this Constitution, and after such fund is established the ad valorem tax levied by Article VII, Section 17, shall not thereafter be levied.

“4. Unless otherwise provided by the Legislature, after December 31, 1976 all delinquent State ad valorem taxes together with penalties and interest thereon, less lawful costs of collection, shall be used to secure bonds issued for permanent improvements at institutions of higher learning, as authorized by Article VII, Section 17, of this Constitution.

"5. The fees paid by the State for both assessing and collecting State ad valorem taxes shall not exceed two per cent (2%) of the State taxes collected. This subsection shall be self-executing."

Sec. 2. That Article III, Section 51, of the Constitution of the State of Texas, be amended so as hereafter to read as follows:

"Section 51. The Legislature shall have no power to make any grant or authorize the making of any grant of public moneys to any individual, association of individuals, municipal or other corporations whatsoever; provided, however, the Legislature may grant aid to indigent and disabled Confederate soldiers and sailors under such regulations and limitations as may be deemed by the Legislature as expedient, and to their widows in indigent circumstances under such regulations and limitations as may be deemed by the Legislature as expedient; provided that the provisions of this Section shall not be construed so as to prevent the grant of aid in cases of public calamity."

Sec. 3. The foregoing Constitutional Amendment shall be submitted to a vote of the qualified electors of this State at an election to be held on the first Tuesday after the first Monday in November 1968, at which election all ballots shall have printed on them the following:

"FOR the Constitutional Amendment continuously reducing State ad valorem property taxes and abolishing all State ad valorem property taxes after December 31, 1978, except the tax levied by Article VII, Section 17, for certain institutions of higher learning.

"AGAINST the Constitutional Amendment continuously reducing State ad valorem property taxes and abolishing all State ad valorem property taxes after December 31, 1978, except the tax levied by Article VII, Section 17, for certain institutions of higher learning.

Sec. 4. The Governor of the State of Texas shall issue the necessary proclamation for the election, and this Amendment shall be published in the manner and for the length of time as required by the Constitution and laws of this state. The publication of this Amendment shall be limited to the publication of Sections 1, 2 and 3 of this Resolution only.

Amendment No. 8

By: Foreman, Cavness, et al

H.J.R. No. 49

HOUSE JOINT RESOLUTION

PROPOSING an amendment to Section 21 of Article 16 of the Constitution of the State of Texas so as to not require approval by the governor, secretary of state and the comptroller of certain materials and services purchase contracts.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. Section 21 of Article 16 of the Constitution of the State of Texas is amended to read as follows:

“Section 21. All stationery and printing, except proclamations and such printing as may be done at the Texas School for the Deaf, and paper, except that for the Judicial Department, shall be furnished under contract, to be given to the lowest and best bidder under such regulations as shall be prescribed by law. No member or officer of any department of the government shall be in any way interested in such contract.”

Sec. 2. The foregoing constitutional amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on the first Tuesday after the first Monday in November 1968, at which election all ballots shall have printed thereon the following:

“FOR the constitutional amendment removing certain provisions relating to purchase of fuel and refurbishing the rooms and halls of the Legislature and the requirement that the Governor, the Secretary of State, and the Comptroller must approve certain contracts of purchase.”

“AGAINST the constitutional amendment removing certain provisions relating to purchase of fuel and refurbishing the rooms and halls of the Legislature and the requirement that the Governor, the Secretary of State, and the Comptroller must approve certain contracts of purchase.”

Sec. 3. The Governor of Texas shall issue the necessary proclamation for the election, and this amendment shall be published in the manner and for the length of time as required by the constitution and laws of this state. The publication of this amendment shall be limited to Sections 1 and 2 of the Resolution only.

By: Watson, et al

S.J.R. No. 4

A JOINT RESOLUTION

PROPOSING an amendment to the Constitution of the State of Texas, amending Section 48a of Article III thereof, so as to provide for contributions on the basis of the full salary of members of the Teacher Retirement System; providing for the submission of the proposed amendment to a vote of the people at an election and for proclamation and publication thereof.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Section 48a of Article III of the Constitution of Texas be amended so as to read as follows:

“Section 48a. In addition to the powers given the Legislature under Section 48, Article III, it shall have the right to levy taxes to establish a fund to provide retirement, disability and death benefits for persons employed in the public schools, colleges and universities supported wholly or partly by the state; provided that the amount contributed by the state to such fund each year shall be equal to the aggregate amount required by law to be paid into the fund by such employees, and shall not exceed at any time six per centum (6%) of the compensation paid each such person by the state and/or school districts; and provided that no person shall be eligible for retirement who has not rendered ten (10) years of creditable service in such employment, and in no case shall any person retire before either attaining the age of fifty-five (55) or completing thirty (30) years of creditable service, but shall be entitled to refund of moneys paid into the fund.

“Moneys coming into such fund shall be managed and invested as provided in Section 48b of Section III of the Constitution of Texas; provided a sufficient sum shall be kept on hand to meet payments as they become due each year under such retirement plan, as may be provided by law; and provided that the recipients of such retirement fund shall not be eligible for any other state pension retirement funds or direct aid from the State of Texas, unless such other state pension or retirement fund, contributed by the state, is released to the State of Texas as a condition to receiving such other pension aid; providing, however, that this Section shall not amend, alter, or repeal Section 63 of Article 16 of the Constitution of Texas as adopted November, 1954, or any enabling legislation passed pursuant thereto.”

Sec. 2. The foregoing constitutional amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on the first Tuesday after the first Monday in November, 1968, at which election each ballot shall have printed thereon the following words:

“FOR the amendment to Section 48a of Article III allowing contributions to be made on the basis of full salary of members of the Teacher Retirement System of Texas.”

“AGAINST the amendment to Section 48a of Article III allowing contributions to be made on the basis of full salary of members of the Teacher Retirement System of Texas.”

Each voter shall mark out one of said clauses on the ballot leaving the one expressing his vote on the proposed amendment. If it appears from the returns of said election that a majority of the votes cast were in favor of said amendment, the same shall become a part of the state constitution and be effective from the date of determination of such result and the Governor's proclamation thereof.

Sec. 3. The Governor of the State of Texas is hereby directed to issue the necessary proclamation for said special election and shall have the same published as required by the constitution and laws of this state.

By: Bass of Bowie

H.J.R. No. 50

HOUSE JOINT RESOLUTION

PROPOSING an amendment to Article VIII, Constitution of the State of Texas, by adding Section 1-j to authorize the Legislature to provide for the refund of the tax on cigars and tobacco products sold at retail within the corporate limits of Texarkana, Texas, or any incorporated city or town in Texas contiguous to Texarkana.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Article VIII, Constitution of the State of Texas, be amended by adding Section 1-j to read as follows:

“Section 1-j. Notwithstanding the provisions of Section 1 of this article, the Legislature may provide for the refund of the tax paid on the first sale of cigars and tobacco products in this state which are subsequently sold at retail within the corporate limits of Texarkana, Texas, or any incorporated city or town in Texas contiguous to Texarkana.”

Sec. 2. The foregoing constitutional amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on the first Tuesday after the first Monday in November 1968, at which election all ballots shall have printed on them the following:

“FOR the constitutional amendment authorizing the Legislature to provide for the refund of the tax on cigars and tobacco products sold at retail within the corporate limits of Texarkana, Texas, or any incorporated city or town in Texas contiguous to Texarkana.”

“AGAINST the constitutional amendment authorizing the Legislature to provide for the refund of the tax on cigars and tobacco products sold at retail within the corporate limits of Texarkana, Texas, or any incorporated city or town in Texas contiguous to Texarkana.”

Sec. 3. The Governor of the State of Texas shall issue the necessary proclamation for the election, and this amendment shall be published in the manner and for the length of time as required by the Constitution and laws of this state. The publication of this amendment shall be limited to the publication of Sections 1 and 2 of this Resolution only.

By: Finney, Hull, et al

H.J.R. No. 60

HOUSE JOINT RESOLUTION

PROPOSING an amendment to Article III, Constitution of the State of Texas, adding Section 64, to provide for consolidating offices and functions of government by act of the Legislature and for performance of governmental functions by contract between political subdivisions in El Paso and Tarrant Counties.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Article III, Constitution of the State of Texas, be amended to add Section 64 to read as follows:

"Section 64. (a) The Legislature may by statute provide for consolidation of governmental offices and functions of government of any one or more political subdivisions comprising or located within El Paso or Tarrant Counties. Any such statute shall require an election to be held within the political subdivisions affected thereby with approval by a majority of the voters in each of these subdivisions, under such terms and conditions as the Legislature may require.

"(b) The county government, or any political subdivision(s) comprising or located therein, may contract one with another for the performance of governmental functions required or authorized by this Constitution or the Laws of this State, under such terms and conditions as the Legislature may prescribe. No person acting under a contract made pursuant to this Subsection (b) shall be deemed to hold more than one office of honor, trust or profit or more than one civil office of emolument. The term 'governmental functions,' as it relates to counties, includes all duties, activities and operations of statewide importance in which the county acts for the State, as well as of local importance, whether required or authorized by this Constitution or the Laws of this State."

Sec. 2. The foregoing constitutional amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on the first Tuesday after the first Monday in November 1968, at which election all ballots shall have printed on them the following:

"FOR the constitutional amendment authorizing the legislature to provide for consolidating governmental offices and functions and allowing political subdivisions to contract for performance of governmental functions in El Paso and Tarrant counties."

"AGAINST the constitutional amendment authorizing the legislature to provide for consolidating governmental offices and functions and allowing political subdivisions to contract for performance of governmental functions in El Paso and Tarrant counties."

Sec. 3. The Governor of the State of Texas shall issue the necessary proclamation for the election, and this amendment shall be published in the manner and for the length of time as required by the Constitution and laws of this state. The publication of this amendment shall be limited to the publication of Section 1 and 2 of this Resolution only.

Wilson

S.J.R. No. 14

A JOINT RESOLUTION

PROPOSING an amendment to Article III, Constitution of the State of Texas, by adding a new Section 52a to give the Legislature the power to authorize cities and counties to issue revenue bonds for industrial development purposes.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Article III, Constitution of the State of Texas, be amended by adding a new Section 52a to read as follows:

“Section 52a. The Legislature shall have the power to authorize counties, cities, and towns to issue revenue bonds for industrial development purposes, or in aid thereof; provided, that property acquired from proceeds of the bonds shall be subject to ad valorem taxes. Legislation passed in anticipation of the adoption of this amendment shall not be invalid solely because of its anticipatory nature. The tax revenue, the utility revenue, and the revenue from services of any county, city or town may not be used to pay any bonds issued pursuant to this authority nor the interest thereon.”

Sec. 2. The foregoing constitutional amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on the first Tuesday after the first Monday in November 1968, at which election all ballots shall have printed on them the following:

“FOR the constitutional amendment to give the Legislature the power to authorize cities and counties to issue revenue bonds for industrial development purposes.”

“AGAINST the constitutional amendment to give the Legislature the power to authorize cities and counties to issue revenue bonds for industrial development purposes.”

Sec. 3. The Governor of the State of Texas shall issue the necessary proclamation for the election and this amendment shall be published in the manner and for the length of time as required by the Constitution and laws of this state.

Amendment No. 13

By: Atwell

HOUSE JOINT RESOLUTION

PROPOSING an amendment to Article VIII, Constitution of the State of Texas, to provide for exemption from ad valorem taxation of certain property which is in the temporary custody of a public warehouseman.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Article VIII, Constitution of the State of Texas, be amended by adding a Section 1-f, to read as follows:

"Section 1-f. All merchandise, products, goods or wares in the temporary custody of a public warehouseman, who has no financial connection other than as bailee for hire with the owner, shipper, or consignee of the merchandise, products, goods, or wares, are exempt from ad valorem taxation if they are shipped to or from the warehouse by regulated or bona fide private carrier, are held by the warehouseman not longer than six (6) months, and have a predetermined out-of-state destination at point of origin. The books and records relating to out-of-state shipments covered hereby of such public warehouseman shall be available for reasonable inspection by the proper taxing authorities. This amendment shall not act as a validation of any present statute or law, but only those passed specifically pursuant hereto; provided, however, that enabling legislation passed in anticipation of the adoption of this amendment shall not be invalid solely because of its anticipatory nature."

Sec. 2. The foregoing constitutional amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on the first Tuesday after the first Monday in November 1968, at which election all ballots shall have printed on them the following:

"FOR the constitutional amendment to exempt certain property temporarily stored in a public warehouse from ad valorem taxation."

"AGAINST the constitutional amendment to exempt certain property temporarily stored in a public warehouse from ad valorem taxation."

Sec. 3. The Governor of the State of Texas shall issue the necessary proclamation for the election, and this amendment shall be published in the manner and for the length of time as required by the Constitution and laws of this state.

Amendment No. 14

By: Hale

H.J.R. No. 22

HOUSE JOINT RESOLUTION

PROPOSING an amendment to the Constitution of the State of Texas to fix the time during which the members of the Legislature shall be ineligible to hold other offices.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That the Constitution of Texas, Article III, be and the same is hereby amended by deleting therefrom Section 18, and substituting in lieu thereof the following:

"Section 18. No Senator or Representative shall, during the term for which he was elected, be eligible to (1) any civil office of profit under this State which shall have been created, or the emoluments of which may have been increased, during such term, or (2) any office or place, the appointment to which may be made, in whole or in part, by either branch of the Legislature; provided, however, the fact that the term of office of Senators and Representatives does not end precisely on the last day of December but extends a few days into January of the succeeding year shall be considered as de minimis, and the ineligibility herein created shall terminate on the last day in December of the last full calendar year of the term for which he was elected. No member of either House shall vote for any other member for any office whatever, which may be filled by a vote of the Legislature, except in such cases as are in this Constitution provided, nor shall any member of the Legislature be interested, either directly or indirectly, in any contract with the State, or any county thereof, authorized by any law passed during the term for which he was elected."

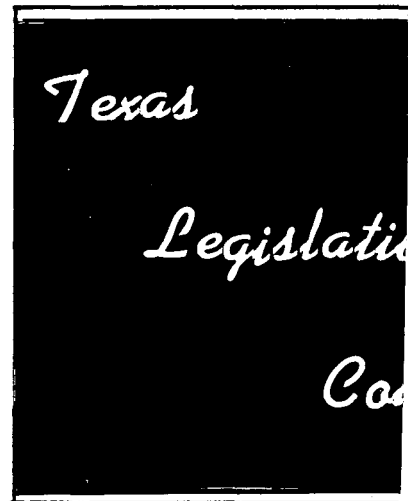
Sec. 2. The foregoing constitutional amendment shall be submitted to a vote of the qualified electors of this state, at an election to be held throughout the state on the first Tuesday after the first Monday in November, 1968, at which election all ballots shall have printed thereon the following:

"FOR the constitutional amendment fixing the time during which members of the Legislature shall be ineligible to hold other offices."

"AGAINST the constitutional amendment fixing the time during which members of the Legislature shall be ineligible to hold other offices."

If it appears from the returns of such election that a majority of the votes cast therein are for such amendment, same shall become a part of the Constitution of Texas.

Sec. 3. The Governor of the State of Texas is hereby directed to issue the necessary proclamation for such election and this amendment shall be published and the election shall be held as required by the Constitution and laws of this state. Such publication of this amendment shall be limited to Sections 1 and 2 of this Resolution only.



TEXAS STATE LIBRARY
LEG. REF. DIV.
AUSTIN, - TEXAS