

# Condensed Analyses of Proposed Constitutional Amendments

November 5, 2013, Election



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## **Amendment No. 1 (H.J.R. 62)**

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 member of the armed services of the United States who is killed in action.

**Summary of Proposed Amendment.** Section 1-b, Article VIII, Texas Constitution, provides various exemptions from property (or "ad valorem") taxation for residence homesteads and limitations on certain property taxes imposed on those homesteads. The constitutional amendment proposed by H.J.R. 62 authorizes the legislature to grant the surviving spouse of a member of the armed services of the United States who is killed in action a property tax exemption for all or part of the market value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the service member's death. The amendment also authorizes the legislature to provide that if a surviving spouse who qualifies for and receives such an exemption subsequently qualifies a different property as a residence homestead, the surviving spouse is entitled to a property tax exemption on the new homestead in an amount equal to the amount of the exemption received for the first homestead in the last year in which the surviving spouse received the exemption for that homestead if the surviving spouse has not remarried since the service member's death. The proposed amendment applies only to a tax year beginning on or after January 1, 2014.

**Summary of Comments Made About the Proposed Amendment.** The following paragraphs are based on comments made about the amendment during the legislative process and generally summarize the main arguments supporting or opposing the amendment.

**Comments by Supporters.** The surviving spouses of service members killed in action are as deserving of a residence homestead property tax exemption as the surviving spouses of totally disabled service members, who were extended such an exemption just two years ago. Existing benefits for military widows and widowers can be inadequate, particularly for a newly single parent having to adjust to the loss of a husband or wife and to an uncertain future.

Although the cost of the exemption would be borne in part by local governments with taxing jurisdiction, the local governmental entities contacted by the proponents of the legislation expressed no opposition to the exemption, which would have only a small effect on individual local governments given the relatively small number of surviving spouses who would be eligible and the amount of the average Texas homeowner's annual property tax bill. While the effect on local governments would be small, the tax exemption would provide meaningful relief to a surviving spouse at a critical time of need as well as recognize the sacrifices borne by both the service member and the service member's family.

**Comments by Opponents.** No comments opposing the proposed amendment were made during the house and senate committee hearings on the amendment or during discussion of the amendment in the house and senate chambers.

However, questions were raised about efforts to determine the fiscal effect on local governments and whether the exemption would encourage surviving spouses who are residents of other states to move to Texas, further hindering the ability of local governments to generate sufficient revenue without raising property taxes. In addition, a concern was expressed that the proposed amendment excludes other deserving populations and adds to the complexity of a system of tax exemptions and other

veterans benefits that are awarded based on the categorization of veterans into various classes. A review of other sources reveals that there is concern that if the legislature continues to expand the categories of property owners who receive property tax exemptions, local governments may have to raise property taxes on other property owners in order to generate the same amount of revenue.

## **Amendment No. 2 (H.J.R. 79)**

The constitutional amendment eliminating an obsolete requirement for a State Medical Education Board and a State Medical Education Fund, neither of which is operational.

**Summary of Proposed Amendment.** H.J.R. 79 carries out a decades-old recommendation by the Sunset Advisory Commission and the Legislative Budget Board to repeal a now-obsolete constitutional provision added in 1952 that required the legislature to create a State Medical Education Board, establish a fund, and make appropriations to that fund to be used by that board to provide grants, loans, or scholarships directly to medical students who agree to practice medicine in rural areas of this state. The board was not created until 1973 and, once created, was largely ineffective in serving its purpose of attracting physicians to serve in medically underserved communities. Due to its ineffectiveness, the board has not received state appropriations or issued new loans for more than 20 years, and the legislature has since enacted more effective methods of attracting physicians to serve in rural Texas. In an ongoing effort to remove unnecessary provisions from the Texas Constitution, H.J.R. 79 removes the requirement for the defunct medical education board and its related fund.

**Summary of Comments Made About the Proposed Amendment.** The following paragraphs are based on comments made about the amendment during the legislative process and generally summarize the main arguments supporting or opposing the amendment.

**Comments by Supporters.** The proposed amendment would afford an opportunity to shrink state government by eliminating an obsolete governmental office, streamlining the Texas Higher Education Coordinating Board (THECB), and simplifying an ever-expanding state constitution. The objectives and functions of the State Medical Education Board, which were never accomplished with any particular measure of efficiency before the board became obsolete, are now accomplished by other more effective means, and the Sunset Advisory Commission's recent review of the THECB, to which the medical education board has been administratively attached, provides further impetus to finally implementing the decades-old Sunset Advisory Commission recommendation to abolish the medical education board and its attendant fund.

**Comments by Opponents.** No comments opposing the proposed amendment were made during the house and senate committee hearings or during debate on the amendment in the house and senate chambers. A review of other sources also did not reveal any apparent opposition to the amendment.

### **Amendment No. 3 (H.J.R. 133)**

The constitutional amendment to authorize a political subdivision of this state to extend the number of days that aircraft parts that are exempt from ad valorem taxation due to their location in this state for a temporary period may be located in this state for purposes of qualifying for the tax exemption.

**Summary of Proposed Amendment.** H.J.R. 133 proposes to amend Section 1-j, Article VIII, Texas Constitution, to authorize the governing body of a political subdivision (such as a municipality, county, or school district) to extend the date by which aircraft parts held by a business in Texas that are exempt from property taxation as "freeport goods" must be transported outside the state in order to retain tax-exempt status. Under the proposed amendment, a governing body could extend the date that such aircraft parts must be exported to not later than the 730th day (the second year) after the date the taxpayer acquired or imported the aircraft parts in this state instead of the 175th day as is currently required by law. The proposed amendment would authorize the legislature to provide the manner by which a governing body could extend the period of time. In addition, the proposed amendment provides that an extension would apply only to the exemption from property taxation by the political subdivision adopting the extension. The proposed amendment would apply only to a tax year beginning on or after January 1, 2014.

**Summary of Comments Made About the Proposed Amendment.** The following paragraphs are based on comments made about the amendment during the legislative process and generally summarize the main arguments supporting or opposing the amendment.

**Comments by Supporters.** The current 175-day limit on how long certain tangible personal property may be held in a Texas business's inventory to qualify for a freeport tax exemption unfairly disqualifies aircraft parts, which generally are held in inventory for longer periods of time. Aircraft parts may not be needed by a customer for many months, so an inventory does not turn over very quickly. In addition, the raw materials for the parts may be in limited production, requiring Texas aircraft parts suppliers to purchase in bulk and maintain large inventories for long periods to have parts on hand when needed. If the parts are detained in Texas for more than 175 days after the date the suppliers acquire or import the parts, the parts do not qualify for the current exemption. This tax burden places Texas aircraft parts suppliers at a competitive disadvantage with suppliers located in other states where goods destined for out-of-state shipment are exempt from property taxation. Although the freeport exemption was authorized as a business incentive, the current time frame for turning around inventory is too short to meet the needs of the Texas aviation industry and may be a deterrent to business relocations to Texas or expansion of operations already in Texas.

**Comments by Opponents.** No comments opposing the proposed amendment were made during the house and senate committee hearings or during the debate on the amendment in the house and senate chambers.

However, questions raised in house floor debate about the cost of the amendment to local governments, as well as costs to the state when offsetting lost school district tax revenue through the school finance system, remain unanswered because the number of taxing units that would extend the freeport exemption period under the amendment, and the taxable value of the parts that would become subject to the exemption, cannot be predicted.

## **Amendment No. 4 (H.J.R. 24)**

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.

**Summary of Proposed Amendment.** H.J.R. 24 proposes to permit the legislature to authorize a new exemption from property (or "ad valorem") taxation of a percentage of the market value of a partially disabled veteran's residence homestead equal to the percentage of the veteran's disability if the residence homestead was donated at no cost to the veteran by a charitable organization. The proposed amendment authorizes the legislature to provide additional eligibility requirements for the new exemption and to grant the surviving spouse of a partially disabled veteran, if the veteran died after qualifying for the new exemption, a property tax exemption for the same portion of the market value of the same property to which the disabled veteran's exemption applied if the surviving spouse has not remarried, the property was the residence homestead of the surviving spouse when the veteran died, and the property remains the residence homestead of the surviving spouse. The proposed amendment states that limitations and restrictions on certain other property tax exemptions for disabled veterans do not apply to the new exemption.

**Summary of Comments Made About the Proposed Amendment.** The following paragraphs are based on comments made about the amendment during the legislative process and generally summarize the main arguments supporting or opposing the amendment.

**Comments by Supporters.** The legislature has recognized the sacrifices made by 100 percent disabled veterans and their surviving spouses by granting a property tax exemption for the total appraised value of the veteran's residence homestead, but there is no corresponding exemption for veterans with only a partial disability. Because of the method used by the U.S. Department of Veterans Affairs to determine disability ratings, a veteran who otherwise would qualify for a 100 percent disability rating may find that rating lowered unexpectedly, with an attendant reduction in disability payments, for reasons such as doing charitable work despite suffering from a service-related condition or injury that limits employment opportunities. Basing a property tax exemption for disabled veterans on a 100 percent disability rating may lead to similarly situated disabled veterans, though equally deserving, not receiving the benefits of a tax exemption.

Many Texas home builders and charitable organizations honor disabled veterans by donating homes to those facing the challenge of transitioning from military service to civilian life, and there is growing interest in encouraging home donations statewide.

However, the blessing of a donated home can become a burden if the recipient cannot pay the resulting property taxes because disability payments are insufficient and the veteran's service-related disability precludes earned income through gainful employment. The proposed amendment would enable the recipient disabled veteran or surviving spouse to remain in the donated home with the ensuing freedom to pursue an education, find a suitable job, or start a business.

**Comments by Opponents.** No comments opposing the proposed amendment were made during the house and senate committee hearings on the amendment or during discussion of the amendment in the house and senate chambers. However, a review of other sources indicated concern that singling out specific groups for property tax exemptions could erode local property tax bases and undermine uniformity in taxation.

## **Amendment No. 5 (S.J.R. 18)**

The constitutional amendment to authorize the making of a reverse mortgage loan for the purchase of homestead property and to amend lender disclosures and other requirements in connection with a reverse mortgage loan.

**Summary of Proposed Amendment.** The proposed amendment would amend Section 50(k), Article XVI, Texas Constitution, to authorize advances under a reverse mortgage for the purchase of homestead property that the borrower will occupy as a principal residence and expand the conditions under which a lender may require repayment of this type of reverse mortgage to include the borrower's failure to timely occupy the homestead property within the period specified in the loan agreement. The proposed amendment also would prohibit the making of a reverse mortgage unless both the prospective borrower and the prospective borrower's spouse receive counseling regarding the advisability and availability of reverse mortgages and other financial alternatives that is completed within a prescribed period before the closing date of the loan. In addition, the proposed amendment would replace the constitutionally required written notice provided by lenders to borrowers of a reverse mortgage with a separate written notice containing detailed language related to reverse mortgages, including the grounds for which the lender may foreclose the reverse mortgage.

**Summary of Comments Made About the Proposed Amendment.** The following paragraphs are based on comments made about the amendment during the legislative process and generally summarize the main arguments supporting or opposing the amendment.

**Comments by Supporters.** It is not uncommon for older homeowners to find themselves in the market for a new home, whether for purposes of downsizing to a more suitable residence, relocating to be closer to their grown children or to medical care, or simply lowering the cost of homeownership. To do so, Texas seniors currently must sell one home and purchase another, either by paying in cash or by taking out a new mortgage, in two separate transactions, with separate closing costs on each transaction. The proposed amendment would add a reverse mortgage for purchase option to the reverse mortgage currently available to older homeowners, allowing Texas homeowners age 62 and older, who may be house-rich and income-poor, to sell one property and purchase another in a single transaction using the equity in an existing house to make a cash down payment on a less expensive residence. By combining the selling and buying of the two properties into one transaction and eliminating a set of fees, a homeowner could save several thousand dollars in closing fees.

The proposed amendment would also provide important safeguards for potential reverse mortgage borrowers by requiring detailed disclosures to be made at least 12 days before the closing, providing prospective borrowers with the time and relevant information needed to make informed decisions. In addition to describing a borrower's obligations, the required disclosures would include information regarding the consequences, including a possible foreclosure, of the borrower's failure to meet

contractual obligations such as payment of property taxes on the home, which would be an important consideration for seniors who currently are eligible to defer unpaid property taxes in Texas in order to remain in their homes but may lose that opportunity when using a reverse mortgage.

**Comments by Opponents.** No comments opposing the proposed amendment were made during the house and senate committee hearings or during debate on the amendment in the house and senate chambers. A review of other sources also did not reveal any apparent opposition to the amendment.

## **Amendment No. 6 (S.J.R. 1)**

The constitutional amendment providing for the creation of the State Water Implementation Fund for Texas and the State Water Implementation Revenue Fund for Texas to assist in the financing of priority projects in the state water plan to ensure the availability of adequate water resources.

**Summary of Proposed Amendment.** S.J.R. 1 proposes to amend the Texas Constitution by creating the State Water Implementation Fund for Texas and the State Water Implementation Revenue Fund for Texas as special funds in the state treasury outside the general revenue fund to be administered, without further appropriation, by the Texas Water Development Board and used for the purpose of implementing the state water plan adopted by the board. The proposed amendment authorizes the transfer or deposit of state revenue into each fund, but does not itself make a transfer or deposit of money into either fund.

The proposed amendment permits the legislature to authorize the Texas Water Development Board to enter into bond enhancement agreements payable from the State Water Implementation Fund for Texas to provide additional security for bonds used to finance state water plan projects. Repayment of an amount paid under a bond enhancement agreement may not cause general obligation bonds to be no longer self-supporting. The proposed amendment also permits the legislature to authorize the board to use the State Water Implementation Fund for Texas to finance water projects by direct loan. A bond enhancement or loan agreement is subject to the approval of the Legislative Budget Board.

The proposed amendment also permits the legislature to authorize the Texas Water Development Board, with the approval of the Legislative Budget Board, to issue bonds and enter into related credit agreements that are payable from the State Water Implementation Revenue Fund for Texas.

The proposed amendment requires the Texas Water Development Board to annually set aside from each fund amounts sufficient to make bond or bond enhancement agreement payments that become due from those funds during that year. It prohibits any dedication or appropriation of amounts in a fund from being modified in a way that would impair any outstanding bond or obligation under a bond enhancement agreement secured by a pledge of those amounts unless provisions have been made for a full discharge of the bond or bond enhancement agreement. The proposed amendment also provides that obligations payable from either fund are not considered general obligations of the state. The proposed amendment provides that money in the funds is dedicated by the Texas Constitution for purposes of the limit on spending from undedicated state tax revenues established under Section 22, Article VIII, of the constitution, and also provides that an appropriation from the economic stabilization fund (also known as the rainy day fund) to the State Water Implementation Fund for Texas is an appropriation of state tax revenues dedicated by the constitution for the purposes of that section.

H.B. 4, Acts of the 83rd Legislature, Regular Session, 2013, is the enabling legislation for S.J.R. 1. The bill addresses in more detail the manner in which the proposed water funds are administered, including the manner in which projects are prioritized for funding and the portion of the money disbursed that is to be applied for various purposes. In addition, H.B. 1025, Acts of the 83rd Legislature, Regular Session, 2013, appropriates \$2 billion out of the economic stabilization fund to the State Water Implementation Fund for Texas to be used by the Texas Water Development Board to finance projects in the state water plan in accordance with H.B. 4. Because S.J.R. 1 provides that an appropriation from the economic stabilization fund to the State Water Implementation Fund for Texas is an appropriation of state tax revenues dedicated by the constitution, the \$2 billion appropriation would not to be counted against the biennial state spending cap that is established under Chapter 316, Government Code, to ensure that the rate of growth of certain appropriations does not exceed the rate of growth of the state's economy, as Section 22, Article VIII, of the constitution prohibits. The relevant provisions of H.B. 4 and H.B. 1025 are contingent on the approval by the voters of the constitutional amendment proposed by S.J.R. 1.

**Summary of Comments Made About the Proposed Amendment.** The following paragraphs are based on comments made about the amendment during the legislative process and generally summarize the main arguments supporting or opposing the amendment.

**Comments by Supporters.** Ensuring an adequate water supply is vital to the public health and continued economic well-being of the state. The current ongoing drought, coupled with the water needs of the state's growing population, has raised the specter of critical shortages in the state's water supply, making it of paramount importance that the state invest in water infrastructure to ensure Texas' continued prosperity. If the state's growing water needs are not addressed, the state stands to suffer from the loss of over a million jobs, billions of dollars in lost income, reduced economic activity, and decreased tax revenues in the coming years.

The proposed amendment establishes the State Water Implementation Fund for Texas and the State Water Implementation Revenue Fund for Texas, which are to be capitalized by a one-time appropriation of \$2 billion from the economic stabilization fund, for the purpose of financing water projects included in the state water plan. Using money from the economic stabilization fund for water infrastructure is an appropriate use of the fund, which was created as a savings account from which the legislature can appropriate funds as necessary to respond to emergencies such as the current drought, and will provide a better return on investment than if the money were left in the fund. Such a use of money from the fund will neither harm the state's credit rating nor hinder the state's ability to respond to an emergency.

**Comments by Opponents.** The economic stabilization fund should not be used to capitalize the funds to be created by the proposed amendment. Instead, such funding should come from the general revenue fund. Drawing down funds from the economic stabilization fund may negatively affect the state's credit rating and leave the state inadequately equipped to respond to future emergencies. Furthermore, constitutionally dedicating the money used to capitalize the funds is merely an accounting gimmick designed to enable the legislature to avoid the constitutional limit on spending of undedicated state revenue.

These two new funds are unnecessary as there already exist two constitutionally dedicated water development funds as well as several financial assistance programs for water infrastructure administered by the Texas Water Development Board. Through the two new funds, the state will act like an investment bank, and it is not the state's role to be in the commercial investment banking business. Financing for local water projects should be provided not by the state but by the users benefiting from

those projects. Instead of funding new projects and initiatives, the state should ease regulatory burdens that currently hinder the development of an adequate available water supply in the state.

### **Amendment No. 7 (H.J.R. 87)**

The constitutional amendment authorizing a home-rule municipality to provide in its charter the procedure to fill a vacancy on its governing body for which the unexpired term is 12 months or less.

**Summary of Proposed Amendment.** If the term of office for a member of the governing body of a municipality is more than two years and not more than four years, current Section 11(b), Article XI, Texas Constitution, prohibits the appointment of a person to fill a vacancy on the governing body and requires the vacancy to be filled by a majority vote of the qualified voters of the municipality at a special election called for that purpose within 120 days after the date the vacancy occurs, regardless of the number of months remaining in the member's vacated term. The proposed amendment creates an exception to current Section 11(b) that authorizes a home-rule municipality to provide by its charter or a charter amendment the procedure to fill a vacancy on the governing body for which the unexpired term is 12 months or less.

**Summary of Comments Made About the Proposed Amendment.** The following paragraphs are based on comments made about the amendment during the legislative process and generally summarize the main arguments supporting or opposing the amendment.

**Comments by Supporters.** Current constitutional provisions unduly burden a home-rule municipality that needs to fill a short-term vacancy on its governing body by requiring the municipality to conduct both a special election to fill the vacancy for the remainder of an unexpired term and a general election for a new term within a relatively short period. Such repetitive elections significantly increase costs to the municipality, candidates, and taxpayers and expend time that would be better spent directly serving the community.

The proposed amendment would allow a home-rule municipality to specify in its charter the procedure for filling a short-term vacancy on its governing body, including by appointment, while still requiring an election to fill a vacancy for an unexpired term of more than 12 months. Because any amendment to a municipal charter authorizing such an alternative to a special election would require approval of the municipality's voters, such a change would preserve democratic accountability.

**Comments by Opponents.** No comments opposing the proposed amendment were made during the house and senate committee hearings on the amendment or during discussion of the amendment in the house and senate chambers.

However, it has been observed that elections are critical in ensuring that governments are accountable to the citizens, and that allowing municipal officials to make appointments to fill vacancies in municipal offices could make the government more vulnerable to corruption.

## **Amendment No. 8 (H.J.R. 147 and S.J.R. 54)**

The constitutional amendment repealing Section 7, Article IX, Texas Constitution, which relates to the creation of a hospital district in Hidalgo County.

**Summary of Proposed Amendment.** H.J.R. 147 and S.J.R. 54 propose to repeal Section 7, Article IX, Texas Constitution, which permits the legislature to authorize the creation of a hospital district coextensive with Hidalgo County and limits the authorized property tax rate that the hospital district may impose to 10 cents per \$100 valuation on taxable property within the district. The repeal of this provision does not prevent Hidalgo County, or a defined area in Hidalgo County, from creating a hospital district under other constitutional or statutory authority applicable to the county or area in the county.

**Summary of Comments Made About the Proposed Amendment.** The following paragraphs are based on comments made about the amendment during the legislative process and generally summarize the main arguments supporting or opposing the amendment.

**Comments by Supporters.** H.J.R. 147 and S.J.R. 54 would repeal a constitutional provision that has limited the feasibility of creating a hospital district in Hidalgo County by imposing a limitation on the property tax rate (10 cents per \$100 valuation) that a district created in that county may levy that is significantly lower than the limitation applicable to virtually all other hospital districts created throughout the state. Other county hospital districts authorized to levy a property tax at the rate of 75 cents per \$100 valuation generally operate with an average property tax rate between 20 and 40 cents per \$100 valuation. Repealing the provision is necessary because the current limitation on the property tax rate that a district created in Hidalgo County may levy, when applied to the county's relatively small tax base, does not provide adequate funding to create and support a functional hospital district. As a result, Hidalgo County is the largest county in Texas, and one of the largest counties in the nation, without a hospital district.

By removing this restriction, the proposed amendment would facilitate the creation of a hospital district for the provision of health-related services to the community, which includes a high percentage of uninsured residents, and improve the region's ability to attract federal funds for emergency health care for the poor. Adoption of the proposed amendment would improve access to affordable health care in Hidalgo County, put the county on par with the rest of the state, and maintain local control in the county by requiring county voter approval of the creation of the district and adoption of the applicable tax rate. A hospital district in Hidalgo County also would provide an ongoing source of revenue to help fund the creation and operation of a planned University of Texas medical school in the Rio Grande Valley.

**Comments by Opponents.** No comments opposing H.J.R. 147 or S.J.R. 54 were made during the house and senate committee hearings or during the debate on the resolutions in the house and senate chambers.

However, some concern has been expressed about the potential effect of the proposed amendment on the property tax rate in Hidalgo County. If the voters approve the repeal of the constitutional provision that limits the property tax rate that a Hidalgo County hospital district could levy, general law would allow Hidalgo County voters to approve a higher property tax rate for a hospital district in the county.

## **Amendment No. 9 (S.J.R. 42)**

The constitutional amendment relating to expanding the types of sanctions that may be assessed against a judge or justice following a formal proceeding instituted by the State Commission on Judicial Conduct.

**Summary of Proposed Amendment.** Section 1-a(8), Article V, Texas Constitution, authorizes the State Commission on Judicial Conduct, following an investigation but without formal proceedings, to issue certain types of private or public sanctions against a judge or justice of a court established by the constitution or created by the legislature. In addition, that provision authorizes the commission to institute formal proceedings and, following those proceedings, to issue an order of public censure against or recommend the removal or retirement of the judge or justice, sanctions that are primarily punitive in nature. The proposed amendment expands the sanctions available for assessment by the commission following a formal proceeding by authorizing the commission to issue an order of public admonition, warning, reprimand, or requirement that the judge or justice obtain additional training or education, in addition to the currently authorized punitive sanctions. The proposed amendment applies only to a formal proceeding instituted by the commission on or after January 1, 2014.

**Summary of Comments Made About the Proposed Amendment.** The following paragraphs are based on comments made about the amendment during the legislative process and generally summarize the main arguments supporting or opposing the amendment.

**Comments by Supporters.** The Texas Constitution authorizes the State Commission on Judicial Conduct, following an investigation of a complaint filed against a judge or justice, to issue a private or public admonition, warning, reprimand, or requirement that the judge or justice obtain additional training. The commission's procedural rules describe such sanctions, which the commission generally considers in closed informal proceedings, as remedial in nature and meant to deter similar misconduct in the future. However, if the complaint alleges egregious misconduct and the commission institutes formal proceedings and orders a public hearing after its investigation of the complaint, the constitution currently limits the scope of such an open formal proceeding to consideration of matters concerning the more punitive measures of public censure, removal, or retirement of the judge or justice. This limitation on the range of sanctions available to the commission following a formal proceeding creates a disincentive to pursue cases of public importance in an open, formal setting. In some instances, it may be appropriate for the commission to hear a case in an open, formal proceeding because the facts warrant an extensive investigation or because the case is important to the public, but the commission may choose to hear the case in a closed proceeding to avoid having to dismiss the case if the judge's or justice's conduct does not warrant censure, removal, or retirement. The proposed amendment would allow the commission to use its full range of sanctions following formal proceedings, remove a disincentive to the conduct of open proceedings, and better serve the commission in the administration of justice.

**Comments by Opponents.** No comments opposing the proposed amendment were made during the house and senate committee hearings or during floor debate in the house and senate chambers, and a review of other sources did not reveal any other apparent opposition.

**S.J.R. 1**

*(83rd Legislature, 3rd Called Session. For the November 4, 2014, election.)*

The constitutional amendment providing for the use and dedication of certain money transferred to the state highway fund to assist in the completion of transportation construction, maintenance, and rehabilitation projects, not to include toll roads.