

Explanatory Statements for the November 7, 2017 Constitutional Amendment Election

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Proposition Number 1 (HJR 21)

HJR 21 proposes a constitutional amendment that would permit the Texas legislature to expand the circumstances under which a partially disabled veteran or their spouse may qualify for an exemption from ad valorem taxation of part of the market value of the veteran's residence homestead. Currently, the Texas legislature may provide that a partially disabled veteran or their spouse is entitled to an exemption from ad valorem taxation of a percentage of the market value of the disabled veteran's residence homestead only if the residence homestead was donated to the disabled veteran by a charitable organization at no cost to the veteran. The amendment would allow the Texas legislature to provide that the exemption also may be taken when the residence homestead was donated, sold, or transferred to the disabled veteran by a charitable organization for less than the market value of the residence homestead. The amendment also harmonizes certain related provisions of the Texas Constitution.

The proposed amendment will appear on the ballot as follows: **"The constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of part of the market value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization for less than the market value of the residence homestead and harmonizing certain related provisions of the Texas Constitution."**

Proposition Number 2 (SJR 60)

SJR 60 proposes a constitutional amendment to require that certain conditions be met for the refinancing of a home equity loan to be secured by a voluntary lien on a homestead. The amendment also would: redefine what is excluded in the calculation of the cap on fees associated with a home equity loan, lower the cap from 3% to 2% of the original principal amount of the extension of credit, and specify that such fees are in addition to any bona fide discount points used to buy down the interest rate. The amendment would further specify the list of authorized lenders to make home equity loans, change the threshold for an advance of a home equity line of credit, allow agricultural property owners to acquire home equity loans, and update technical terminology in the Texas Constitution. The amendment would be effective on January 1, 2018, and applicable only to a home equity loan made or refinanced on or after that date.

The proposed amendment would appear on the ballot as follows: **"The constitutional amendment to establish a lower amount for expenses that can be charged to a borrower and removing certain financing expense limitations for a home equity loan, establishing certain authorized lenders to make a home equity loan, changing certain options for the refinancing of home equity loans, changing the threshold for an advance of a home equity line of credit, and allowing home equity loans on agricultural homesteads."**

Proposition Number 3 (SJR 34)

SJR 34 proposes a constitutional amendment that would prevent certain office holders from serving indefinitely beyond the expiration of their term. Office holders who are appointed by the Governor and confirmed by the Senate and receive no salary would only be able to serve until the last day of the first regular session of the Texas legislature that begins after their term expires.

The proposed amendment will appear on the ballot as follows: **"The constitutional amendment limiting the service of certain officeholders appointed by the governor and confirmed by the senate after the expiration of the person's term of office."**

Proposition Number 4 (SJR 6)

SJR 6 proposes a constitutional amendment that would allow the Texas legislature to require any court that is hearing a challenge to the constitutionality of a state statute to notify the attorney general of that challenge, if the party raising the challenge notifies the court that the party is challenging the constitutionality of such statute. Additionally, the amendment would allow the Texas legislature to set a period of not more than 45 days following the notification to the attorney general that the court must wait before rendering a judgment that a state statute is unconstitutional.

The proposed amendment will appear on the ballot as follows: **"The constitutional amendment authorizing the legislature to require a court to provide notice to the attorney general of a challenge to the constitutionality of a state statute and authorizing the legislature to prescribe a waiting period before the court may enter a judgment holding the statute unconstitutional."**

Proposition Number 5 (HJR 100)

HJR 100 proposes a constitutional amendment to provide a more detailed definition of "professional sports team" for purposes of their charitable foundations, which the Texas legislature may permit to hold charitable raffles. The amendment also deletes a requirement that an eligible professional sports team charitable foundation permitted by the Texas legislature to hold charitable raffles had to be in existence on January 1, 2016.

The proposed amendment will appear on the ballot as follows: **"The constitutional amendment on professional sports team charitable foundations conducting charitable raffles."**

Proposition Number 6 (SJR 1)

SJR 1 proposes a constitutional amendment that would allow the Texas legislature by general law to provide that a surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to receive an exemption from ad valorem taxation from all or part of the market value on the surviving spouse's residence homestead, as long as the surviving spouse has not remarried since the death of the first responder. It would also allow the Texas legislature to provide that the surviving spouse, who qualifies and receives the exemption and then qualifies a different property as the surviving spouse's residence homestead, receive an exemption from ad valorem taxation of the different homestead in an amount equal to the dollar amount of the exemption of the first homestead for which the exemption was received in the last year in which the surviving spouse received the exemption for that first homestead. Like the initial exemption, this benefit will only remain available if the surviving spouse has not remarried since the death of the first responder. The proposed amendment would apply only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2018.

The proposed amendment would appear on the ballot as follows: **"The constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of all or**

part of the market value of the residence homestead of the surviving spouse of a first responder who is killed or fatally injured in the line of duty."

Proposition Number 7 (HJR 37)

HJR 37 proposes a constitutional amendment that would allow the Texas legislature to make an exception to the law regarding the award of certain prizes. Currently, the Texas Constitution requires the Texas legislature to pass laws prohibiting lotteries, raffles, and other programs where the award of gifts is based on luck or chance. The proposed amendment would make an exception to this general rule to allow the Texas legislature to authorize credit unions and other financial institutions to institute programs which, in order to encourage savings, would award prizes based on luck or chance to the credit union's or financial institution's customers.

The proposed amendment would appear on the ballot as follows: **"The constitutional amendment relating to legislative authority to permit credit unions and other financial institutions to award prizes by lot to promote savings."**