

# TML LEGISLATIVE UPDATE



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## City-Related Constitutional Amendment Propositions

Seven of the fourteen proposed amendments to the Texas Constitution on the November 7, 2023, ballot directly or indirectly affect Texas cities. The following information about the propositions is taken directly from the Texas secretary of state's [website](#).

- **Proposition 1 (H.J.R. 126):** [H.J.R. 126](#) proposes a constitutional amendment to protect a person's right to engage in generally accepted farm, ranch, timber production, horticulture, or wildlife management practices on real property that the person owns or leases. The proposed amendment would not affect the authority of the legislature to authorize the regulation of these practices by: (1) a state agency or political subdivision as necessary to protect the public health and safety from imminent danger; (2) a state agency to prevent a danger to animal health or crop production; or (3) a state agency or political subdivision to preserve or conserve the natural resources of the state under the Texas Constitution. Additionally, the proposed amendment would not affect the legislature's authority to authorize the use or acquisition of property for a public use, including the development of natural resources under the Texas Constitution.

The proposed amendment will appear on the ballot as follows: **“The constitutional amendment protecting the right to engage in farming, ranching, timber production, horticulture, and wildlife management.”**

- **Proposition 2 (S.J.R. 64):** [S.J.R. 64](#) proposes a constitutional amendment to allow the governing body of a county or municipality to exempt from property taxation all or part of the appraised value of real property used to operate a child-care facility. The proposed amendment would authorize the governing body to adopt the exemption as a percentage of the appraised value of the property, but that percentage could not be less than 50% of the appraised value of the property. The proposed amendment also would allow the legislature to define the term “child-care facility” and to establish additional eligibility requirements to receive the property tax exemption.

The proposed amendment will appear on the ballot as follows: **“The constitutional amendment authorizing a local option exemption from ad valorem taxation by a county or municipality of all or part of the appraised value of real property used to operate a child-care facility.”**

- **Proposition 4 (H.J.R. 2):** [H.J.R. 2](#) proposes a constitutional amendment to modify certain provisions of the Texas Constitution related to property taxes. The proposed amendment would authorize the legislature to temporarily limit the maximum appraised value of real property for property tax purposes in a tax year. The proposed amendment also would increase the mandatory homestead exemption for school district property taxation from \$40,000 to \$100,000. The proposed amendment would require the legislature to provide for a reduction in the amount of the limitation on school district property taxes imposed on the residence homestead of the elderly or disabled. Additionally, the amendment would exempt appropriations not dedicated by the Texas Constitution and used for property tax relief from being considered as appropriations when determining whether the rate of growth of appropriations in a biennium has exceeded the constitutional tax spending limit. The proposed amendment would further authorize the legislature to provide that members serving on an appraisal board in a county with a population of at least 75,000 serve terms not to exceed four years.

The proposed amendment will appear on the ballot as follows: **“The constitutional amendment to authorize the legislature to establish a temporary limit on the maximum appraised value of real property other than a residence homestead for ad valorem tax purposes; to increase the amount of the exemption from ad valorem taxation by a school district applicable to residence homesteads from \$40,000 to \$100,000; to adjust the amount of the limitation on school district ad valorem taxes imposed on the residence homesteads of the elderly or disabled to reflect increases in certain exemption amounts; to except certain appropriations to pay for ad valorem tax relief from the constitutional limitation on the rate of growth of appropriations; and to authorize the legislature to provide for a four-year term of office for a member of the board of directors of certain appraisal districts.”**

- **Proposition 6 (S.J.R. 75):** [S.J.R. 75](#) proposes a constitutional amendment to create the Texas water fund. The Texas water fund would be a special fund in the state treasury outside the general revenue fund, administered by the Texas Water Development Board (TWDB) or its successor to assist in financing water projects in the state. The proposed amendment would direct the Texas water fund administrator to use the fund only to transfer money to other TWDB funds or accounts. The proposed amendment would authorize the legislature to appropriate money for deposit to the water fund to be available for permitted transfers. No further legislative appropriation would be required for the water fund administrator to transfer money from or restore money to the fund, including the transfer of money to or the restoration of money from certain designated TWDB funds and accounts. The water fund would consist of: (1) money transferred or deposited to the fund by general law; (2) other revenue that the legislature by statute dedicates for deposit to the fund; (3) investment earnings and interest earned on amounts credited to the fund; (4) money from gifts, grants, and donations to the fund; and (5) money returned from any authorized transfer. The proposed amendment would require the legislature, by general law, to provide for the manner in which money from the Texas water fund may be used. The proposed amendment also would require that at least 25% of the money initially appropriated to the Texas water fund be transferred to the New Water Supply for Texas Fund.

The proposed amendment will appear on the ballot as follows: **“The constitutional amendment creating the Texas water fund to assist in financing water projects in this state.”**

- **Proposition 7 (S.J.R. 93):** [S.J.R. 93](#) proposes a constitutional amendment to establish the Texas energy fund. The Texas energy fund would be a special fund in the state treasury outside the general revenue fund, administered by the Public Utility Commission of Texas (PUC) or its successor. Money in the Texas energy fund could be used, without further appropriation, only by PUC or its successor to provide loans and grants to finance or incentivize the construction, maintenance, modernization, and operation of electric generating facilities necessary to ensure the reliability or adequacy of an electric power grid in the state. The proposed amendment would require PUC to allocate money from the fund for loans and grants to eligible projects for electric generating facilities that serve as backup power sources and in each region of the state that is part of an electric power grid in proportion to that region’s load share. The Texas energy fund would consist of: (1) money credited, appropriated, or transferred to the fund by or as authorized by the legislature; (2) revenue that the legislature dedicates for deposit to the fund; (3) the returns received from the investment of the money in the fund; and (4) gifts, grants, and donations contributed to the fund.

The proposed amendment will appear on the ballot as follows: **“The constitutional amendment providing for the creation of the Texas energy fund to support the construction, maintenance, modernization, and operation of electric generating facilities.”**

- **Proposition 8 (H.J.R. 125):** [H.J.R. 125](#) proposes a constitutional amendment to create the broadband infrastructure fund. The broadband infrastructure fund would be a special fund in the state treasury outside the general revenue fund, administered by the Texas Comptroller of Public Accounts (Comptroller). Money from the fund could be used, without further appropriation, only for the expansion of access to and adoption of broadband and telecommunications services. The broadband infrastructure fund would consist of: (1) money transferred or deposited to the fund by the Texas Constitution, general law, or the General Appropriations Act; (2) revenue that the legislature by general law dedicates for deposit to the fund; (3) investment earnings and interest earned on money in the fund; and (4) gifts, grants, and donations to the fund. The proposed amendment would authorize the Comptroller to transfer money from the broadband infrastructure fund to another fund as provided by general law, and the state agency that administers the fund to which any money is transferred could use the money without further appropriation only for the expansion of access to and adoption of broadband and telecommunications services. The broadband infrastructure fund would expire on September 1, 2035, unless extended by adoption of a joint resolution of the legislature. Immediately before the expiration of the fund, the Comptroller would be required to transfer any unexpended and unobligated balance remaining in the broadband infrastructure fund to the general revenue fund.

The proposed amendment will appear on the ballot as follows: **“The constitutional amendment creating the broadband infrastructure fund to expand high-speed broadband access and assist in the financing of connectivity projects.”**

- **Proposition 14 (S.J.R. 74):** [S.J.R. 74](#) proposes a constitutional amendment to establish the centennial parks conservation fund as a trust fund outside the state treasury. The fund could be used, in accordance with general law, only for the creation and improvement of state parks. The centennial parks conservation fund would consist of: (1) money appropriated, credited, or transferred to the fund by the legislature; (2) gifts, grants, and donations received by the Texas Parks and Wildlife Department (TPWD) or its successor for a purpose for which money in the fund may be used; and (3) investment earnings and interest earned on amounts credited to the fund. The proposed amendment would authorize the legislature to appropriate money from the centennial parks conservation fund to TPWD or its successor for the creation and improvement of state parks.

The proposed amendment will appear on the ballot as follows: **“The constitutional amendment providing for the creation of the centennial parks conservation fund to be used for the creation and improvement of state parks.”**

For background and analysis of the proposition, see the Texas Legislative Council’s [“Analyses of Proposed Constitutional Amendments”](#).

## **Mandated Cybersecurity Training Due Next Week**

Texas Government Code Section 2054.5191 mandates cybersecurity training for city employees, elected officials, and appointed officials who have access to a local government computer system or database and use a computer to perform *at least 25 percent* of their duties.

The training must be certified by the Texas Department of Information Resources (DIR). Cities must certify their compliance by **August 31, 2023** by using the [Cybersecurity Training Certification for State and Local Governments](#) form.

The Texas Municipal League Intergovernmental Risk Pool (TMLIRP) has three DIR-certified options available free of charge. TMLIRP's free cybersecurity training program can be assessed [here](#). Other DIR-certified training programs are listed on the agency's [website](#).

DIR has developed an optional tool, Texas by Texas (TxT), for cities to track compliance of individual employees and officials training compliance. For any city using TxT, employees will report their training completion and DIR will send reporting from the TxT application to each city to verify compliance. Interested cities must submit the [Texas by Texas Self Reporting Form](#).

More information on training requirements can be found [here](#).

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