

★ CONSTITUTIONAL AMENDMENT VOTERS GUIDE ★

PROPOSITION	SUPPORTERS SAY:	OPPONENTS SAY:
Amendment No. 1 (H.J.R. 72) The constitutional amendment permitting a person to hold more than one office as a municipal judge at the same time.	A number of smaller municipalities lack individuals willing or qualified to serve as a municipal judge, which impedes the ability to deal with cases such as ordinance violations and fine-only misdemeanors. Current law allows appointed municipal judges to serve more than one municipality but not elected judges. The amendment makes it easier to fill that office in smaller municipalities, improve public safety and produce a fairer and more efficient judicial system.	Allowing a person to hold elected office as a municipal judge in multiple municipalities could lead to judges not being able to dedicate an adequate amount of time or attention to local concerns in a given municipality.
Amendment No. 2 (S.J.R. 79) The constitutional amendment providing for the issuance of additional general obligation bonds by the Texas Water Development Board in an amount not to exceed \$200 million to provide financial assistance for the development of certain projects in economically distressed areas.	Without this additional funding, the ability of the board to continue funding existing projects and support future projects for communities that could not otherwise afford secure access to safe water will be jeopardized. The high costs associated with maintaining and expanding water infrastructure in Texas are best financed through the issuance of bonds as this will allow for greater and more reliable long-term funding.	The state should not constitutionally dedicate funds to specific programs. Any necessary infrastructure improvements should be funded using general revenue.
Amendment No. 3 (H.J.R. 34) The constitutional amendment authorizing the legislature to provide for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property damaged by a disaster.	Providing a temporary tax exemption for property damaged by a disaster is a cheaper, simpler, and more easily administrable method of providing property tax relief to those suffering the after effects of a disaster than the current method of reappraisal.	Introducing yet another property tax exemption into state law could end up depriving local governments of adequate levels of funding.
Amendment No. 4 (H.J.R. 38) The constitutional amendment prohibiting the imposition of an individual income tax, including a tax on an individual's share of partnership and unincorporated association income.	Many voters believe that the Texas Constitution already prohibits a state personal income tax, but the constitution only imposes certain restrictions, including voter approval, on any potential personal income tax. H.J.R. 38 would provide a clear prohibition. The absence of a state personal income tax is part of the business-friendly climate that attracts people and businesses to Texas and is a contributing factor to the state's recent economic success.	Constitutionally prohibiting a state personal income tax would unnecessarily block a future revenue option that is less regressive than current taxes. Revenue from a personal income tax could be used to help alleviate the state's property tax and school finance problems and could reduce the tax burden on Texas businesses.
Amendment No. 5 (S.J.R. 24) The constitutional amendment dedicating the revenue received from the existing state sales and use taxes that are imposed on sporting goods to the Texas Parks and Wildlife Department and the Texas Historical Commission to protect Texas' natural areas, water quality, and history by acquiring, managing, and improving state and local parks and historic sites while not increasing the rate of the state sales and use taxes.	Chronic underfunding of the state park system has left many parks unable to adequately accommodate visitors. The amendment will help to ensure that our parks have the resources they need to adequately fund deferred maintenance projects, ensure visitor safety, and expand to meet the needs of a growing population. Ensuring that the Texas Historical Commission continues to receive appropriate sporting goods sales tax revenue will afford the commission the ability to properly manage and maintain the many historic sites under the commission's control.	Providing for the automatic appropriation of sporting goods sales tax revenue deprives the legislature of the ability to elect to use a portion of that revenue for other purposes determined by the legislature to be as important to the state as parks and historic sites, such as balancing the state's budget or responding to an emergency.
Amendment No. 6 (H.J.R. 12) The constitutional amendment authorizing the legislature to increase by \$3 billion the maximum bond amount authorized for the Cancer Prevention and Research Institute of Texas.	Increasing the amount of bond funding available for the institute is essential to ensuring the institute maintains its status as a national leader in cancer research and prevention. The institute programs have helped improve health outcomes, produced numerous positive economic benefits, and generated billions of dollars in state economic activity.	Doubling the size of the original commitment of taxpayer money for the institute unduly increases state debt. Although cancer research is honorable and necessary, funding such research is not a necessary state function.
Amendment No. 7 (H.J.R. 151) The constitutional amendment allowing increased distributions to the available school fund.	Doubling the current \$300 million cap on the annual distribution by the General Land Office (GLO) from the Permanent School Fund (PSF) to the available school fund (ASF) and authorizing an additional annual \$600 million distribution to the ASF by the State Board of Education (SBOE) would improve funding for public schools when sufficient revenues are available.	Raising the cap on PSF transfers to the ASF could ultimately result in lower school funding because of the manner in which the GLO and the SBOE share responsibility for managing the PSF.
Amendment No. 8 (H.J.R. 4) The constitutional amendment providing for the creation of the flood infrastructure fund to assist in the financing of drainage, flood mitigation, and flood control projects	Significant funding for flood control and mitigation projects is necessary to ensure that the state is able to prepare for and recover from natural disasters like Hurricane Harvey. Creating the flood infrastructure fund outside the general revenue fund will better protect money needed for flood projects from being redirected for other purposes.	Federal funding and other state financing sources are sufficient to support the necessary flood projects without establishing another special fund in the constitution.
Amendment No. 9 (H.J.R. 95) The constitutional amendment authorizing the legislature to exempt from ad valorem taxation precious metal held in a precious metal depository located in this state.	Precious metal held in a depository is considered personal property under the Tax Code. Personal property that is not held for the purpose of producing income is exempt from taxation, but a local taxing unit can bypass the exemption and opt to tax such property. The amendment would eliminate any uncertainty about the taxable status of precious metal held in commercial depositories.	If the amendment passes, a business may be able to escape taxation of its income-producing precious metal inventory by holding it in a depository, which could reduce taxable property values and create a cost to local taxing units and the state.
Amendment No. 10 (S.J.R. 32) The constitutional amendment to allow the transfer of a law enforcement animal to a qualified caretaker in certain circumstances.	Law enforcement agencies would like to be able to transfer retired law enforcement animals into their handlers' care free of charge, and the preference of law enforcement agencies in this matter should be honored.	No opposition to the proposed constitutional amendment was expressed during legislative consideration of the proposal.

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Election Day: Tuesday, November 5th

in this issue


Constitutional
Amendment
Voter's Guide

cut out and take with you to the polls

Early Voting:

Monday, October 21
through
Friday, November 1


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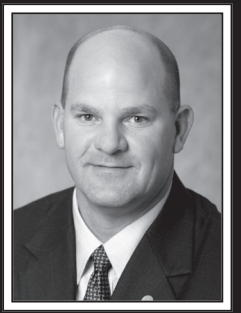



STATE REPRESENTATIVE


JOHN KUEMPEL

DISTRICT 44
GUADALUPE • WILSON



86TH LEGISLATIVE SESSION & CONSTITUTIONAL AMENDMENT INFORMATION



The State of Texas
House of Representatives

JOHN KUEMPEL DISTRICT 44 • GUADALUPE & WILSON COUNTIES

October 2019


Dear Friends and Neighbors:

The 86th Legislature ended its Regular Session in May with lawmakers delivering meaningful results for the State of Texas. This session wasn't about any individual leader or special interest, it was about focusing on the top priorities of the people of Texas — property tax and education reform— and not quitting until we reached that goal. I am proud of our willingness to work together this session to rightfully serve each and every Texan and take significant action on a number of challenges facing the state.

Inside this newsletter you will find more information on the major policy decisions made during the 86th Legislative Session, including the balanced state budget, historic school finance reform and the Texas Property Tax Reform and Transparency Act of 2019. This upcoming November you will also have the opportunity to cast your vote on several constitutional amendments passed this legislative session. This newsletter includes information about each proposed amendment and will hopefully assist you in making an informed decision. Not all of the items will impact each of you directly, but they are important to Texans as a whole. Some of the amendments have the potential to affect you greatly so it is important that you carefully read the pros and cons before deciding how to vote.

Thank you to those who have phoned, written or stopped by to visit about the issues that concern you. Your concerns played an important role in determining key priorities during the 86th Legislative Session, and I look forward to hearing from you in the future. It is truly an honor and privilege to be your voice in state government. If you have any questions about legislation, the proposed amendments or if I may be of service to you in any way, please do not hesitate to call the Capitol office at (512) 463-0602 or district office at (830) 379-8732. It has been an absolute pleasure to serve as your representative, and I will continue to work hard for you and your families.

Sincerely,



John Kuempel

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COMMITTEES: ENVIRONMENTAL REGULATION • LICENSING & ADMINISTRATIVE PROCEDURES



KEY ACCOMPLISHMENTS OF THE 86TH LEGISLATURE



★ STATE BUDGET ★

The legislature crafted and adopted a state budget for the 2020-2021 biennium that addressed numerous budget challenges while still managing to bring the budget within the Constitutional Spending Limit, the 'pay-as-you-go' limit and the population times inflation limit. This state budget prioritizes property tax reform and education, increasing disaster preparedness, rebuilding

our communities following Hurricane Harvey and increasing mental health resources. It is a responsible, yet compassionate budget that maintains our state's fiscal position while making a significant investment in Texas' future. This budget will ensure that Texas' economy continues to be a leader in the nation and a force in the world.

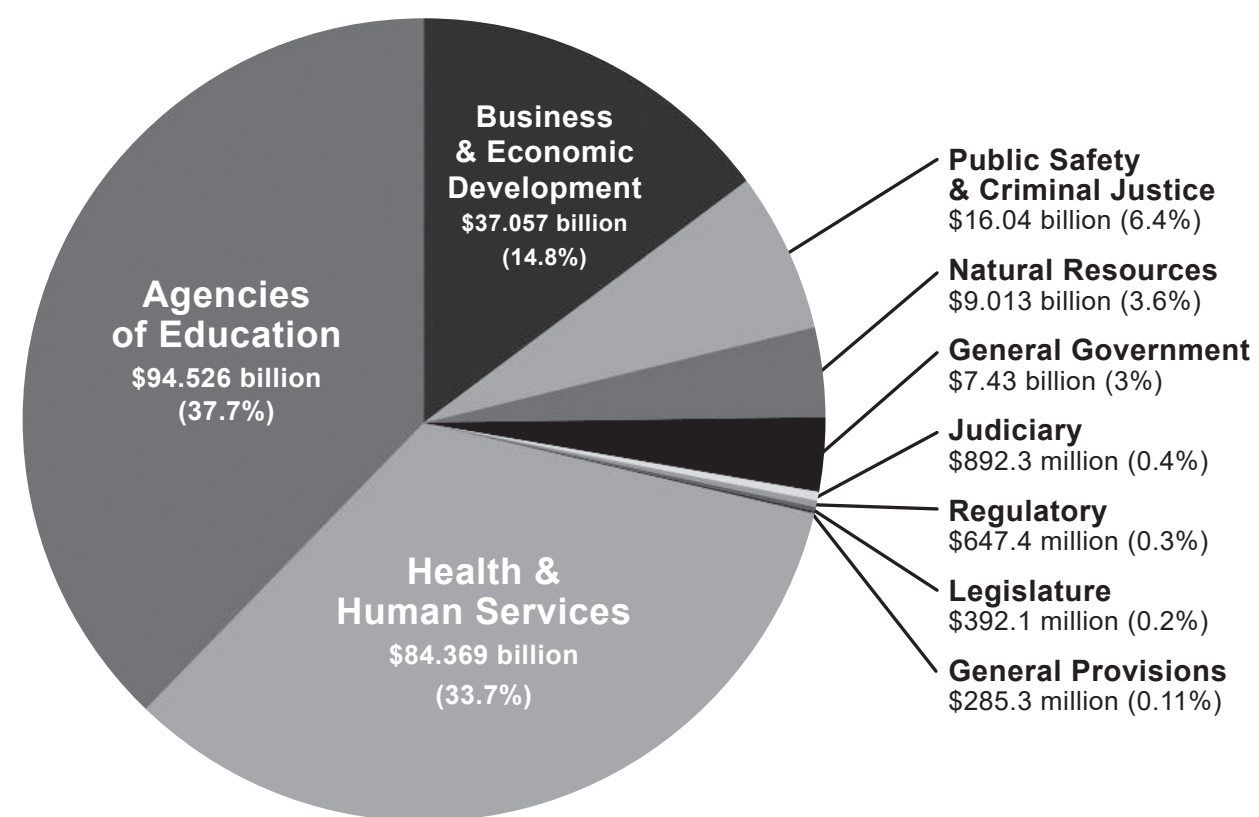
KEY BUDGET HIGHLIGHTS:

- ★ Appropriates \$118.9 billion in General Revenue and \$250.7 billion in total All Funds.
- ★ Provides over \$5 billion in statewide property tax relief.
- ★ Includes \$4.5 billion for transformational education reforms.
- ★ Invests \$2 billion in dynamic pay raises for educators.
- ★ Appropriates \$589 million for a "13th check" of up to \$2,000 for retired teachers and \$524 million to make TRS stable and solvent.
- ★ Dedicates over \$2 billion for Hurricane Harvey relief and recovery.

- ★ Appropriates \$9.9 billion to fill funding gaps in several government programs, including Medicaid, foster care, women's health, state hospitals, state supported living centers and correctional managed health care.
- ★ Provides a 24.3% increase in women's health funding compared to previous funding levels.
- ★ Earmarks \$27.8 million for human and child sex trafficking investigative squads, anti-gang squads and regional human trafficking investigative squads at the Department of Public Safety (DPS).
- ★ Maintains the 2018-2019 levels of funding for Border Security Efforts.

State Budget: 2020-21 All Funds

\$250.652 billion



Notes: (1) Amounts estimated or budgeted for the 2018-19 biennium include supplemental spending adjustments in Article II for Medicaid and foster care, but do not include adjustments from Senate Bill 500. (2) Contingent funding of \$11.5 billion for House Bill 3 has been moved from Article IX to Article III, Public Education, for the purposes of this comparison. (3) Excludes Interagency Contracts. (4) Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, figure totals may not sum due to rounding.

Source: Legislative Budget Board

★ PUBLIC EDUCATION ★

Lawmakers delivered on a promise made in January and passed one of the most transformative educational bills in Texas history. House Bill 3 represents groundbreaking reform of an education system that has lagged behind the changing needs of Texas schoolchildren. The legislature reformed the broken school finance system by investing \$4.5 billion in education reforms. This money will flow through funding formulas, and will direct more funding to students with economic disadvantages, students in special education and residential treatment facilities and those with dyslexia. The plan also funds full-day Pre-K for low income students and adopts high-quality K-3 reading standards to ensure students read at grade level by the 3rd grade. House Bill 3 also modernizes outdated school finance formulas to reduce recapture by \$3.6 billion, a 47% reduction this biennium. This will increase equity within the school finance system and give school districts the ability to keep more of the money they earn from their local property taxes.

Teachers will see a salary increase through a mechanism by which teacher pay would increase whenever the legislature increases the basic allotment, which is the fundamental variable in school formula funding. House Bill 3 would raise that more than \$1,000, to \$6,160, of which nearly a third must go towards salaries for non-administrative public school employees. School districts would also have the option of developing a system to identify their best teachers and pay them more. However, that system could not factor in results from state accountability tests. Incentives for teachers who are willing to teach at high-need or rural campuses are also included. In all, House Bill 3 dedicates \$2 billion towards teacher and other public school salary increases. I encourage you to visit www.TheTexasPlan.com to learn more about what House Bill 3 accomplishes.

I am extremely pleased with our work this session to address the viability of the Teacher Retirement System (TRS) as well as securing a supplemental payment for teacher retirees. Senate Bill 12 increases the state contribution to the TRS Pension Fund from 6.8% to 8.8% of the statewide teacher salary cost over the next five-year period. Additionally, the legislation authorized a "13th Check" in the 2020-2021 biennium to members who retired prior to 2017, which is a general supplemental payment of up to \$2,000. Texas teachers spend their lifetimes investing in our kids. By giving more to retired teachers without requiring greater contributions from teachers or school districts, the state legislature proudly invested in our educators.



Rep. Kuempel welcomes students from Seguin's Weinert Elementary to the Texas State Capitol.

★ PROPERTY TAX REFORM & TRANSPARENCY ★

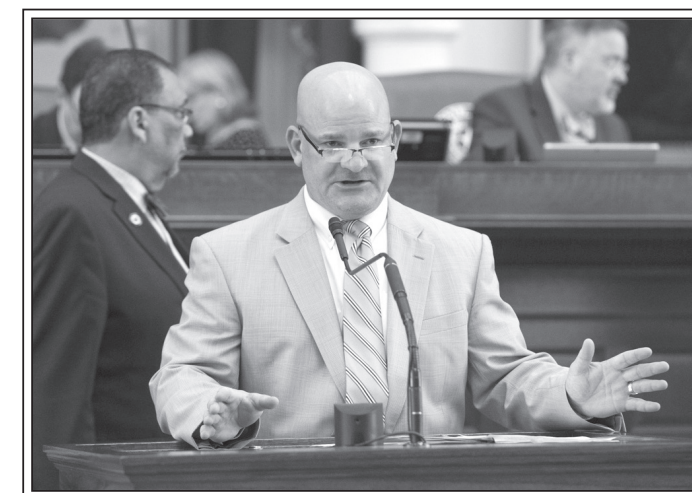
With skyrocketing property taxes across the state threatening homeowners and renters, the Texas Legislature stood up for taxpayers this session. From the opening day of the 86th Legislative Session, helping homeowners pay less in property taxes was a priority for the legislature and the governor. The result, Senate Bill 2, known as the Texas Property Tax Reform and Transparency Act of 2019, gives taxpayers the tools to make informed decisions about their property taxes and empowers voters to stop higher property tax rates through an election. Under SB 2, local governments now have to have voter approval before increasing property tax revenue by more than 3.5%. To increase transparency and make taxes easier to understand, the

bill also requires that tax rates be posted in an online data base along with real-time tax information to inform property owners who is proposing to raise their rates, by how much, and when and where they can go to protest.

In addition, the passage of HB 3 provides almost \$5 billion in property tax relief. It increases the state's share of education funding in order to buy down school district property taxes, mandates ongoing reductions in school property tax rates, and requires districts to conduct efficiency audits to ensure taxpayer dollars are being used responsibly.

Along with slowing the growth of taxes, the legislature took a number of steps to ensure that your tax money is being spent responsibly. Among those steps were SB 68, which requires a fiscal review of every state agency under review by the Sunset Advisory Commission, and HB 3414, which imposed additional public notice, hearing and reporting requirements for tax incentive and economic development project. Together, these bills will make sure we cut out redundant and inefficient spending practices across state government.

Lastly, Rep. Kuempel and his colleagues in the House and Senate increased flexibility for some eligible property tax-paying Texans. House Bill 1883 allows active duty military to pay property taxes late without penalty when away from home for military service, and HB 492, in combination with House Joint Resolution 35, provide for a temporary property tax exemption during a declared disaster. And to further simplify the process of protesting an appraisal, taxpayers will now be able to request the notice of appraisal protest be sent by email.



Rep. Kuempel addresses his colleagues during debate on the state budget.

★ HURRICANE HARVEY & DISASTER PREPAREDNESS ★

Due to the floods and other devastating effects of Hurricane Harvey, the legislature worked to put measures into place that will better prepare the state for the next weather-related disaster. Senate Bill 7, with the passage of a constitutional amendment proposed in House Joint Resolution 4, creates the Flood Infrastructure Fund. The priority legislation will help pay for statewide regional flood planning, mitigation, and infrastructure projects. More information about this fund can be found in the Constitutional Amendments section of this newsletter.

House Bill 5 directs the Texas Department of Emergency Management to create a catastrophic debris management plan to improve debris removal for political subdivisions. HB 5 also creates the Wet Debris Study Group and the Work Group on Local Restrictions That Impede Disaster Recovery Efforts to study the best practices and common hindrances to the removal

of debris following a disaster. The bill positions local communities to respond quicker to disasters and prepares the state for future debris crises.

HB 6 creates a Disaster Recovery Task Force within the Texas Department of Emergency Management to assist individuals with specialized assistance and communities with recovery and resiliency planning to speed up recovery. Recovery has been identified as the weakest phase of the emergency management cycle in Texas, and the bill looks to strengthen recovery functions and better utilize the resources available to this state.

Lastly, House Bill 7 requires the Governor's Office to compile and maintain a comprehensive list of all the regulatory waivers needed during a disaster. This legislation will prepare the state to expedite suspensions and executing partnership agreements in any future disasters.

★ HEALTH & HUMAN SERVICES & MENTAL HEALTH ★

- ★ Covers shortfalls in Medicaid, foster care, women's health, state hospitals, state supported living centers, and correctional managed health care
- ★ 24.3% increase in women's health funding over 18-19 levels
- ★ \$86 million in rate increases for community care and Intellectual and Developmental Disability (IDD) providers, pediatric home therapists, and pediatric private duty nursing
- ★ \$48 million for rate increases and cost growth for Early Childhood Intervention

- ★ \$11.7 million for salary increases to hire and retain Adult Protective Services workers
- ★ Supports Community Based Care expansion for foster care
- ★ \$7.7 billion for behavioral health and substance abuse services
- ★ Almost \$8 million to the Department of State Health Services to include testing for X-ALD (adrenoleukodystrophy) in newborn screening

★ BORDER SECURITY & TRANSPORTATION ★

- ★ Maintains the 2018-2019 levels of funding for Border Security Efforts
- ★ \$5 million to Texas Parks and Wildlife for equipment to improve game wardens' communication statewide
- ★ \$7.5 million to DPS for Operation Draw Bridge Cameras and 4 analysts for the Transnational Intelligence Center
- ★ \$1.7 million in grants for border prosecution, border zone fire departments and economic development

- ★ \$6.1 billion to TxDOT for non-tolled highway construction
- ★ \$86 million to TxDOT for building, construction, and deferred maintenance
- ★ \$210 million for the driver's license program to reduce wait times, improve customer service, hire new employees, and add three additional driver's license offices

★ TELECOMMUNICATIONS ★

Rep. Kuempel, along with Sen. Nichols, sponsored key legislation allowing local electric co-ops the ability to expand high-speed internet in parts of the state that are currently without access. Senate Bill 14 increases access to high speed internet for rural Texans by allowing rural electric cooperatives the ability to deploy broadband fiber in underserved areas of Texas.

Currently, many cooperatives hold electric-only easements that limit the use of the easement to infrastructure related to providing electric service. Such easements allow for adding fiber in the easement to operate the electric system but they do not allow for adding fiber in the easement for providing high-speed broadband service to cooperative members. Senate Bill 14 authorizes the cooperative to add broadband fiber in the electric easement and will give homeowners, business owners, and students access to new resources that will make their businesses and educations stronger.



Rep. Kuempel discusses the impact of broadband internet in rural communities with a colleague.