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STATE ETHICS COMMISSION - LEGISLATIVE COMPENSATION

**CONSTITUTIONAL
AMENDMENTS**

PUBLIC WELFARE

WATER BONDS

*Proposed
Constitutional
Amendments*

4

Analyzed

SPECIAL ELECTION : MAY 18 , 1971

TEXAS LEGISLATIVE COUNCIL

P.O. Box 12128, Capitol Station Austin, Texas 78711

ANALYSES OF PROPOSED CONSTITUTIONAL AMENDMENTS

For Election—May 18, 1971

Prepared by the Staff
of the
Texas Legislative Council

TEXAS LEGISLATIVE COUNCIL

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INTRODUCTION

One of the most pressing matters before the 62nd Legislature when it convened on January 5, 1971, was the provision of sufficient funds to meet state welfare needs. Restricted by a constitutional ceiling on welfare spending from state funds, the legislature found it necessary to propose a constitutional amendment for immediate consideration by the Texas electorate to make it possible for welfare recipients to continue receiving their monthly payments.

The legislature acted promptly in proposing an amendment which would remove the ceiling from welfare expenditures for three classes of recipients—the needy aged, the needy blind, and the needy disabled. A new ceiling of \$55 million would be established by the amendment for the fourth class of recipients—needy dependent children and the caretakers of such children. Date for election on the proposed amendment, which is listed on the ballot as No. 3, was set on May 18, 1971, since that date would allow sufficient time following adoption of the proposal to provide the funds essential to carry on the welfare program.

Three additional amendments have been proposed and will also be considered at the same election. Listed below, in the order in which they will appear on the ballot, are the four proposed constitutional amendments to be considered by the Texas electorate on May 18:

To be Voted on May 18, 1971

Amendment No. 1

Establishing a State Ethics Commission empowered to set rules of ethics for members of the legislature, state officers, and legislative officers and to investigate violations; to recommend compensation for members of the legislature and the Lieutenant Governor; and to recommend improvements and economy in the legislative process.

Amendment No. 2

Providing that the legislature may propose amendments to the Constitution in called as well as regular sessions of the legislature.

Amendment No. 3

Removing the limitation on the total state appropriations for assistance grants for the needy aged, the needy blind, and the needy disabled, and setting a limitation on total state appropriations during a fiscal year for assistance grants for needy dependent children and the caretakers of such children.

Amendment No. 4

Authorizing the issuance of \$100 million in bonds to provide financial assistance to cities and other public agencies for water quality enhancement purposes; providing for the improvement and continuance of the water resources program, and establishing an interest ceiling on Water Development Bonds at 6 percent.

When these four proposed amendments are submitted to the Texas electorate on May 18, the total of such proposals for constitutional amendments since the Constitution of 1876 was adopted will number 331. Seven amendments were proposed in 1970, and of that number five were adopted. The Texas Constitution of 1876 has now been amended 200 times.

The table below, covering the years beginning with the first proposed amendment in 1879, and concluding with the proposed amendments submitted on November 3, 1970, has been prepared showing the number of amendments proposed in each regular session and the number of those finally adopted by the Texas electorate.

1876 CONSTITUTION—AMENDMENTS PROPOSED AND ADOPTED

Year	Proposed	Adopted	Year	Proposed	Adopted
1879	1	1	1927	8 ²	4
1881	2	0	1929	7 ²	5
1883	5	5	1931	9	9
1887	6	0	1933	12	4
1889	2	2	1935	13	10
1891	5	5	1937	7	6
1893	2	2	1939	4	3
1895	2	1	1941	5	1
1897	5	1	1943	3 ²	3
1899	1	0	1945	8	7
1901	1	1	1947	9	9
1903	3	3	1949	10	2
1905	3	2	1951	7	3
1907	9	1	1953	11	11
1909	4	4	1955	9	9
1911	5	4	1957	12	10
1913	8 ¹	0	1959	4	4
1915	7	0	1961	14	10
1917	3	3	1963	7	4
1919	13	3	1965	27	20
1921	5 ²	1	1967	20	13
1923	2 ³	1	1969	16	9 ⁴
1925	4	4	TOTALS	320	200

¹Eight proposals approved by legislature, with one including two proposed amendments, but only six were actually submitted on ballot.

²Two amendments included in one proposal.

³Two proposals approved by legislature, but only one actually on ballot.

⁴Sixteen amendments proposed by legislature, and four adopted in election held in 1969, with nine proposals submitted; remaining seven proposals voted on November 3, 1970; and five adopted.

AMENDMENT NO. 1--S.J.R. NO. 15

[Amending Article III, Section 24, of the Texas Constitution, to establish a State Ethics Commission empowered to set rules of ethics for members of the legislature, state officers, and legislative officers; to investigate violations thereof; to recommend compensation for members of the legislature and the Lieutenant Governor; and to recommend improvements and economy in the legislative process.]

The proposed amendment to Article III, Section 24, substitutes new provisions for the existing Article III, Section 24, which sets an annual salary, sets per diem, limits the length of the regular session, and provides for mileage allowances for members of the legislature.

The proposed Amendment No. 1 would:

(1) create a State Ethics Commission consisting of nine members, three to be appointed by the Chief Justice of the Supreme Court of Texas, with advice and consent of the court's associate justices; three to be appointed by the Chairman of the State Judicial Qualifications Commission, with the consent of the other members of the commission; and three to be appointed by the Presiding Judge of the Court of Criminal Appeals, with the advice and consent of the other judges serving on the court. Of each group of appointees no more than two shall be attorneys engaged in the active practice of law. In addition to these nine members, the proposed amendment would provide for two ex officio members, one from the House of Representatives and one from the Senate, to be elected on the first day of each regular session of the legislature by a majority of the membership of each house for a term ending on the first day of the next regular session;

(2) provide for a term of office of six years for each appointee, with the exception of the initial appointees whose terms would be designated by the appointing officer, with a member serving two, four, and six years, respectively. Provision is made for filling interim vacancies in the same manner as vacancies due to expiration of a full term, but appointments would be only for the unexpired portion of the term in question. The chairman would be elected by the commission from its membership for a term of two years;

(3) provide for reimbursement of members of the State Ethics Commission for actual and necessary expenses incurred in the performance of their duties;

(4) require the commission to recommend the compensation, per diem, and mileage allowance of members of the legislature and permit the commission to recommend the salary of the Speaker and the Lieutenant Governor at an amount higher than that of other members, notwithstanding provisions of Article IV, Section 17, which, under existing provisions, now set the salaries of these two officers at the same level of other members of the legislature, except when the Lieutenant Governor serves as Governor and is compensated on the basis of the chief executive's salary;

(5) require that the commission promulgate rules of ethics to govern the conduct of all legislators, legislative officers, and all officeholders, appointive or elective, of any office, department, district agency, commission, board, or any governmental unit or branch established by or under the authority of the Constitution and laws of the State of Texas and all persons who shall use any privilege of the floor in either house of the legislature. The commission would also promulgate rules requiring that each member of the legislature and each of the officeholders named file a complete financial statement with the commission within 10 days after being elected or appointed to office. Information so filed would be privileged to be used only by the commission in determining whether a conflict of interest exists or there has been a violation of the rules of ethics promulgated by the commission or the laws of Texas. The proposed amendment directs the legislature to enact statutes dealing with unauthorized disclosure or misuse of privileged information;

(6) direct the commission to conduct its meetings, hearings, or other proceedings as they desire but compel the body to hold a meeting in Austin at least once each year to review existing rules of ethics, compensation rates, mileage allowances and per diem rates, and to make any changes deemed necessary;

(7) provide that all rules of ethics, compensation rates, mileage allowances, or per diem rates currently in force, as well as all changes and recommendations by the State Ethics Commission, be promulgated before the convening of any session of the legislature by filing a certified copy of the proclamation with the Secretary of State, and that each rule of ethics or change

thereof made by the commission take effect on the 15th day of the legislative session following the proclamation, unless disapproved before that day by resolution of either house of the legislature. Also, all rates of compensation, mileage allowances, or per diem rates and all changes and recommendations made by the commission would not take effect until approved section by section by resolution of both houses of the legislature; all votes on these resolutions or parts thereof would be required to show individual votes in the respective journals of both houses;

(8) empower the commission to investigate any alleged violation of any rule of ethics promulgated by it and to report its findings to the appropriate agency, official, legislative body, grand jury, or district attorney;

(9) provide that until changed by the commission and adopted by resolution of both houses, legislative compensation, per diem, and mileage would remain at the present rates (\$4,800 per year salary, \$12 a day for first 120 days of each regular session and for 30 days of each special session, and 10 cents per mile for distances traveled to and from regular sessions and special sessions called later than one day after a regular session). Duration of a regular session would still be limited to 140 days; and

(10) empower the commission to recommend to each legislature changes which would update, improve, and effect economy in the legislative process.

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

Background

During the early days of Texas, the legislature was permitted to set its own rates of compensation except that no increase in salary could take effect during the session at which the increase was voted. However, the heavy expenditures of the Reconstruction Government prompted the framers of the Constitution of 1876 to insert a provision limiting per diem to \$5 a day; further, to discourage long sessions, a provision was inserted to drop compensation to \$2 a day after the first 60 days of a session. The reduction in per diem after 60 days resulted in early adjournment of the legislature and, consequently, a need for frequent special sessions. To discourage this practice, and also to encourage those with better qualifications to seek the office of legislator, a constitutional amendment was adopted in 1930 which set per diem at \$10 for each of the first 120 days of a session. Pay after the 120-day cutoff date was reduced to \$5 a day for the remainder of the session.

In 1954 Article III, Section 24, was again amended to raise per diem to \$25, to be paid only during the first 120 days of the regular session, and for the 30 days of any special session. The most recent amendment of Article III, Section 24, was adopted in 1960, when the current compensation rate of \$4,800 annual salary and per diem of not more than \$12 for the first 120 days of a regular session and for 30 days of each special session was set.

Later proposals to increase legislative compensation were rejected by Texas voters in 1965, 1968, and 1969.

With the business of the legislature and state government the public's business, many legislators have long believed that there should be written, as well as unwritten, rules of conduct and decorum for legislators, other officials and employees who are answerable to Texas citizens for all their actions. With this in mind, the 54th Legislature (1955) requested the Texas Legislative Council to make a study leading to the possible adoption of a code of ethics or standards of conduct for these public officials. Acting on recommendations of the Council, the 55th Legislature enacted a measure setting forth standards of conduct for all officers and employees, including members of the legislature (Vernon's Tex. Civ. Stat., Art. 6252-9). Failure of any officer or employee of a state agency, a legislator, or a legislative employee, to comply with one or more of the standards of conduct was made grounds for expulsion, removal from office, or discharge.

The act, however, did not designate a special "watch dog" or an existing department, agency, or commission to review questionable acts by those to whom the legislation was applicable. As a remedy to this situation, one of the major recommendations of the Speaker's Committee of 100, which reported to the 62nd Legislature on January 6, 1971, was that legislation be enacted to set forth standards of conduct for members of the legislature and other officials and that any measure introduced contain appropriate provisions to insure effective implementation of them. The committee made several proposals regarding legislative conduct, including standards of ethics and the creation of a commission to recommend legislative salaries. Both are embraced in the proposed constitutional amendment which received overwhelming support in both the House of Representatives and the Senate of the 62nd Legislature.

ARGUMENTS

For:

1. As servants of the citizens of Texas, members of the Texas Legislature should be required to give an accounting of their stewardship. The proposed Amendment No. 1, which embraces many of the recommendations of the Speaker's Committee of 100 to improve ethics, standards of conduct, and compensation of members of the legislature, provides a tool for this type of accounting and a commission to regulate enforcement.
2. The proposed amendment should go far toward improving public confidence in state officials and legislative officers with its provision requiring them to file with the State Ethics Commission a sworn financial statement within 10 days after being elected or receiving appointment to office.
3. Under authority granted by the proposed amendment, the commission would have the power to promulgate a rule which would make it unethical for a state official to receive, on the basis of a conflict of interest, any compensation during his term of office other than his compensation from the state. Thus, it would be essential, as provided in the amendment, that the commission also have the power of recommending salaries which would make it possible for a member of the legislature or a state official to serve. Use of the commission plan to determine legislative compensation has proven to be efficient and equitable in a number of other states—Wisconsin, for example.

4. In order to change a specific salary set in the Texas Constitution, as provided in the existing Article III, Section 24, a constitutional amendment is required. The costly mechanics of a special election—printing the ballots, election notices, etc.—would be avoided by adoption of the proposed amendment and since the legislator must face the voters for reelection, he would not be tempted to adopt excessive recommendations for salary increases made by the commission.
5. The composition of a State Ethics Commission, appointed by members of the state's two highest courts and the State Judicial Qualifications Commission, would assure a commission free from politics, an impartial body which would maintain high standards in recommending the rules of ethics, financial disclosure, and compensation. Under the present constitutional provisions, an investigation of members of the legislature which may result in their removal from office may be made only by the house of which the person is a member.
6. The legislator can no longer be considered a part-time official, and the \$4,800 annual salary now provided under the Texas Constitution is scarcely adequate to meet present-day costs of living. For these reasons, many highly qualified persons are discouraged from seeking membership in the legislature. The Speaker's Committee of 100 noted that without adequate compensation, the legislator's only alternative is to accept outside subsidization which could impair his independence of action as a lawmaker.

Against:

1. Although ostensibly the proposed amendment's major purpose is the creation of a State Ethics Commission, it is possible that this is merely a subterfuge and the real

purpose is to bring about a legislative pay raise without going through the procedure of obtaining voter approval. Since members of the legislature are responsible to the people of Texas, determination of legislative salaries should rest with Texas citizens.

2. Texas voters themselves can best judge the conduct and ethics of members of the legislature and can so express their opinions at the polls by reelecting or failing to reelect a member to represent them.
3. Any increase in compensation which the State Ethics Commission might recommend would further increase the costs of state government at a time when state finances are already overburdened in meeting the expanding needs of a growing population.
4. Even if the commission were created as proposed by Amendment No. 1, this would not preclude the imposition of a constitutional ceiling on legislative salaries at a later election. Also, with regard to establishing ethics and standards of conduct for members of the legislature, such matters can already be handled under an existing statute (Vernon's Tex. Civ. Stat., Art. 6252-9).
5. Since the proposed amendment provides for financial disclosure as privileged information, the people of Texas would still have no way of identifying sources of income of members of the legislature and could not make individual assessments on the relationship of a legislator's income and its source to the interests of good government.
6. With its recommendations subject to approval of the legislature, the commission could not make its decisions binding and the role of the State Ethics Commission as a "watch dog" over state government would be a weak one.

AMENDMENT NO. 2--H.J.R. NO. 21

[Amending Article XVII, Section 1, to provide that the legislature may propose amendments to the Constitution in called as well as regular sessions of the legislature.]

This proposed amendment makes one change in Article XVII, Section 1, of the Texas Constitution. It would permit the legislature to propose a constitutional amendment during a special or called session of the legislature. Article XVII, Section 1, now requires that proposed amendments may be considered only during the biennial regular sessions.

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

Background When a constitution is drafted provisions are included to permit amendment of the document. No body of men can be wise enough or farsighted enough to frame a constitution applicable to all conditions arising in the future.

The framers of the Texas Constitution provided that the state's basic legal document may be amended by the combined action of the legislature and the qualified voters of Texas. However, the provision, which is contained in Article XVII, Section 1, now stipulates that constitutional amendments may be proposed only during the regular, or biennial, sessions of the legislature. Proposals are instituted by a two-thirds vote of all members elected to each house; the proposed amendment must then be published in a weekly newspaper in each county once a week for four weeks and publication must begin three months before the election at which it is submitted to the people for approval or disapproval. Ratification of proposed amendments requires a simple majority vote of those casting ballots, with the amendment becoming effective on proclamation by the governor.

Amendment No. 2 would remove the provision in Article XVII, Section 1, which restricts proposal of constitutional amendments by the legislature to regular biennial sessions, thereby permitting amendments to be proposed during called or special sessions.

ARGUMENTS

For:

1. The Texas Constitution of 1876 is old and unwieldy and situations arise frequently that require emergency action. Because of the restriction limiting consideration of proposed constitutional amendments to the regular biennial sessions of the legislature, the people of Texas could suffer needlessly while awaiting the regular session year for the submission of urgently needed changes in the constitution. Recent welfare crises in the state have served to emphasize this eventuality.
2. The framers of the Texas Constitution doubtless feared that ease of amendment of the constitution would lead to ill-advised and too-frequent changes in this document which constitutes the fundamental law of the state. However, the fact that the Constitution of 1876 has already been amended 200 times seems to indicate that the earlier argument is invalid and the provision for amendment only during regular sessions only serves to slow the processes of good government.

Against:

1. The Texas Constitution has been amended all too frequently, even under the provision restricting amendment proposals to the regular sessions convening every two years. The 200 amendments to the constitution which have been adopted since 1876 would doubtless have been double that number without the present constitutional restriction. Often the constitution is ill-advisedly amended when amendment of the statutes or an entirely new law could have been enacted to meet the needs indicated.

2.

In special or called sessions the legislature must act only on those matters submitted by the Governor. Frequently, the call is for the purpose of solving legislative deadlocks on such matters as appropriations and taxation, and the submission of controversial proposed amendments during the short 30-day period of the called session would certainly be a further complication and could lead to more bitter controversy stalling the proceedings.

AMENDMENT NO. 3-S.J.R. NO. 5

[Removing the limitation on the total state appropriations for assistance grants for the needy aged, the needy disabled, and the needy blind, and setting a limitation on total state appropriations during any fiscal year for assistance grants for needy dependent children and the caretakers of such children.]

This proposed amendment makes two changes in Article III, Section 51-a, of the Texas Constitution:

(1) It removes the old age assistance, aid to the blind, and aid to the permanently and totally disabled programs from the constitutionally-imposed expenditure ceiling, leaving only the category of aid to families with dependent children controlled under a new ceiling of \$55 million for assistance grants from state funds during any one fiscal year.

(2) It deletes the provision, inserted by constitutional amendment adopted on August 5, 1969, which makes a supplemental appropriation of \$15 million for each fiscal year beginning September 1, 1969, and ending August 31, 1971.

[For full text of the Resolution proposing Amendment No. 3, see appendix.]

Background The Great Depression of the 1930's prompted the addition of the welfare provisions to the Texas Constitution. Prior to 1933, public assistance was held by most Texas citizens to be the concern of local government units rather than the responsibility of the central state government. However, the economic turbulence of that era, along with the shifting population and the influence of federal legislation making aid available to the states under an approved program of assistance for the aged, dependent children, and the blind, resulted in the adoption of the state's first public welfare amendment, Section 51a of Article III.

Through the years the welfare provisions have been changed and updated by the legislature and Texas voters as often as federal welfare provisions have been

revised. The first ceilings on such expenditures, however, were added to the constitution in 1945. Inflation, changing federal matching programs and ever-increasing numbers on welfare rolls have necessitated periodic increases in ceilings set for participation with state funds.

On August 5, 1969, the most recent increase was made when Texas voters approved the amendment of Article III, Section 51-a, raising the ceiling on the amount which may be expended out of state funds per fiscal year for money payments (grants) to public assistance recipients from \$60 million to \$80 million. Included under this ceiling were the categories of needy aged, needy blind, needy disabled, and needy children. The proposed Amendment No. 3 would leave only needy children (Aid to Families with Dependent Children) under a constitutional ceiling, with the limitation reestablished at \$55 million per fiscal year in participating state funds for this one category of assistance grants.

ARGUMENTS

For:

1. The Texas Department of Public Welfare reports that under the present constitutional ceiling, funds allocated for public welfare assistance grants will be exhausted shortly after the date this amendment is submitted to Texas voters on May 18, 1971. Therefore, it is imperative that the proposed Amendment No. 3 be approved to prevent a drastic cut in aid to welfare recipients, thereby working an extreme hardship on persons who have little or no other means of subsistence.
2. Adoption of the proposed amendment would remove inflexible limitations on welfare expenditures for the needy aged, needy blind, and needy disabled, which have caused welfare crises in Texas time and time again. Texans, generally, have no quarrel with the rights of these three classes of recipients to public assistance.

3. The danger of "run-away" appropriations in the area of aid to needy dependent children and their caretakers (AFDC) is removed by the proposed amendment's provision for a \$55 million ceiling on state funds granted to this class of recipients.

4. Members of the legislature, who on many occasions have shown apprehension about making changes in ceilings on public welfare expenditures, approved the proposed Amendment No. 3 by large majorities. The vote was 27 yeas, 4 nays in the Senate, and 122 yeas and 17 nays in the House, thus showing overwhelming confidence in the amendment's provisions.

Against:

1. It is only too apparent that welfare costs are constantly spiraling upward, and unless a halt is called somewhere the only result can be ever-increasing tax burdens on the citizens of Texas. In the current period of inflation and tight money, it might be wiser to seek cost-saving reforms in public assistance programs instead of authorizing larger expenditures.

2. The entire program of public welfare, since the rules and regulations are established in Washington, should be the function of the federal government and should be financed entirely by taxes already being collected at the federal level. Defeat of the proposed Amendment No. 3 could do much to lay the burden of public welfare right where it belongs—in the federal budget.

3. While there are many genuinely needy persons on state welfare rolls; there are also many "freeloaders," and no more latitude should be permitted under the Texas Constitution until welfare reforms are instituted that will remove the undeserving as welfare recipients.

AMENDMENT NO. 4--S.J.R. NO. 17

[Authorizing the issuance of \$100 million in bonds to provide financial assistance to cities and other public agencies for water quality enhancement purposes, providing for the improvement and continuance of the water resources program, and establishing an interest ceiling on Water Development Bonds at 6 percent per annum.]

This proposed amendment adds a new Section 49-d-1 to Article III of the Texas Constitution, including three major provisions:

(1) It permits the Texas Water Development Board, on the direction of the Texas Water Quality Board or any successor agency designated by the legislature, to issue additional water development bonds up to \$100 million for use in providing grants, loans, or combinations of grants and loans, to cities, towns, and political subdivisions, so that these entities might qualify for federal matching funds for water quality enhancement programs.

(2) It provides that the bonds authorized under this new Section 49-d-1 and all bonds authorized by Sections 49-c and 49-d of Article III bear interest of not more than 6 percent per annum, instead of the existing maximum rate of 4 percent.

(3) It eliminates the requirement in Article III, Section 49-c, of the Texas Constitution, that financial assistance programs authorized under the Texas Water Development Fund be terminated after December 31, 1982. Under the proposed Amendment No. 4, such programs would be continued beyond that date provided authorized bond money is still available in the fund.

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

Background Section 49-c, creating the Texas Water Development Board as an agency of the state empowered to make loans to local governmental agencies sponsoring construction projects to conserve and develop water resources, was added to Article III in 1957. At that time the Water Development Board was also authorized to issue and sell \$100 million in bonds to establish a Water

Development Fund and to issue an additional \$100 million in bonds subject to approval of a two-thirds majority of the legislature.

Section 49-d was added to Article III in 1962, and this amendment authorized the Water Development Board to acquire conservation storage space in reservoirs to be constructed on Texas streams by federal or local governmental agencies. Four years later, Section 49-d was amended to permit the acquisition of a variety of water-resource projects in addition to reservoir storage space. This 1966 amendment also authorized an additional \$200 million in bonds subject to the approval of a two-thirds majority of the legislature.

Currently, local governments in Texas may provide waste water treatment facilities, sewer systems, and disposal systems with federal assistance on the basis of up to 70 percent local funds and up to 30 percent federal funds. The adoption of the proposed Amendment No. 4 would add a third participant, the State of Texas. Then the split of funds would be up to 20 percent local, up to 25 percent state grants and loans, and up to 55 percent federal matching funds.

ARGUMENTS

For:

1. The future of Texas depends upon the quality and supply of its water. Passage of the proposed amendment would make more funds available to assist local governments in providing facilities adequately to treat and dispose of their wastes, thereby enhancing both the quality and quantity of the state's water.
2. Adoption of the proposed Amendment No. 4 would make it possible for the State of Texas to realize a greater return on the tax dollars now going to Washington, since the federal matching share of costs would increase from a maximum 30 percent up to a maximum 55 percent, as the state enters the program with grants and loans.

3. The increase in the maximum interest rate from 4 to 6 percent, as provided in Amendment No. 4, would make it possible for the Water Development Board to sell the bonds in today's competitive bond market.

Against:

1. Interest which the State of Texas will have to pay on the bonds to be sold under the provisions of the proposed Amendment No. 4 will increase the revenue responsibilities of the state at a time when it is already experiencing serious financial difficulties and taxation problems.
2. Adoption of this amendment would permit the cities and towns and other political subdivisions to pass on to the state another financial burden which is rightfully their responsibility and which they should bear themselves.
3. Interest rates in the nation are beginning to go down after a number of years when rates continued to rise. It appears unwise to raise the interest ceiling from 4 to 6 percent just when interest rates in general are becoming more competitive.

APPENDICES

PUBLIC NOTICE
Proposed CONSTITUTIONAL AMENDMENT
NUMBER ONE ON THE BALLOT (SJR 15)
Special Election May 18, 1971

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

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

"Section 24. (1) The State Ethics Commission is created as an agency of the State. The commission consists of nine members. Three members shall be appointed by the Chief Justice of the Supreme Court of Texas with the advice and consent of the Associate Justices serving on the Court, three members shall be appointed by the Presiding Judge of the Court of Criminal Appeals of Texas with the advice and consent of the other Judges serving on the Court, and three members shall be appointed by the Chairman of the State Judicial Qualifications Commission with the advice and consent of the other members of the commission, of each group of three appointees no more than two shall be attorneys engaged in the active practice of law. In addition thereto there shall be two ex officio members, one from the House of Representatives and one from the Senate to be elected on the first day of each Regular Session of the Legislature by a majority of the membership of each House for a term ending on the first day of the next Regular Session.

"(2) With the exception of the initial appointees, each member shall hold office for a term of six (6) years and until his successor is appointed and has qualified. In making the initial appointments, each appointing officer shall designate one (1) appointee to serve a term of two (2) years, one (1) appointee to serve a term of four (4) years, and one (1) appointee to serve a term of six (6) years. Interim vacancies shall be filled in the same manner as vacancies due to expiration of a full term, but only for the unexpired portion of the term in question. The membership shall designate one of its members to serve as chairman for a period of two (2) years.

"(3) The members of the commission shall be reimbursed for actual and necessary expenses incurred in the performance of their duties.

"(4) The commission shall recommend the compensation, per diem, and mileage allowance of members of the Legislature, and may recommend the salary of the Speaker of the House of Representatives and the Lieutenant Governor

at an amount higher than that of other members notwithstanding any provisions to the contrary of Article IV, Section 17, of the Texas Constitution.

"(5) The commission shall promulgate rules of ethics to govern the conduct of all legislators, legislative officers and all officeholders, appointive or elective, of any office, department, district agency, commission, board or any governmental unit or branch established by or under the authority of the constitution and laws of the State of Texas and all persons who shall use any privilege of the floor in either House of the Legislature. The Texas State Ethics Commission shall further promulgate rules providing that each member of the Legislature and each of the hereinabove named officeholders upon election and any appointee to any of these offices shall file with the State Ethics Commission a statement under oath setting out a complete financial statement in detail within 10 days after being elected or receiving an appointment. This information shall be privileged information to the State Ethics Commission to be used only by them to determine if there exists a conflict of interests or if there is or has been a violation of any of the rules of ethics promulgated by the Texas State Ethics Commission or any laws of the State of Texas. The Legislature shall enact statutes dealing with unauthorized disclosure or misuse of said privileged information.

"(6) The commission may hold its meetings, hearings and other proceedings at such times and places as it shall determine but shall meet in Austin at least once each year to review existing rules of ethics, Legislative compensation rates, mileage allowances and per diem rates, and to make any changes deemed necessary.

"(7) All rules of ethics, compensation rates, mileage allowances or per diem rates currently in force, as well as all changes and recommendations by the State Ethics Commission shall be promulgated before the convening of any session of the Legislature by filing a certified copy of the proclamation with the Secretary of State.

(a) Each rule of ethics or change thereof made by the commission shall take effect on the 15th day of the legislative session following the proclamation unless disap-

proved before that day by resolution of either House of the Legislature.

(b) All rates of compensation, mileage allowances or per diem rates and all changes and recommendations made by the commission thereof shall not take effect until approved section by section by resolution of both Houses of the Legislature.

"All votes on these resolutions or parts thereof shall show the individual votes in the respective journals of both Houses.

"(8) The commission shall investigate any alleged violation of any rule of ethics promulgated by it and report its findings to the appropriate State agency, official, legislative body, grand jury or district attorney.

"(9) Until otherwise provided by the commission, each member of the Legislature shall receive from the public treasury an annual salary of Four Thousand, Eight Hundred Dollars (\$4,800) per year and per diem not exceeding Twelve Dollars (\$12) per day for the first 120 days only of each Regular Session and for 30 days of each Special Session of the Legislature. No Regular Session shall be of longer duration than 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, 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 established; no member to be entitled to mileage for any extra session that may be called within one day after adjournment of the Regular or Called session.

"(10) The commission is further authorized to recommend to each Legislature changes which will update, improve, and effect economy in the legislative process."

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 18th day of May, 1971, at which election the ballots shall be printed to provide for voting for or against the proposition: "The constitutional amendment to create a State Ethics Commission empowered to set rules of ethics for members of the Legislature, State officers and legislative officers, to investigate violations thereof, and to recommend compensation for members of the Legislature and the Lieutenant Governor and recommend improvements and economy in the legislative process."

PUBLIC NOTICE
Proposed CONSTITUTIONAL AMENDMENT
NUMBER TWO ON THE BALLOT (HJR 21)
Special Election May 18, 1971

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

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

"Section 1. The Legislature by a vote of two-thirds of all the members elected to each House, to be entered by yeas and nays on the journals, may propose amendments to the Constitution, to be voted upon by the qualified electors for members of the Legislature, which proposed amendments shall be duly published once a week for four weeks, commencing at least three months before an election, the time of which shall be specified by the Legislature, in one weekly newspaper of each county, in which such a newspaper may be published; and it shall be the duty of the several returning officers of said election, to open a poll for, and make returns to the Secretary of State,

of the number of legal votes cast at said election for and against said amendments; and if more than one be proposed, then the number of votes cast for and against each of them; and if it shall appear from said return, that a majority of the votes cast, have been cast in favor of any amendment, the said amendment so receiving a majority of the votes cast, shall become a part of this Constitution, and proclamation shall be made by the Governor thereof."

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 May 18, 1971, at which election the ballots shall be printed to provide for voting for or against the proposition: "The constitutional amendment providing that the Legislature may propose an amendment of the Constitution at any session of the Legislature."

PUBLIC NOTICE
Proposed CONSTITUTIONAL AMENDMENT
NUMBER THREE ON THE BALLOT (SJR 5)
Special Election May 18, 1971

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

Section 1. That Article III, Section 51-a, of the Texas Constitution, be amended 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 be by the Legislature be deemed expedient, for assistance grants to and/or medical care for, and for rehabilitation and any other services included in the federal laws as they now read or as they may hereafter be amended, providing matching funds to help such families and individuals attain or retain capability for independence or self-care, and for the payment of assistance grants to and/or medical care for, and for rehabilitation and other services to or on behalf of:

"(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;

"(2) Needy individuals 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;

"(4) Needy dependent children and the caretakers of such children.

"The Legislature may prescribe such other eligibility requirements for participation

in these programs as it deems appropriate.

"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, in providing rehabilitation and any other services included in the federal laws making matching funds available to help such families and individuals attain or retain capability for independence or self-care, 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 needy person shall not exceed the amount that is matchable out of federal funds; provided that the total amount of State funds paid for assistance grants for needy dependent children and the caretakers of the children shall not exceed Fifty-Five Million Dollars (\$55,000,000) during any fiscal year.

"Provided further, 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.

"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 May 18, 1971, at which election the ballots shall be printed to provide for voting for or against the proposition: "The constitutional amendment removing the limitation on the total State appropriations for assistance grants for the needy aged, the needy disabled, and the needy blind, and setting a limitation on total State appropriations during any fiscal year for assistance grants for needy dependent children and the caretakers of such children."

PUBLIC NOTICE

Proposed CONSTITUTIONAL AMENDMENT

NUMBER FOUR ON THE BALLOT (SDR 170)

Special Election May 18, 1971

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

Section 1. That Article III of the Constitution of the State of Texas be amended by adding thereto a new Section 49-d-1 to read as follows:

"Section 49-d-1. (a) The Texas Water Development Board shall upon direction of the Texas Water Quality Board, or any successor agency designated by the Legislature, issue additional Texas Water Development Bonds up to an additional aggregate principal amount of One Hundred Million Dollars (\$100,000,000) to provide grants, loans, or any combination of grants and loans for water quality enhancement purposes as established by the Legislature. The Texas Water Quality Board or any successor agency designated by the Legislature may make such grants and loans to political subdivisions or bodies politic and corporate of the State of Texas, including municipal corporations, river authorities, conservation and reclamation districts, and districts created or organized or authorized to be created or organized under Article XVI, Section 59, or Article III, Section 52, of this Constitu-

tion, State agencies, and interstate agencies and compact commissions to which the State of Texas is a party, and upon such terms and conditions as the Legislature may authorize by general law. The bonds shall be issued for such terms, in such denominations, form and installments, and upon such conditions as the Legislature may authorize.

"(b) The proceeds from the sale of such bonds shall be deposited in the Texas Water Development Fund to be invested and administered as prescribed by law.

"(c) The bonds authorized in this Section 49-d-1 and all bonds authorized by Sections 49-c and 49-d of Article III shall bear interest at not more than 6% per annum and mature as the Texas Water Development Board shall prescribe, subject to the limitations as may be imposed by the Legislature.

"(d) The Texas Water Development Fund shall be used for the purposes heretofore permitted by, and subject to the limitations in Sections 49-c, 49-d and 49-d-1; provided, however, that the financial assistance may be made pursuant to the provisions of Sections 49-c, 49-d and 49-d-1 subject only to the availability

of funds and without regard to the provisions in Section 49-c that such financial assistance shall terminate after December 31, 1982.

"(e) Texas Water Development Bonds are secured by the general credit of the State and shall after approval by the Attorney General, registration by the Comptroller of Public Accounts of the State of Texas, and delivery to the purchasers, be incontestable and shall constitute general obligations of the State of Texas under the Constitution of Texas.

"(f) Should the Legislature enact enabling laws in anticipation of the adoption of this amendment, such Acts shall not be void by reason of their anticipatory character."

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 Tuesday, May 18, 1971, at which election all ballots shall be printed to provide for voting for or against the proposition: "The constitutional amendment to authorize the issuance of One Hundred Million Dollars (\$100,000,000) bonds to provide financial assistance to cities and other public agencies for water quality enhancement purposes, providing for the improvement and continuance of the water resources program, and establishing an interest ceiling on Water Development Bonds at 6% per annum."

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