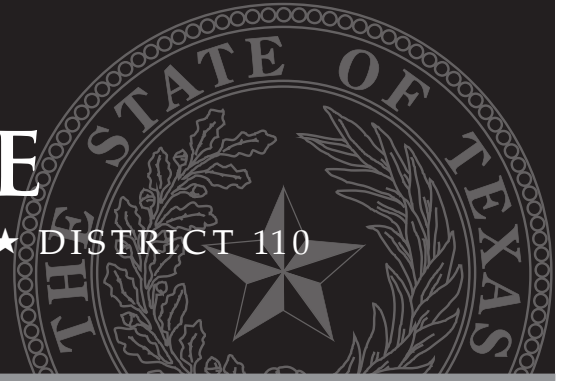




TONI ROSE

STATE REPRESENTATIVE ★ DISTRICT 110



CONSTITUTIONAL AMENDMENT NEWSLETTER

TEXAS HOUSE OF REPRESENTATIVES



STATE REPRESENTATIVE

DISTRICT 110

Dear District 110 Constituent & Supporter,

Since 1876, Texans have voted on and approved 484 amendments to our state constitution. These changes impact the future of Texas and determine how the state spends your tax dollars.

The next constitutional amendment election will be held on Tuesday, November 3rd, 2015. At that time, you will have the opportunity to cast your vote for or against seven proposed amendments that were passed during the 84th Legislative session.

In this newsletter, I've included a detailed summary of each amendment as well as the positions held by supporters and opponents. I believe it is important that you have all the information you need to make a decision regarding the amendments. I encourage you to share this information with your family and friends.

Be sure to keep this newsletter! You can take it into the polls when you vote and use it as a personal resource and guide when making your decision. Early voting begins on Monday, October 19, 2015 and lasts through Friday, October 30, 2015. Election Day is November 3rd, 2015.

If you have any questions or concerns about the proposed amendments, feel free to call my office at (214) 371-3300 or email me at district110.rose@house.state.tx.us.

Please do not hesitate to contact my office if you have ideas for legislation, want to voice your opinion, would like to sign up for email updates or find yourself having difficulty with a state agency or service. We can also help you honor a deserving person with a resolution from the State of Texas.

It continues to be an honor and privilege to serve as your state representative in the Texas Legislature.

Yours for a better Texas,

Toni Rose
State Representative
District 110

Amendment No. 1

(S.J.R. 1)

The constitutional amendment increasing the amount of the residence homestead exemption from ad valorem taxation for public school purposes from \$15,000 to \$25,000, providing for a reduction of the limitation on the total amount of ad valorem taxes that may be imposed for those purposes on the homestead of an elderly or disabled person to reflect the increased exemption amount, authorizing the legislature to prohibit a political subdivision that has adopted an optional residence homestead exemption from ad valorem taxation from reducing the amount of or repealing the exemption, and prohibiting the enactment of a law that imposes a transfer tax on a transaction that conveys fee simple title to real property.

Summary: S.J.R. 1 proposes an amendment to the Texas Constitution to increase the portion of the market value of a residence homestead that is exempt from ad valorem taxation for public school purposes from \$15,000 to \$25,000. In addition, the proposed amendment provides for a reduction of the limitation on the total amount of ad valorem taxes that may be imposed for those purposes on the homestead of an elderly or disabled person to reflect the increased exemption amount. The proposed amendment also authorizes the legislature to prohibit the governing body of a political subdivision that has adopted an exemption from ad valorem taxation of a percentage of the market value of a residence homestead from reducing the amount of or repealing the exemption. Finally, the proposed amendment prohibits the legislature from imposing a transfer tax on a transaction that conveys fee simple title to real property. The increase in the amount of the exemption to \$25,000 takes effect for the tax year beginning January 1, 2015.

Enacted in 2015 by the Texas Legislature, S.B. 1 is the enabling legislation for the proposed amendment. S.B. 1 amends the Tax Code to provide for the \$10,000 increase in the mandatory school district residence homestead exemption and to implement the required reduction of the limitation on the total amount of ad valorem taxes that may be imposed by a school district on the residence homestead of an elderly or disabled person and establishes the procedure for assessing and collecting school district taxes imposed for the 2015 tax year to implement the increased exemption and reduced limitation for that year's taxes. The bill, as permitted by the constitutional amendment, also prohibits the governing body of a school district, municipality, or county that adopted an optional residence homestead exemption for the 2014 tax year from reducing the amount of or repealing the exemption before the end of the 2019 tax year. Finally, the bill provides for the reimbursement by the state of school districts for the revenue loss resulting from the \$10,000 increase in the mandatory school district residence homestead exemption and the related reduction of the limitation on the total amount of ad valorem taxes that may be imposed by a school district on the residence homestead of an elderly or disabled person.

Comments by Supporters: The ad valorem tax on property is regarded by many as the most onerous tax. At the same time, the affordability of homes in certain parts of the state is a major concern. In areas with rapid economic growth where demand for housing is strong, homeowners, especially those living on fixed incomes, may be priced out of their homes by rising property taxes. The amount of the mandatory school district residence homestead exemption has not been updated since 1997. In the meantime, appraisals have continued to increase. Property taxes are rising faster than other taxes and have risen substantially in recent years, outpacing the rate of growth in wages. The amount of taxes on real estate paid by the average Texan is the fifth highest amount of any state in the country. The proposed amendment provides much-needed tax relief by increasing the amount of the mandatory school district residence homestead exemption, likely reducing the amount of taxes paid by a homeowner over the average lifetime of homeownership by thousands of dollars. By making the exemption effective for 2015 taxes, the proposed amendment ensures that the benefits of the increased homestead exemption are felt immediately. Even if the homestead exemption increase does not result in an outright reduction in the property tax burden because of appraisal increases,

it will reduce the rate of growth in property taxes on residence homesteads, thereby providing needed tax relief to homeowners. The proposed amendment also promotes economic growth by allowing homeowners, who are more economically efficient agents than the government, to retain more of their money. At the same time, the enabling legislation for the proposed amendment makes up the revenue loss to school districts while allowing the state budget to remain within the constitutional spending limit, and, given the surplus in state tax revenue, the state should have sufficient revenue to continue to make up the revenue loss for the foreseeable future.

The provision of the proposed amendment authorizing the legislature to prohibit a political subdivision that has adopted a local option exemption of a percentage of the market value of a homestead from reducing the amount of or repealing the exemption permits the legislature to prevent such a political subdivision from offsetting the increase in the mandatory school district residence homestead exemption effected by the proposed amendment by reducing the amount of or repealing the local option exemption.

Although the state and local governments do not currently impose a transfer tax on real estate transactions, some have advocated such a tax as a substitute for property taxes. However, such a tax would create a barrier to homeownership, impede the real estate market, and make the state and local governments dependent on a volatile revenue source. The proposed amendment protects homeowners, the state, and local governments from those consequences by prohibiting the legislature from enacting a law imposing such a tax.

Comments by Opponents: The increase in the mandatory school district residence homestead exemption will provide only nominal property tax relief for homeowners. The exemption will reduce property taxes for the average homeowner by about \$126 a year. Increases in appraisals and local property tax rates may mean that no actual reduction in property taxes occurs, merely a reduction in the rate of growth of property taxes. Furthermore, the homestead exemption increase provides no benefit whatsoever for those who rent their homes. While the homestead exemption increase will provide only nominal property tax relief for any individual homeowner and no relief at all for those who do not own their own homes, it will cost the state \$1.24 billion every two years to make up the revenue loss for school districts. That is in addition to the \$8.4 billion a year the state already spends for tax relief provided in prior years that likewise never materialized because of rising appraisals and tax rates. Rather than spending money making up for an illusory tax cut that benefits only certain property owners, the legislature should cut other state taxes, such as sales or franchise taxes, or increase spending on transportation and other infrastructure, education, or other critical needs. A sales tax cut would benefit everyone, not just homeowners. Also, because the state controls the rates of the sales and franchise taxes, a sales or franchise tax cut would not be undermined by actions taken at the local level. Furthermore, a cut in the sales or franchise tax would create more jobs and economic activity than an increase in the homestead exemption. Finally, it is not clear that the state will continue to generate revenue surpluses sufficient to make up the revenue loss to school districts arising from the homestead exemption increase. Property taxes are a local matter. The best way to control local property taxes is for voters to hold local officials accountable.

The provision of the proposed amendment authorizing the legislature to prohibit a political subdivision that has adopted a local option exemption of a percentage of the market value of a homestead from reducing the amount of or repealing the exemption is overbroad in that it is not limited to school districts. While it is understandable that the legislature might desire to prevent school districts that have adopted a local option percentage exemption from reducing the amount of or repealing the exemption to negate the increase in the amount of the mandatory school district residence homestead exemption, there is no reason to prohibit other political subdivisions not affected by the increase in the exemption from school district taxes from reducing the amount of or repealing a local option exemption. Furthermore, it is inappropriate for the legislature to mandate that a school district that has elected to offer such an exemption continue doing so if the legislature is not going to make up the revenue loss to the school district. If the economy were to decline or the legislature

were to cut funding for education, a school district that elected to offer such an exemption might determine that it could no longer afford to continue doing so, but the proposed amendment would authorize the legislature to mandate that it continue doing so without making up the revenue loss to the district. A local option exemption, having been adopted, would effectively become a mandatory exemption.

The provision of the proposed amendment prohibiting a transfer tax on real estate transactions is unnecessary because such transactions are not currently subject to taxation, nor is such a tax currently under consideration. Furthermore, the provision is unwise in that it precludes a future legislature from considering such a tax as a means of addressing a revenue shortfall. Finally, it singles out one particular type of transaction for special treatment when no similar protection is provided for transactions in other goods that are just as essential, including food and medicine.



Representative Rose leading the Pledge of Allegiance at the opening of House Proceedings.

Amendment No. 2

(H.J.R. 75)

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 100 percent or totally disabled veteran who died before the law authorizing a residence homestead exemption for such a veteran took effect.

Summary: Section 1-b, Article VIII, Texas Constitution, governs residence homestead exemptions from ad valorem taxation on property. A 2007 amendment that added Subsection (i) to Section 1-b allowed the legislature to provide a residence homestead exemption to a 100 percent or totally disabled veteran. The legislature enacted a law in 2009 to implement Subsection (i). In 2011, an amendment that added Subsection (j) to Section 1-b allowed the legislature to extend the exemption for 100 percent or totally disabled veterans to the surviving spouse of those veterans if the surviving spouse had not remarried since the death of the veteran and the property was the residence homestead of the surviving spouse when the veteran died and remains the homestead of the surviving spouse. However, current law has been construed to apply the exemption only to a surviving spouse of a veteran who died after the 2009 law took effect.

The constitutional amendment proposed by H.J.R. 75 amends Section 1-b by adding Subsection (j-1) to that section to allow the legislature to extend the residence homestead exemption to the surviving spouse of a disabled veteran who would have qualified for the exemption under the 2009 law but died before the law took effect under the same conditions as a surviving spouse of a disabled veteran who died after the 2009 law took effect. The proposed amendment also amends Section 1-b(k) of Article VIII to authorize the legislature to provide that a surviving spouse who

receives an exemption under proposed Subsection (j-1) and who subsequently qualifies a different property as the surviving spouse's residence homestead is entitled to an exemption from ad valorem taxation of the subsequently qualified residence homestead in an amount equal to the dollar amount of the exemption from ad valorem taxation of the former homestead in accordance with proposed Subsection (j-1) in the last year in which the surviving spouse received that exemption for that homestead if the surviving spouse has not remarried. The proposed amendment applies only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2016.

Enacted in 2015 by the Texas Legislature, H.B. 992 is the enabling legislation for the proposed amendment. The bill provides that the surviving spouse of a disabled veteran who would have qualified for an exemption under that section if the section had been in effect on the date the disabled veteran died is entitled to receive the exemption provided by that section if the surviving spouse has not remarried since the death of the disabled veteran and the property was the residence homestead of the surviving spouse when the disabled veteran died and remains the residence homestead of the surviving spouse. The bill applies only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2016, and takes effect only if the proposed amendment is approved by the voters.

Comments by Supporters: Current law unintentionally and inequitably creates two classes of surviving spouses of 100 percent or totally disabled veterans: the surviving spouse of a 100 percent or totally disabled veteran who died on or after January 1, 2010, is eligible to receive an ad valorem tax exemption if that spouse meets certain qualifications, while the surviving spouse of a 100 percent or totally disabled veteran who died before January 1, 2010, is not eligible to receive that exemption. The proposed amendment corrects that problem and recognizes that the sacrifice made by a 100 percent or totally disabled veteran and the person's surviving spouse is the same regardless of the date on which the disabled veteran died. In addition, the fiscal effect of the proposed amendment and the enabling legislation on taxing units would be minimal, while the benefit to the family of any individual disabled veteran who died before 2010 would be considerable.

Comments by Opponents: By enlarging the number of surviving spouses of 100 percent or totally disabled veterans eligible to receive an exemption from ad valorem taxation of the surviving spouse's residence homestead, the proposed amendment would decrease tax revenue available to school districts, municipalities, counties, and other taxing units to provide essential services and would impose a burden on the state to the extent the state makes up the revenue loss to school districts. Additionally, because military families tend to reside in proximity to military bases and facilities in this state, property tax exemptions for disabled veterans and their families disproportionately affect certain areas of the state and have a greater effect on the ability of taxing units in those areas to raise sufficient revenue to provide essential services as well as on the distribution of the tax burden in those areas.

Amendment No. 3

(S.J.R. 52)

The constitutional amendment repealing the requirement that state officers elected by voters statewide reside in the state capital.

Summary: Section 23, Article IV, Texas Constitution, requires certain state officers elected by the voters statewide, including the comptroller of public accounts, commissioner of the General Land Office, attorney general, commissioner of agriculture, and railroad commissioners, to reside at the state capital while in office. The constitutional amendment proposed by S.J.R. 52 removes that residency requirement. The residence of the governor is addressed by Section 13, Article IV, Texas Constitution, and is not affected by this proposed amendment.

Comments by Supporters: The proposed amendment would allow certain state officers elected by the voters statewide to maintain a residency at a location in this state other than Austin, the state capital, and reduce the burden the state capital residency requirement places on the officers and their families. The capital residency requirement was included in the 1876 Texas

Constitution when state officers traveled to the state capital by horse and buggy and has not been amended since. Advances in transportation, communication, and technology have rendered the residency requirement obsolete and have provided the possibility of performing official duties from other locations. In addition, state officers' duties extend to locations other than the state capital, and performance of those duties may require the officers to spend a majority of their time away from Austin. Any state officer who, as a result of the lack of a state capital residency requirement, fails to spend sufficient time at the state capital is accountable to the voters at the next election. Further, the residency requirement creates for statewide offices an elite class of candidates who live in or can afford to move to Austin. Finally, a majority of the other states in the United States do not require their state officers to reside at the seat of government.

Comments by Opponents: The proposed amendment allowing certain state officers elected by the voters statewide to live anywhere in this state would repeal a residency requirement that has remained unchanged in the Texas Constitution since its adoption in 1876. The amendment would allow state officers, who are serving in full-time paid positions, to be physically present at the state capital infrequently and to possibly neglect their duties of office. Essentially, state officers serve as the chief operating officers for their respective state agencies, which have central offices in Austin, and the officers' duties require the officers to be available to the agency employees serving in Austin. State officers are often required to conduct statewide business at the seat of government, and residency in a location other than Austin would likely increase the state-reimbursed travel expenses of the officers. Finally, a state officer, by maintaining a residence away from the state capital, may be able to select a residence based on the officer's perception that the location would provide a more favorable venue than Travis County for any legal action brought against the officer.

Amendment No. 4 (H.J.R. 73)

The constitutional amendment authorizing the legislature to permit professional sports team charitable foundations to conduct charitable raffles.

Summary: The constitutional amendment proposed by H.J.R. 73 authorizes the legislature to permit a professional sports team charitable foundation to conduct charitable raffles under the terms and conditions imposed by the law and to use raffle proceeds to pay reasonable advertising, promotional, and administrative expenses. The provision limits the applicability of the law to an entity defined as a professional sports team charitable foundation on January 1, 2016, and limits the conduct of the raffles to games hosted at the home venue of the professional sports team associated with the foundation.

Section 47, Article III, Texas Constitution, as originally adopted in 1876, required the legislature to pass laws prohibiting all lotteries and gift enterprises in the state. Section 47 has been interpreted to prohibit the state from authorizing most forms of gambling. However, Section 47 has been amended to provide several specific exceptions to the general prohibition. The constitutional amendment proposed by H.J.R. 73 adds another exception to the general prohibition.

Enacted in 2015 by the Texas Legislature, H.B. 975 is the enabling legislation for the proposed amendment. The bill, which is effective January 1, 2016, if the voters approve H.J.R. 73, defines "professional sports team charitable foundation" as an organization formed for charitable purposes that holds a certificate of formation or is otherwise incorporated under the laws of this state and that is associated with a professional sports team organized in this state. The team must be a member of Major League Baseball, the National Basketball Association, the National Hockey League, the National Football League, or Major League Soccer. The bill authorizes a qualified professional sports team charitable foundation to conduct, in accordance with the requirements and limitations of the law, a charitable raffle during each game hosted at the home venue of the professional sports team associated with the charitable foundation and to offer to a randomly selected winner a cash prize that does not

exceed 50 percent of the raffle's gross proceeds. The bill requires all raffle proceeds to be used for the foundation's charitable purposes other than payments for the cash prizes and for operating expenses. The bill also provides criminal penalties for certain violations and authorizes injunctions against unauthorized raffles.

Comments by Supporters: The amendment would allow professional sports team charitable foundations in this state to highlight the team's philanthropic activities, bring awareness to community needs, encourage sports fans to contribute to worthy causes, and raise additional money for the foundation's charitable purposes. Under current law, nonprofit organizations may annually conduct not more than two charitable raffles. The proposed amendment merely increases the number of raffles the affected charitable foundations may conduct and authorizes cash payments. Several other states that are home to professional sports teams authorize the teams to conduct similar charitable raffles.

Comments by Opponents: No comments opposing the proposed amendment were made during the house or senate committee hearings or floor debates. A review of other sources, however, indicates that gambling opponents, while not necessarily opposed to charitable raffles, are concerned that the passage of H.J.R. 73 will expand gambling in this state and encourage future expansions of gambling in this state through the use of electronic displays to conduct the raffles that could potentially lead to electronic raffles at the sports venues and to other electronic gambling at bingo establishments or horse or greyhound racetracks.

Amendment No. 5 (S.J.R. 17)

The constitutional amendment to authorize counties with a population of 7,500 or less to perform private road construction and maintenance.

Summary: S.J.R. 17 proposes an amendment to the Texas Constitution to increase from 5,000 to 7,500 the maximum population threshold of a county that may construct and maintain private roads if the county imposes a reasonable charge for the work.

In 1980, voters approved a constitutional amendment adding Section 52f, Article III, Texas Constitution, authorizing counties with a population of 5,000 or less to perform private road construction and maintenance if the county imposed a reasonable charge for the work. Money collected by the county may be used only for the construction or maintenance of public roads. Section 52f authorizes the legislature to limit the counties' authority.

S.J.R. 17 amends Section 52f, Article III, to expand the class of counties authorized to perform private road work to those with a population of 7,500 or less.

Comments by Supporters: Rural counties in Texas have grown in population in the 35 years since the adoption of Section 52f, Article III, and the constitution should be updated to reflect population growth in that time.



Representative Rose with Governor Abbott and the City of Balch Spring Leadership.

The proposed amendment would give rural counties and private landowners in those counties more flexibility to update private roads that are poorly maintained. Many rural counties rarely have private contractors available to do the work. Poorly maintained roads create public safety hazards for citizens and emergency services. Private landowners still would have the flexibility to hire a private company instead of the county if they chose to do so.

The proposed amendment would include approximately 20 additional counties with populations between 5,000 and 7,500. Some of the additional counties were under the 5,000-person threshold at the time the constitutional provision was passed in 1980 or at some time since 1980, including some counties that exceeded the 5,000-person threshold only after a prison was constructed in the county.

The population limitation is necessary to prevent populous counties from competing with the private road construction industry. However, in the rural counties that would be covered by the proposed amendment, there are no private industries with which to compete, and counties should be allowed to deal with minor projects to maintain road safety. It would not be profitable for private companies to travel to rural counties for minor projects.

Comments by Opponents: Instead of increasing the maximum population threshold for counties allowed to perform private road work under Section 52f, Article III, the population limit should be eliminated. All counties in the state should have the option to construct and maintain private roads in the county as long as private landowners agree and pay the county for the cost of the work.



Representative Rose with Mr. Richard Overton who is 109 years (young) and the oldest survivor of World War II.

Amendment No. 6

(S.J.R. 22)

The constitutional amendment recognizing the right of the people to hunt, fish, and harvest wildlife subject to laws that promote wildlife conservation.

Summary: S.J.R. 22 creates a new right for people to hunt, fish, and harvest wildlife and establishes hunting and fishing as preferred methods of managing and controlling wildlife. The proposed right includes the use of traditional methods of hunting, fishing, and harvesting, although those methods are not defined. Under the proposed amendment, laws or regulations that conserve and manage wildlife and preserve the future of hunting and fishing apply to the exercise of the right to hunt, fish, or harvest wildlife. The proposed amendment does not affect laws or regulations that relate to trespass, property rights, eminent domain, or the municipal regulation of the discharge of a weapon in a populated area in the interest of public safety.

Comments by Supporters: Supporters of the amendment feel that animal rights groups and antihunting activists may try to impose stricter limits on hunting and fishing in this state, and supporters therefore seek constitutional protection for those activities as a preventive measure to preserve the opportunity to hunt and fish for future generations.

Supporters point out that protecting hunting and fishing would also protect the economic benefit enjoyed by the state from revenue generated by those activities because the surrounding industry contributes to employment, investment, and tax revenue. Additionally, industry related to hunting and fishing results in increased funding for conservation efforts and provides an incentive to landowners to maintain habitat, including open spaces, for game and nongame animals.

By specifically including traditional methods of hunting, fishing, and harvesting wildlife, and stating that hunting and fishing are preferred methods of managing and controlling wildlife, the proposed amendment does not prohibit the use of other methods and would still allow the prohibition of methods that are not sporting or that could endanger wildlife populations.

Comments by Opponents: Opponents of the amendment feel that the amendment is unnecessary because there is no threat to hunting and fishing in this state. Efforts to enact the amendment as a preventive measure may in fact spur groups opposed to hunting and fishing to begin activity in response.

A constitutionally stated preference for the use of hunting and fishing to control and manage wildlife may force regulations to change in a way that would make it more difficult to achieve a balanced ecosystem. While other methods of control might be more appropriate in certain situations, those methods might have to give way to the constitutional preference.

The amendment causes confusion between a person's protected right to hunt, fish, and harvest wildlife and the role of the state and federal government in enacting laws that regulate those activities. The line between regulation and right is unclear.

Amendment No. 7

(S.J.R. 5)

The constitutional amendment dedicating certain sales and use tax revenue and motor vehicle sales, use, and rental tax revenue to the state highway fund to provide funding for nontolled roads and the reduction of certain transportation-related debt.

Summary: S.J.R. 5 proposes an amendment to the Texas Constitution directing the comptroller of public accounts to annually deposit to the state highway fund, in each state fiscal year beginning with the 2018 state fiscal year, \$2.5 billion of state sales and use tax revenue that exceeds the first \$28 billion of those taxes collected during the fiscal year, and, in each state fiscal year beginning with the 2020 state fiscal year, 35 percent of the state motor vehicle sales, use, and rental tax revenue that exceeds the first \$5 billion of those taxes collected during the state fiscal year. The proposed amendment dedicates the tax revenue deposited to the state highway fund to constructing, maintaining, or acquiring rights-of-way for public roadways other than toll roads and to paying certain transportation-related bond debt.

The proposed amendment authorizes the legislature to make two types of modifications to the deposits to the state highway fund required by the amendment. First, the proposed amendment allows the legislature, by adoption of a resolution approved by a record vote of two-thirds of the members of both houses of the legislature, to reduce the amount of state sales and use tax revenue or motor vehicle sales, use, and rental tax revenue deposited to the state highway fund in the state fiscal year in which the resolution is adopted, or in either of the two following state fiscal years, by an amount or percentage that does not result in a reduction of more than 50 percent of the amount of tax revenue from either source that would otherwise be deposited to the state highway fund. In addition, although the proposed amendment provides that the duty of the comptroller of public accounts to deposit state sales and use tax revenue and state motor vehicle sales, use, and rental tax revenue to the state highway fund ends on August 31, 2032, and August 31, 2029, respectively, it authorizes the legislature, by adoption of a resolution approved by a record vote of a majority of the members of each house of the legislature, to extend the duty to make those deposits in 10-year increments.

Comments by Supporters: The proposed amendment would provide a consistent and reliable source of funding for transportation projects in the state. This state's current transportation system is inefficient and in poor repair in many areas, which has a negative

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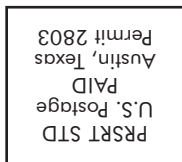
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*Committees: Human Services, Vice Chair;
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TONI ROSE
STATE REPRESENTATIVE



effect on the state's economy. The current method of funding transportation projects in this state is partially to blame for the state of the transportation system. Large transportation projects can take many years to complete and may include unforeseen costs, making it impractical to disburse the entire cost of a project at one time. The current practice of funding such projects using biennial appropriations, however, can lead to delays when an expected appropriation is not received or has to be spent for debt service. The state needs a predictable, dedicated revenue source that allows for future planning to address the state's infrastructure demands. The proposed amendment would provide that source of funding so that existing projects can be completed and new projects can be planned up to 10 years in advance and started in areas that will lead to the greatest return on the state's monetary investment.

Although the dedication of state tax revenue to the state highway fund does reduce the amount of revenue that would otherwise be available for general state purposes, the proposed amendment contains mechanisms by which the dedicated revenue would be available for those general purposes if needed. First, the proposed amendment preserves base amounts of the revenue for those purposes and dedicates only certain money in excess of those base amounts. In addition, the proposed amendment includes a mechanism by which the legislature may reduce the amount of money transferred to the state highway fund if necessary. Also,

because the proposed amendment provides that the dedication of tax revenue ends in either 10 or 15 years, depending on the source of the revenue, the legislature will be required to periodically review whether the dedication of revenue is working as intended and should be extended as authorized by the proposed amendment.

Comments by Opponents: Although funding transportation projects is an important state priority, the proposed amendment is not the best method by which to address transportation funding. The proposed amendment, which would constitutionally dedicate billions of dollars of state tax revenue each year only to transportation-related projects and the payment of transportation-related debt, would tie the hands of future legislatures during a time when the legislature has discretion over less than 20 percent of the state's budget. This could lead to the state being required to make substantial cuts in essential state services, such as public education and health and human services, in the event of a downturn in the state's economy.

There are better alternatives for providing transportation funding that would not affect the state's ability to respond to future budget crises. There is currently a considerable budget surplus available to the legislature that could be appropriated for transportation projects. In addition, the rates of other taxes the revenue from which is already dedicated to transportation could be increased to provide additional funding.