

Amendment No. 1 -- S. J. R. No. 1

(Abolishing Poll Tax as Requirement for Voting and Authorizing
the Legislature to Provide for Voter Registration)

This proposed amendment to Sections 2 and 4 of Article VI of the Constitution removes the payment of a poll tax as a prerequisite to voting and gives the Legislature authority to require each voter to register before offering to vote. Anticipatory legislation (Senate Bill 132, Ch. 430, Acts of the 58th Legislature, R. S., 1963) passed by the 58th Legislature provided a general registration system for all voters. The measure named the county tax assessor-collector of each county as registrar of voters for that county and established a registration fee of twenty-five cents to assist in defraying the expense to the county for administration of voter registration.

Background

In 1962, Texas was one of only five states--the other four included Alabama, Arkansas, Mississippi, and Virginia--which required payment of a poll tax as a prerequisite for voting. Although the history of the poll tax in Texas dates back to the Republic, which in 1837 placed a tax of \$1.00 on each free male between the ages of 21 and 55, it was not until 1902 that the Texas Constitution was amended to make the poll tax a prerequisite for voting. Under the Constitution and statutes at the present time, the maximum poll tax that may be levied is \$1.75: \$1.00 is levied by Section 3 of Article VII of the Constitution for public free school purposes; 50¢ is levied by an act of the Legislature for general revenue purposes; and the Legislature has further authorized each county to levy 25¢ for county fund purposes.

There have been spasmodic attempts to abolish the poll tax as a prerequisite to voting in Texas almost since its inception. In recent years, the issue first received considerable attention during the 1938 gubernatorial race when W. Lee O'Daniel introduced the subject in his campaign. Intermittently poll tax repeal has received the attention of Texas Legislatures, and the proposed repeal amendment submitted to voters in 1949 received support from the State Democratic Executive Committee, labor, veterans' organizations, and church and women's organizations. Submitted as one of ten proposed amendments to the Texas Constitution in November of that year, poll tax repeal was opposed by 56.3 per cent of the voters.

Next serious consideration of poll tax payment as a requirement for voting came in 1962, when a referendum proposition for abolishing payment of the poll tax for voting eligibility was submitted to voters by both the Democratic and Republican parties in their primaries. The issue carried in each election.

Earlier, the 57th Legislature showed concern for the entire Texas election system when it created an Election Law Study Committee through passage of S. C. R. No. 30 during the Regular Session in 1961. The Committee was directed " . . . to make a complete study of the Texas Election Code, with amendments thereto by the 57th Legislature, and . . . report its findings and recommendations not less than ninety days before the convening of the 58th Legislature. "

The proposal to abolish the poll tax was among the many revisions of the Texas Election Code which were considered by the Committee. The Committee decided not to include a recommendation for enactment of a voter registration law supplanting the poll tax, but developments in the Congress during the course of the study caused a change in this decision.

On August 27, 1962, the House of Representatives of the Congress adopted Senate Joint Resolution No. 29, proposing an amendment to the United States Constitution to abrogate payment of a poll tax as a condition for voting for federal offices. The United States Senate had adopted the same resolution some five months earlier, on March 27, and the proposed amendment has now been submitted to the legislatures of the states for ratification.

The proposed amendment to the United States Constitution reads as follows:

Section 1. The right of citizens of the United States to vote in any primary or other election for President or Vice President, or for Senator or Representative in Congress, shall not be denied or abridged by the United States or any State by reason of failure to pay any poll tax or other tax.

Sec. 2. The Congress shall have power to enforce this article by appropriate legislation.

Thus the Election Law Study Committee reconsidered its earlier decision not to recommend enactment of a registration law to the 58th Legislature in view of the possibility that the proposed amendment to the United States Constitution could be ratified by the required number of states before the 1964 elections. The Committee did not include a bill draft setting up a voter registration system in its recommendations, however. Instead, it outlined certain principles which it felt should be embodied in such legislation.

Senate Bill 132, the voter registration law enacted by the 58th Legislature, incorporated each of the recommendations of the Election Law Study Committee except that which would have required registration of all voters without any exemptions. The new voter-registration measure does not permit any person who is over 60 years of age at the time of making application for registration to register unless he resides in a city of 10,000 or more inhabitants. A qualified elector over 60 years of age on the day of an election at which he offers to vote, and who does not reside in a city of 10,000 or more inhabitants, may vote at an election without having registered as a voter.

The voter registration law, for the most part, can become effective and operative as a law only "upon the condition that a constitutional amendment abolishing payment of the poll tax as a prerequisite for voting and authorizing enactment of a general registration law . . . becomes a part of the Constitution of Texas" However, the 58th Legislature assured the Texas electorate that there could be no disfranchisement in voting for federal officials because of a conflict between the United States and the Texas Constitutions on the point of payment of the poll tax. In Section 7 of the voter registration law, provision is made to remove the requirement for payment of a poll tax as a prerequisite to voting "for United States Senator, for United States Representative (including Congressman-at-Large), or for President and Vice-President or electors for President and Vice-President of the United States, in any general, special or primary election . . .", such provision to become operative as law if the amendment to the Constitution of the United States proposed by Senate Joint Resolution No. 29 of the 87th Congress is adopted before the Texas Constitution is amended to abolish payment of the poll tax as a prerequisite for voting.

Arguments

For:

1. Texas is one of only five states in the nation which makes payment of a poll tax prerequisite to voting. To some Texas citizens, payment of the poll tax means deprivation for their families. Exercise of citizenship should not bear a dollar and cents price tag.
2. In the Southern States requiring payment of the poll tax, inhabitants over 21 voting in the general election in 1960 ranged from a low of 14 per cent in Alabama to a high of 40 per cent in Texas. In contrast, 77 per cent of those over 21 in Minnesota, where there is no poll tax and voter registration is required only in the larger cities and counties, went to the ballot box at the same election.
3. Citizens in the depressed or low-income areas of Texas are disfranchised by imposition of the poll tax as a prerequisite to voting.
4. The ease with which block voting has been accomplished in Texas under the poll tax system refutes the argument of poll tax proponents that it helps preserve the purity of the ballot box. Abolition of the poll tax system would result in election reform by giving all citizens the free opportunity to exercise uninfluenced choice at the ballot box.
5. The amendment to the United States Constitution now making the rounds of the states in the course of ratification abolishes the poll tax as a prerequisite to voting in elections for federal offices. It would be unwieldy and costly to maintain two separate and distinct types of registration for voters for local and state officials on the one hand and for federal officials on the other.

Against:

1. Payment of the poll tax as a prerequisite to voting prevents ignorant, corrupt and disinterested citizens from voting, but the low fee levied does not prevent any citizen who really wants to exercise his rights and fulfill his obligations to his state and nation from taking a stand at the ballot box.

2. The poll tax inhibits the purchase of votes by corrupt candidates and political machines and helps preserve the purity of the ballot box.

3. Abolition of payment of the poll tax as a prerequisite to voting could result in depriving the public schools of Texas of more than \$1.5 million in revenues annually, since Section 3 of Article VII of the Constitution of Texas allocates \$1.00 of every poll tax paid to the free schools. In 1962, total revenues for the schools from this source equaled \$1,660,159. An additional \$828,055 went into the state's general revenue coffers from the 50¢ allocated for that purpose from the total \$1.50 state tax.

4. In 1960, Texas had 5,531,000 inhabitants over 21, and 40 per cent of that number voted in the general election. The State of Ohio with a comparable 5,839,000 inhabitants over 21 and no poll tax had a 38 per cent voting record at the same election. Apparently, imposition of the poll tax as a prerequisite for voting has not resulted in decreased voter interest in Texas.

5. In Texas, the poll tax substitutes for a voter registration system, with the list of poll taxpayers constituting the official list of qualified voters. Repeal of the poll tax as a voting prerequisite necessitates institution of a new voter registration system, when the system now functioning serves equally well or better.

6. Should the amendment to the Constitution of the United States abolishing payment of the poll tax as a prerequisite to voting for federal officials be ratified, the anticipatory voter-registration law passed by the 58th Legislature still provides for registration and voting for candidates to federal offices.

A JOINT RESOLUTION

PROPOSING an amendment to Sections 2 and 4 of Article VI of the Constitution of the State of Texas so as to repeal the provision making payment of the poll tax a requirement for voting and so as to authorize the Legislature to provide for the registration of all voters.

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

Section 1. That Sections 2 and 4 of Article VI of the Constitution of the State of Texas be amended to read, respectively, as follows:

"Section 2. Every person subject to none of the foregoing disqualifications who shall have attained the age of twenty-one years and who shall be a citizen of the United States and who shall have resided in this state one year next preceding an election and the last six months within the district or county in which such person offers to vote, shall be deemed a qualified elector; provided that any member of the Armed Forces of the United States or component branches thereof, or in the military service of the United States, may vote only in the county in which he or she resided at the time of entering such service so long as he or she is a member of the Armed Forces; and provided further, that before offering to vote at an election a voter shall have registered if required by law to do so. The Legislature may authorize absentee voting. This Amendment shall take effect on December 1, 1963.

"Section 4. In all elections by the people the vote shall be by secret ballot. The Legislature shall provide for the numbering of ballots and make such other regulations as may be necessary to detect and punish fraud and preserve the purity of elections, and may provide by law for the registration of all voters. Should the Legislature enact a registration law in anticipation of the adoption of this Amendment, such law shall not be invalid by reason of its anticipatory character."

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 Saturday after the first Monday in November, 1963, at which election all ballots shall have printed thereon the following:

"FOR the amendment of the Constitution of the State of Texas so as to repeal the provision making payment of the poll tax a requirement for voting and so as to authorize the Legislature to provide for the registration of all voters."

"AGAINST the amendment of the Constitution of the State of Texas so as to repeal the provision making payment of the poll tax a requirement for voting and so as to authorize the Legislature to provide for the registration of all voters."

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. 2 -- S. J. R. No. 21

(Permitting Increased Financial Assistance to Needy Aged, Needy Blind, Needy Children, and Permanently and Totally Disabled, and Authorizing the Legislature to Establish Residence Requirements for Eligibility of Recipients)

This proposed amendment affects Sections 51-a and 51-b-1 of Article III of the Constitution relating to assistance for the aged, blind and children and assistance payments to the permanently and totally disabled, respectively.

1. The amendment combines provisions for all four classes of recipients--aged, blind, children, and permanently and totally disabled--under one numbered designation, Section 51-a of Article III.

2. It removes the present \$25 limitation on state funds which may be expended on individual recipients of aid for the aged and substitutes a maximum not to exceed the amount that "is matchable out of federal funds."

3. It eliminates the present \$20 limitation on state funds which may be expended on individual recipients of aid for the permanently and totally disabled and substitutes the amount that "is matchable out of federal funds."

4. It establishes a ceiling of \$60 million, instead of the present \$54.5 million, on total amount of state funds which may be expended for assistance payments to all four classes of recipients each year.

5. It gives the Legislature authority to prescribe residence requirements for eligibility of needy aged, needy blind, needy children, and the permanently and totally disabled.

Background

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

Prior to 1933, aid to persons in indigent and disabled circumstances 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 type of society and economy, and the influence of federal legislation led in that year to passage of the first public welfare amendment, Section 51-a of Article III. This authorized the state to issue \$20 million of 4 1/2 per cent general obligation bonds, 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. "

Anticipating passage by the Federal Congress of the Social Security Act of 1935, the Texas Legislature proposed amendment of the Texas Constitution by the addition of a new Section 51-b to Article III, which initiated the policy of providing aid payments to certain classes of citizens to be made partially from federal funds and partially from current revenue of the state. The amendment was adopted by the electorate and in 1937, Sections 51-c and 51-d were added authorizing grants to the needy blind and needy children, respectively. Sections 51-b, 51-c and 51-d were consolidated in 1945 by an amendment designated Section 51-a, which in effect repealed the old Section 51-a. The original limit of \$35 million per year as the amount that could be spent out of state funds for public assistance to needy aged, needy blind, and needy children was set by this amendment. In 1954 this limit was increased to \$42 million and in 1957, to \$47 million. The limit was again increased in 1962 to the present \$52 million plus an additional \$2.5 million for the permanently and totally disabled. This fourth category of citizens eligible for assistance had been added with the adoption of Section 51-b in 1956. At that time a ceiling of \$1.5 million per year was placed on the total amount which could be paid out of state funds for such assistance. The raise to \$2.5 million was accomplished in 1962 by amendment of Section 51-b, which also changed the numbered designation of the Section to 51-b-1.

A further addition to the state's welfare program came in 1958 with adoption by the electorate of Subsection 51-a-1 of Section 51, Article III, which gave the Legislature power to authorize direct or vendor payments in the form of direct public assistance to and on behalf of needy recipients of old age assistance, aid to the blind, aid to dependent children, or aid to the permanently and totally disabled.

2. The proposed amendment authorizes an increase in the amount of money the state may appropriate to the four state programs--old age assistance, aid to the blind, aid to dependent children, and aid to the permanently and totally disabled--to a maximum of \$60 million.

Under the Texas Old Age Assistance Program, monthly financial allowances are granted to needy persons over 65 years of age. Approximately \$144 million in payments, nearly \$42 million from state funds and approximately \$102 million from federal funds was expended during the state's 1961-1962 fiscal year. The national average for old age assistance payments in 1961 was \$68.78, while the Texas average was \$54.56. Only 10 states provided lower payments than Texas.

The Texas Aid to the Blind Program provides monthly allowances to persons 21 years of age and older who are blind. Under this program, the national average monthly payment was \$74.57 in 1961. In Texas, the average monthly payment was \$60.72. Only nine states made lower average payments.

The Texas Aid to the Permanently and Totally Disabled Program provides monthly grants to persons between the ages of 18 and 65 who are permanently and totally disabled. Nationally, the average monthly payment was \$70.46 in 1961; in Texas it was \$54.05. Seven states paid a lower average.

Arguments

For:

1. By combining Sections 51-a and 51-b-1 into one Section 51-a, this amendment brings all four categories of recipients of public assistance--the aged, blind, children, and permanently and totally disabled--under one amendment. Future amendment of the public welfare provisions of the Texas Constitution will thus be greatly simplified.
2. By eliminating constitutional ceilings on individual assistance grants for the aged and the permanently and totally disabled, the amendment obviates tedious and costly amendment of the Texas Constitution every time the cost-of-living index rises and the Federal Government amends the Social Security Act to increase federal funds available to the states for assistance programs.
3. By increasing the total amount of state funds which may be expended for assistance payments to all four classes of recipients each year from the present \$54.5 million to \$60 million, the amendment assures the Texas recipient that he will not be disqualified from receiving the maximum amount permitted under the federal program simply because the State of Texas cannot bring its state fund limitation to meet federal standards.
4. By giving the Legislature authority to prescribe residence requirements for recipients, the amendment anticipates congressional action at an early date resulting from pressure throughout the United States to lower residence requirements for the nation's mobile population. Adoption of the amendment will mean that it will not be necessary to turn again to the Texas electorate for an adjustment in Texas residence requirements for recipients when the Congress takes such action. The aged, given their choice, never move from familiar surroundings and homes of a lifetime just to obtain public assistance. They move only when economic adversity and the infirmities of age force them to seek care and comfort from their children or other members of their families.

Against:

1. Substitution of an amount that "is matchable out of federal funds" for the present ceilings established by the Constitution on state funds which may be expended on individual recipients of aid for the aged, \$25, and aid for the permanently and totally disabled, \$20, opens the door to greater

expenditures for public assistance as often as the Legislature meets. Without the constitutional safeguards now provided, recipients of public assistance and their relatives, already an important pressure group, would have a field day at the expense of the over-burdened taxpayer.

2. The maximum not to exceed the amount that is "matchable out of federal funds" which is substituted in the amendment for the present dollar limitations may be subject to court interpretation. What is meant by "matchable"?

3. The large over-all expenditure of state funds which this amendment would authorize would add only a few dollars a month to the income of individual recipients. Instead of encouraging dependency on public welfare, the state should press back the growing tendency toward socialism and the welfare state.

A JOINT RESOLUTION

PROPOSING an Amendment to the Constitution of the State of Texas, amending Sections 51-a and 51-b-1 of Article III so that the same shall consist of one Section to be known as Section 51-a; providing that the Legislature shall have the power to provide assistance to and provide for the payment of same to (1) citizens of Texas who are needy aged persons over the age of sixty-five (65) years, (2) needy persons who are at least eighteen (18) years of age and less than sixty-five (65) years of age who are permanently and totally disabled, (3) needy blind persons over the age of twenty-one (21) years, and (4) needy children under the age of sixteen (16) years; authorizing the Legislature to set up residence requirements for eligibility for such assistance; repealing the Constitutional limit on the amount paid out of state funds to individual recipients of Old Age Assistance and Aid to the Permanently and Totally Disabled; providing that the amounts for such assistance payments shall not exceed the amounts that are matchable out of federal funds for such purposes; providing that the amounts expended out of state funds for such purposes shall not exceed Sixty Million Dollars (\$60, 000, 000); providing for the acceptance of financial aid from the Government of the United States; 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 Sections 51a and 51-b-1 of Article III of the Constitution of the State of Texas be amended, and the same are hereby amended, so that the same shall hereafter consist of one Section to be known as Section 51-a of Article III, which shall read as follows:

"Section 51-a. The Legislature shall have the power, by General Laws, to provide, subject to limitations and restrictions herein contained, and such other limitations, restrictions and regulations as may by the Legislature be deemed expedient, for assistance to, and for the payment of assistance to:

"(1) Needy aged persons who are actual bona fide citizens of Texas, and who are over the age of sixty-five (65) years; provided that no such assistance shall be paid to any inmate of any state-supported institution, while such inmate; provided that the Legislature shall prescribe the residence requirements for eligibility; provided that the maximum amount paid out of state funds to any individual recipient shall not exceed the amount that is matchable out of federal funds; and provided further, that the total amount of such assistance payments out of state funds on behalf of such recipients shall not exceed the amount that is matchable out of federal funds.

"(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, who are totally and permanently disabled by reason of a mental or physical handicap or a combination of physical and mental handicaps and not feasible for vocational rehabilitation; provided that the Legislature

shall prescribe the residence requirements for eligibility; provided further, that no individual shall receive assistance under this program for the permanently and totally disabled during any period when he is receiving Old Age Assistance, Aid to the Needy Blind, or Aid to Dependent Children, nor while he is residing permanently in any completely state-supported institution; provided that the maximum amount paid out of state funds to any individual recipient shall not exceed the amount that is matchable out of federal funds; and provided further, that the total amount of such assistance payments out of state funds on behalf of such recipients shall not exceed the amount that is matchable out of federal funds.

"(3) Needy blind persons who are actual bona fide citizens of Texas, and are over the age of twenty-one (21) years; provided that no such assistance shall be paid to any inmate of any state-supported institution, while such inmate; provided that the Legislature shall prescribe the residence requirements for eligibility; provided that the maximum amount paid out of state funds to any individual recipient shall not exceed the amount that is matchable out of federal funds; and provided further, that the total amount of such assistance payments out of state funds on behalf of such recipients shall not exceed the amount that is matchable out of federal funds.

"(4) Needy children who are actual bona fide citizens of Texas, and are under the age of sixteen (16) years; provided that the Legislature shall prescribe the residence requirements for eligibility; provided that the maximum amount paid out of state funds to any individual recipient shall not exceed the amount that is matchable out of federal funds; and provided further, that the total amount of such assistance payments out of state funds on behalf of such recipients shall not exceed the amount that is matchable out of federal funds.

"The Legislature shall have the authority to accept from the Government of the United States such financial aid for such assistance as such Government may offer not inconsistent with the restrictions herein set forth; provided, however, that the amount of such assistance out of state funds to each person assisted shall never exceed the amount matchable out of federal funds; and provided further, that the total amount of money to be expended per year out of state funds for such assistance shall never exceed Sixty Million Dollars (\$60,000,000).

"The Legislature may enact appropriate laws to make lists of the recipients of aid hereunder available for inspection, under such limitations and restrictions as may be deemed appropriate by the Legislature."

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 Saturday after the first Monday in November, 1963, at which election all ballots shall have printed thereon the following:

"FOR the Constitutional Amendment providing for assistance payments to the (1) needy aged, (2) needy individuals who are permanently and totally

disabled, (3) needy blind and (4) needy children; authorizing the Legislature to set up residence requirements for eligibility; authorizing the Legislature to make appropriations out of state funds for the payment of assistance grants on behalf of such recipients; providing for the acceptance of funds from the Government of the United States for the purpose of paying such assistance grants; providing that the amounts expended out of state funds on behalf of individual recipients shall not exceed the amounts that are matchable out of federal funds; and providing further, that the total amounts expended per year out of state funds for such assistance payments shall never exceed Sixty Million Dollars (\$60,000,000)."

"AGAINST the Constitutional Amendment providing for assistance payments to the (1) needy aged, (2) needy individuals who are permanently and totally disabled, (3) needy blind and (4) needy children; authorizing the Legislature to set up residence requirements for eligibility; authorizing the Legislature to make appropriations out of state funds for the payment of assistance grants on behalf of such recipients; providing for the acceptance of funds from the Government of the United States for the purpose of paying such assistance grants; providing that the amounts expended out of state funds on behalf of individual recipients shall not exceed the amounts that are matchable out of federal funds; and providing further that the total amounts expended per year out of state funds for such assistance payments shall never exceed Sixty Million Dollars (\$60,000,000)."

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.

Amendment No. 3 -- S. J. R. No. 26

(Authorizing Each Political Subdivision in Jefferson County to
Establish a Retirement, Disability and Death Compensation
Fund for Appointive Officers and Employees of
Such Subdivision)

1. This proposed amendment, designated Subsection (c) of Section 62, Article XVI, applies only to political subdivisions of Jefferson County. It authorizes each political subdivision in Jefferson County to provide for and administer a Retirement, Disability and Death Compensation Fund for appointed officers and employees or, in the alternative, provides that such political subdivisions, upon authorization by majority vote of the qualified voters of the subdivision, may elect to join the County Retirement System of Jefferson County.

2. The amount which can be contributed by the political subdivision to the Fund is restricted by the amendment to 7 1/2 per cent of the amount of compensation which each employee is paid by the political subdivision, instead of the 5 per cent restriction now placed upon county contributions to the County Retirement Fund by Subsection (b) of Section 62, Article XVI.

3. Investment of funds provided through the program is restricted by the amendment to bonds of the United States, the State of Texas, or counties or cities of the state, or bonds issued by an agency of the United States Government.

4. Recipients of benefits from the Fund lose eligibility for any other pension retirement fund or direct aid from the state unless the Fund contributed by the political subdivision is released to the State of Texas as a condition to receiving other pension aid.

Background

1. The first public employee retirement programs in Texas were established by cities operating under authority of their charters, and it was not until 1936 that the first state public employee retirement program was authorized. Article III, Section 48a, of the Constitution was adopted in that year and authorized establishment of a teacher retirement program. Then in 1944, Article III, Section 51-e, authorizing municipalities to establish retirement programs, and Article III, Section 51-f, authorizing establishment of a state-wide retirement system for municipalities, were adopted. Article XVI, Section 62, of the Constitution was adopted in 1946. Subsection (a) of the section authorized creation of a retirement program for state employees and Subsection (b) provided authority for creation of a retirement program for county employees.

Two recent attempts to bring elective officers of the county or precinct into a retirement, disability and death benefits program have been turned down by the Texas electorate. The first such proposal (S. J. R. No. 6), for the amendment of Subsection (b) of Section 62, Article XVI, was defeated in November, 1958. Jefferson County citizens, however, were in favor of the amendment by a vote of 14,884 for the proposal to 13,618 against it. Again in 1962 a similar proposal was defeated state-wide, but carried Jefferson County by a vote of 12,166 for the amendment to 11,277 against it. However, these two proposals were unlike the proposed Amendment No. 3, to be voted upon by the Texas electorate on November 5, 1963, in that provision was made in them to include elective as well as appointive officials. Also, the proposed Amendment No. 3 is applicable to Jefferson County only and is designed to authorize "all political subdivisions of Jefferson County, Texas, to provide retirement, disability and death benefits for all appointive officers and employees of all political subdivisions within Jefferson County" The limitation to officers and employees of the precinct, which was imposed by the proposals defeated in 1958 and 1962, is given broader latitude by the term "political subdivisions," which is contained in Amendment No. 3.

Arguments

For:

1. This amendment applies only to political subdivisions of Jefferson County, and the people of that county should have the privilege of establishing the type of retirement system or systems for their public employees which they desire.

2. The restriction upon investment of retirement funds to bonds of the United States, the State of Texas, or counties or cities of the state, or bonds issued by any agency of the United States Government guarantees the safe investment of these public moneys.

Against:

1. There are 254 counties in Texas, all with precincts and many with various other types of political subdivisions such as water districts, etc. Should Amendment No. 3 be adopted, each session of the Legislature may find additional counties seeking constitutional authority to set up retirement, disability and death benefit systems for the officers and employees of these separate units of government. Actuarial systems similar to insurance programs which require relatively large membership bodies are essential to sound benefit programs. Governing bodies at the local level lack the experience necessary for the organization and operation of complicated retirement programs, and this inexperience could lead to acute financial problems.

2. The limitation imposed upon investment of retirement funds to bonds of the United States, the State of Texas, or counties or cities of the state, or bonds issued by any agency of the United States Government, lowers the interest potential on the investment and could further weaken the already shaky financial base of retirement programs established at the local level.

3. The 2 1/2 per cent increase in the amount which can be contributed by the political subdivision to the Fund, allowed under the amendment by restricting such contributions to 7 1/2 per cent of the amount of compensation which each employee is paid by the political subdivision instead of the 5 per cent restriction contained in Subsection (b) of Section 62, Article XVI, might endanger the retirement program with small membership. The increased benefits allowed would be difficult to sustain with contributions of the small program.

A JOINT RESOLUTION

PROPOSING an amendment to Article XVI, Section 62 of the Constitution of Texas, by adding thereto a new subsection authorizing all political subdivisions of Jefferson County, Texas, to provide retirement, disability and death benefits for all appointive officers and employees of all political subdivisions within Jefferson County; 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 62 of Article XVI of the Constitution of the State of Texas, be amended by adding thereto a new subsection (c), reading as follows:

"(c) Each political subdivision within Jefferson County, Texas, shall have the right to provide for and administer a Retirement, Disability and Death Compensation Fund for all appointed officers and employees of all political subdivisions within Jefferson County, Texas; or said political subdivisions may elect to join the County Retirement System of Jefferson County; provided that same is authorized by a majority vote of the qualified voters of such political subdivision and after such election has been advertised by being published in at least one (1) newspaper of general circulation in said county once each week for four (4) consecutive weeks; provided that the amount contributed by the said political subdivision to such Fund shall at least equal the amount paid for the same purposes from the income of each such person and shall not exceed at any time seven and one-half per centum (7 1/2%) of the compensation paid to each such person by the political subdivision.

"All funds provided for the compensation of each such person, or by the political subdivision of Jefferson County, Texas, for such Retirement, Disability and Death Compensation Fund, as are received by the political subdivision within said county, shall be invested in bonds of the United States, the State of Texas, or counties or cities of this state, or in bonds issued by any agency of the United States Government, the payment of the principal of and interest on which is guaranteed by the United States, provided that a sufficient amount of said funds shall be kept on hand to be determined by the agency which may be provided by law to administer said Fund; and providing that the recipients of benefits for said Fund shall not be eligible for any other pension retirement fund or direct aid from the State of Texas, unless the Fund, the creation of which is provided for herein, contributed by the political subdivision is released to the State of Texas as a condition to receiving such other pension aid."

Sec. 2. The foregoing Constitutional Amendment shall be submitted to a vote of the qualified electors of this state at the General Election in November, 1964, at which election each ballot shall have printed thereon the following words:

"FOR the addition of subsection (c) to Section 62 of Article XVI of the Constitution, to authorize all political subdivisions within Jefferson County, Texas, to establish, after approval of its voters, a Retirement, Disability and Death Compensation Fund covering all appointive officers and employees of said political subdivisions."

"AGAINST the addition of subsection (c) to Section 62 of Article XVI of the Constitution, to authorize all political subdivisions within Jefferson County, Texas, to establish, after approval of its voters, a Retirement, Disability and Death Compensation Fund covering all appointive officers and employees of said political subdivisions."

Sec. 3. The Governor shall issue the necessary proclamation for said election to be held on the first Saturday after the first Monday in the month of November, 1963, and have notice of said proposed amendment and of said election published as required by the Constitution of Texas and laws of this state.

Amendment No. 4 -- S. J. R. No. 16

(Authorizing an Increase of \$150 Million, to a Total of
\$350 Million, in Bonds or Obligations that May Be
Issued by the Veterans' Land Board)

This proposed amendment to Section 49-b, Article III, of the Constitution of Texas increases the total amount of obligations or bonds that may be issued by the Veterans' Land Board to a maximum of \$350 million. It also increases from 3 1/2 per cent to 4 1/2 per cent the maximum rate or rates of interest of all the bonds issued and sold in any installment. Enabling legislation passed by the 58th Legislature in anticipation of adoption of the amendment increases maximum amount which can be paid for a place to \$10,000 instead of the \$7,500 now allowed. If the amendment fails in adoption, however, the enabling legislation does not become effective.

Background

Dating to the period following the Revolutionary War, the Federal Government began the practice of reimbursing veterans of military service with land. The Texas Republic adopted the custom and reserved a part of its public domain for its soldiers. In 1836, county lands were granted to all volunteers who had served in the armies of Texas, and in 1837 additional lands were granted to veterans of the more outstanding battles in the War of Independence.

Confederate soldiers were ineligible for pensions granted by the Federal Government following the Civil War, and Texas provided lands for its Confederate veterans in compensation.

Following World War II, it was the consensus of lawmakers that the average veteran could not acquire land through the regular channels of borrowing, and since the public domain for land grants had long since been exhausted creation of a liberal credit program by the state to supplant the land bounties of earlier days was deemed the answer.

The present Veterans' Land Program was the result:

1. A Constitutional Amendment was adopted in 1946 creating a Veterans' Land Board, composed of the Attorney General, the Commissioner of the General Land Office, and the Governor. The Legislature was given authority to provide \$25 million in bonds to create a fund to be used by the Board in the purchase of lands for resale to veterans of World War II. The enabling act was passed by the 51st Legislature in 1949.

2. On November 13, 1951, another amendment to Section 49-b, Article III, was adopted by the electorate to increase the fund by an additional \$75 million,

for a total of \$100 million. Sufficient applications had been received for loans from the original bond issue that it was clear the fund would be exhausted by January, 1952.

3. Again in 1956, an additional \$100 million was authorized, making an over-all total of \$200 million, the present limit.

4. The increase to \$350 million, proposed by the present amendment, results from the greatest activity in the program to date. More loans were closed in 1962 than ever before, approximately 500 per month. Nevertheless, some one million Texas veterans have not yet participated in the program, and the only funds now available are the limited amounts resulting from the revolving feature of the program. These funds have accumulated too slowly to provide a sustaining program at this time.

Arguments

For:

1. The Veterans' Land Program is one of the greatest stimulants to the Texas economy provided by the State of Texas. In addition to rewarding the veteran and showing the appreciation of Texas citizens for his wartime service, the program provides additional business activity for lawyers, abstract companies, and real estate concerns, thus multiplying many times the dollar value of funds invested.

2. The program costs the taxpayers nothing: in fact, the current one per cent difference in interest paid on the bonds and that received from the veteran on his loan puts the program on the credit side of the state's profit and loss ledger.

3. The program is now functioning with maximum efficiency. More than 500 loans were processed each month last year, but approximately one million veterans in Texas have not participated in the program. It would be unfair to permit the Veterans' Land Program to die before all Texas veterans of World War II and the Korean conflict are at least given the opportunity to apply for benefits already obtained by many of their comrades in arms.

Against:

1. The State of Texas has been in the loan business long enough. The Veterans' Land Program is unfair to private enterprise, and is another turn on the road to socialism.

2. The Texas Constitution has made the Veterans' Land Fund available to veterans in service from September 16, 1940 through March 31, 1955, thereby including Korean veterans. It would seem that all veterans seriously interested

in agriculture and desiring to purchase land under the program have had time to make application for funds during the more than eight-year period since the Korean truce. Extension of the program merely provides state funds for the purchase of week-end retreats by pseudo-farmers.

3. The recurrent increase in maximum funds available under the Veterans' Land Program since its inception should be brought to a halt. If this latest proposal to increase amounts to \$350 million is adopted, then the demand will be great, at the end of another two years when the 59th Legislature convenes, for a broadening of the program and an additional bond limit. Texans are fighting in Viet Nam; there is unrest in South Korea. Has Texas gone into the farm loan business on a permanent basis?

A JOINT RESOLUTION

PROPOSING an amendment to Section 49-b, Article III of the Constitution of Texas so as to authorize an increase in the total amount of bonds or obligations that may be issued by the Veterans' Land Board to Three Hundred Fifty Million Dollars (\$350,000,000); providing for the issuance of said bonds or obligations and the conditions relating thereto and the use of the Veterans' Land Fund; and providing for an election and the issuance of a proclamation therefor.

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

Section 1. That Section 49-b, Article III of the Constitution of Texas, be amended so that the same will hereafter read as follows:

"Section 49-b. By virtue of prior Amendments to this Constitution, there has been created a governmental agency of the State of Texas performing governmental duties which has been designated the Veterans' Land Board. Said Board shall continue to function for the purposes specified in all of the prior Constitutional Amendments except as modified herein. Said Board shall be composed of the Commissioner of the General Land Office and two (2) citizens of the State of Texas, one (1) of whom shall be well versed in veterans' affairs and one (1) of whom shall be well versed in finances. One (1) such citizen member shall, with the advise and consent of the Senate, be appointed biennially by the Governor to serve for a term of four (4) years; but the members serving on said Board on the date of adoption hereof shall complete the terms to which they were appointed. In the event of the resignation or death of any such citizen member, the Governor shall appoint a replacement to serve for the unexpired portion of the term to which the deceased or resigning member had been appointed. The compensation for said citizen members shall be as is now or may hereafter be fixed by the Legislature; and each shall make bond in such amount as is now or may hereafter be prescribed by the Legislature.

"The Commissioner of the General Land Office shall act as Chairman of said Board and shall be the administrator of the Veterans' Land Program under such terms and restrictions as are now or may hereafter be provided by law. In the absence or illness of said Commissioner, the Chief Clerk of the General Land Office shall be the Acting Chairman of said Board with the same duties and powers that said Commissioner would have if present.

"The Veterans' Land Board may provide for, issue and sell not to exceed Three Hundred Fifty Million Dollars (\$350,000,000) in bonds or obligations of the State of Texas for the purpose of creating a fund to be known as the Veterans' Land Fund, Two Hundred Million Dollars (\$200,000,000) of which have heretofore been issued and sold. Such bonds or obligations shall be sold for not less than par value and accrued interest; shall be issued in such forms, denominations, and upon such terms as are now or may hereafter be provided by law; shall be issued and sold at such times, at such places, and in such

installments as may be determined by said Board; and shall bear a rate or rates of interest as may be fixed by said Board but the weighted average annual interest rate, as that phrase is commonly and ordinarily used and understood in the municipal bond market, of all the bonds issued and sold in any installment of any bonds may not exceed four and one-half percent (4-1/2%). All bonds or obligations issued and sold hereunder shall, after execution by the Board, approval by the Attorney General of Texas, registration by the Comptroller of Public Accounts of the State of Texas, and delivery to the purchaser or purchasers, be incontestable and shall constitute general obligations of the State of Texas under the Constitution of Texas; and all bonds heretofore issued and sold by said Board are hereby in all respects validated and declared to be general obligations of the State of Texas. In order to prevent default in the payment of principal or interest on any such bonds, the Legislature shall appropriate a sufficient amount to pay the same.

"In the sale of any such bonds or obligations, a preferential right of purchase shall be given to the administrators of the various Teacher Retirement Funds, the Permanent University Funds, and the Permanent School Funds.

"Said Veterans' Land Fund shall consist of any lands heretofore or hereafter purchased by said Board, until the sale price therefor, together with any interest and penalties due, have been received by said Board (although nothing herein shall be construed to prevent said Board from accepting full payment for a portion of any tract), and of the moneys attributable to any bonds heretofore or hereafter issued and sold by said Board which moneys so attributable shall include but shall not be limited to the proceeds from the issuance and sale of such bonds; the moneys received from the sale or resale of any lands, or rights therein, purchased with such proceeds; the moneys received from the sale or resale of any lands, or rights therein, purchased with other moneys attributable to such bonds; the interest and penalties received from the sale or resale of such lands, or rights therein; the bonuses, income, rents, royalties, and any other pecuniary benefit received by said Board from any such lands; sums received by way of indemnity or forfeiture for the failure of any bidder for the purchase of any such bonds to comply with his bid and accept and pay for such bonds or for the failure of any bidder for the purchase of any lands comprising a part of said Fund to comply with his bid and accept and pay for any such lands; and interest received from investments of any such moneys. The principal and interest on the bonds heretofore and hereafter issued by said Board shall be paid out of the moneys of said Fund in conformance with the Constitutional provisions authorizing such bonds; but the moneys of said Fund which are not immediately committed to the payment of principal and interest on such bonds, the purchase of lands as herein provided, or the payment of expenses as herein provided may be invested in bonds or obligations of the United States until such funds are needed for such purposes.

"All moneys comprising a part of said Fund and not expended for the purposes herein provided shall be a part of said Fund until there are sufficient moneys therein to retire fully all of the bonds heretofore or hereafter

issued and sold by said Board, at which time all such moneys remaining in said Fund, except such portion thereof as may be necessary to retire all such bonds which portion shall be set aside and retained in said Fund for the purpose of retiring all such bonds, shall be deposited to the credit of the General Revenue Fund to be appropriated to such purposes as may be prescribed by law. All moneys becoming a part of said Fund thereafter shall likewise be deposited to the credit of the General Revenue Fund.

"When a Division of said Fund (each Division consisting of the moneys attributable to the bonds issued and sold pursuant to a single Constitutional authorization and the lands purchased therewith) contains sufficient moneys to retire all of the bonds secured by such Division, the moneys thereof, except such portion as may be needed to retire all of the bonds secured by such Division which portion shall be set aside and remain a part of such Division for the purpose of retiring all such bonds, may be used for the purpose of paying the principal and the interest thereon, together with the expenses herein authorized, of any other bonds heretofore or hereafter issued and sold by said Board. Such use shall be a matter for the discretion and direction of said Board; but there may be no such use of any such moneys contrary to the rights of any holder of any of the bonds issued and sold by said Board or violative of any contract to which said Board is a party.

"The Veterans' Land Fund shall be used by said Board for the purpose of purchasing lands situated in the State of Texas owned by the United States or any governmental agency thereof, owned by the Texas Prison System or any other governmental agency of the State of Texas, or owned by any person, firm, or corporation. All lands thus purchased shall be acquired at the lowest price obtainable, to be paid for in cash, and shall be a part of said Fund. Such lands heretofore or hereafter purchased and comprising a part of said Fund are hereby declared to be held for a governmental purpose, although the individual purchasers thereof shall be subject to taxation to the same extent and in the same manner as are purchasers of lands dedicated to the Permanent Free Public School Fund.

"The lands of the Veterans' Land Fund shall be sold by said Board in such quantities, on such terms, at such prices, at such rates of interest and under such rules and regulations as are now or may hereafter be provided by law to Texas veterans who served not less than ninety (90) continuous days, unless sooner discharged by reason of a service-connected disability, on active duty in the Army, Navy, Air Force, Coast Guard or Marine Corps of the United States between September 16, 1940 and March 31, 1955, and who upon the date of filing his or her application to purchase any such land is a citizen of the United States, is a bona fide resident of the State of Texas, and has not been dishonorably discharged from any branch of the Armed Forces above-named and who at the time of his or her enlistment, induction, commissioning, or drafting was a bona fide resident of the State of Texas. The foregoing notwithstanding, any lands in the Veterans' Land Fund which have been first offered for sale to veterans and which have not been sold may be sold or resold to such purchasers, in such quantities, and

on such terms, and at such prices and rates of interest, and under such rules and regulations as are now or may hereafter be provided by law.

"Said Veterans' Land Fund, to the extent of the moneys attributable to any bonds hereafter issued and sold by said Board may be used by said Board, as is now or may hereafter be provided by law, for the purpose of paying the expenses of surveying, monumenting, road construction, legal fees, recordation fees, advertising and other like costs necessary or incidental to the purchase and sale, or resale, of any lands purchased with any of the moneys attributable to such additional bonds, such expenses to be added to the price of such lands when sold, or resold, by said Board; for the purpose of paying the expenses of issuing, selling, and delivering any such additional bonds; and for the purpose of meeting the expenses of paying the interest or principal due or to become due on any such additional bonds.

"All moneys attributable to the bonds issued and sold pursuant to the Constitutional Amendment adopted on November 6, 1956, shall be credited to said Veterans' Land Fund and may be used for the purpose of purchasing additional lands, to be sold as provided herein, until December 1, 1965; provided, however, that so much of such moneys as may be necessary to pay interest on such bonds shall be set aside for that purpose. After December 1, 1965, all moneys attributable to such bonds shall be set aside for the retirement of such bonds and to pay interest thereon; and when there are sufficient moneys to retire all of such bonds, all of such moneys then remaining or thereafter becoming a part of said Veterans' Land Fund shall be governed as elsewhere provided herein.

"All of the moneys attributable to any series of bonds hereafter issued and sold by said Board (a 'series of bonds' being all of the bonds issued and sold in a single transaction as a single installment of bonds) may be used for the purchase of lands as herein provided, to be sold as herein provided, for a period ending eight (8) years after the date of sale of such series of bonds; provided, however, that so much of such moneys as may be necessary to pay interest on bonds hereafter issued and sold shall be set aside for that purpose in accordance with the resolution adopted by said Board authorizing the issuance and sale of such series of bonds. After such eight (8) year period, all of such moneys shall be set aside for the retirement of any bonds hereafter issued and sold and to pay interest thereon, together with any expenses as provided herein, in accordance with the resolution or resolutions authorizing the issuance and sale of such additional bonds, until there are sufficient moneys to retire all of the bonds hereafter issued and sold, at which time all such moneys then remaining a part of said Veterans' Land Fund and thereafter becoming a part of said Fund shall be governed as elsewhere provided herein.

"This Amendment being intended only to establish a basic framework and not to be a comprehensive treatment of the Veterans' Land Program, there is hereby reposed in the Legislature full power to implement and effectuate the design and objects of this Amendment, including the power to delegate such duties, responsibilities, functions, and authority to the Veterans' Land Board as it believes necessary.

"Should the Legislature enact any enabling laws in anticipation of this Amendment, no such law shall be void by reason of its anticipatory nature.

"This Amendment shall become effective upon its adoption."

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 Saturday after the first Monday in November, 1963, at which election all ballots shall have printed thereon the following:

"FOR the Amendment to Section 49-b of Article III of the Constitution of Texas to increase the Veterans' Land Fund by \$150,000,000; said Fund to be used for the purpose of purchasing land in Texas to be sold to Texas veterans who served in the Armed Services of the United States between September 16, 1940, and March 31, 1955; such funds to be expended in accordance with instructions and requirements that may be provided by law"; and

"AGAINST the Amendment to Section 49-b of Article III of the Constitution of Texas to increase the Veterans' Land Fund by \$150,000,000; said Fund to be used for the purpose of purchasing land in Texas to be sold to Texas veterans who served in the Armed Services of the United States between September 16, 1940, and March 31, 1955; such funds to be expended in accordance with instructions and requirements that may be provided by law."

If it appears from the returns of said election that a majority of the votes cast were in favor of same Amendment, the same shall become a part of the State Constitution and be effective from the date set forth in said Amendment, and the Governor shall issue a proclamation in keeping therewith.

Sec. 3. The Governor of the State of Texas shall issue the necessary proclamation for said election and shall have the same published as required by the Constitution and Laws of this state.