

By: Grusendorf

H.J.R. No. 2

A JOINT RESOLUTION

1 proposing a constitutional amendment creating the education
2 excellence fund, authorizing a state ad valorem tax for public
3 education, authorizing state video lottery games that may be
4 operated by licensed racetrack operators or recognized Indian
5 tribes, and authorizing the legislature to limit the maximum
6 average increase in the appraised value of residence homesteads for
7 ad valorem tax purposes to three percent or more.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

9 SECTION 1. Section 47, Article III, Texas Constitution, is
10 amended by amending Subsection (a) and adding Subsections (f) and
11 (g) to read as follows:

12 (a) The Legislature shall pass laws prohibiting lotteries
13 and gift enterprises in this State other than those authorized by
14 Subsections (b), (d), ~~(e)~~, and (f) of this section.

15 (f) The Legislature by general law may authorize the State
16 to operate video lottery games and to contract with one or more of
17 the following legal entities to operate video lottery games on
18 behalf of the State:

19 (1) a person licensed in this State to conduct
20 wagering on a horse race or greyhound race; or

21 (2) an Indian tribe recognized by the United States
22 government under federal law.

23 (g) For purposes of Subsection (f) of this section, "video
24 lottery game" means any game of chance, including a game of chance

1 in which the outcome may be partially determined by skill or
2 ability, that for consideration may be played by an individual on an
3 electronic machine or video display, regardless of whether the game
4 is authorized as a lottery under Subsection (e) of this section.

5 SECTION 2. Article VII, Texas Constitution, is amended by
6 adding Section 5A to read as follows:

7 Sec. 5A. (a) The education excellence fund consists of:

8 (1) all proceeds of any state ad valorem tax imposed as
9 authorized by Section 1-e, Article VIII, of this constitution;

10 (2) the net revenue, as determined by general law, of
11 any state video lottery games operated under Section 47(f), Article
12 III, of this constitution; and

13 (3) other funds transferred or dedicated to the fund
14 by general law.

15 (b) The education excellence fund may be appropriated only
16 for purposes of educational improvement. At least 80 percent of the
17 money appropriated from the fund must be used to pay incentives and
18 rewards to school teachers and principals for educational
19 improvement.

20 SECTION 3. Section 1(i), Article VIII, Texas Constitution,
21 is amended to read as follows:

22 (i) Notwithstanding Subsections (a) and (b) of this
23 section, the Legislature by general law may limit the maximum
24 average annual percentage increase in the appraised value of
25 residence homesteads for ad valorem tax purposes to three [~~10~~]
26 percent, or a greater percentage, for each year since the most
27 recent tax appraisal. A limitation on appraisal increases

1 authorized by this subsection:

2 (1) takes effect as to a residence homestead on the
3 later of the effective date of the law imposing the limitation or
4 January 1 of the tax year following the first tax year the owner
5 qualifies the property for an exemption under Section 1-b of this
6 article; and

7 (2) expires on January 1 of the first tax year that
8 neither the owner of the property when the limitation took effect
9 nor the owner's spouse or surviving spouse qualifies for an
10 exemption under Section 1-b of this article.

11 SECTION 4. Section 1-e, Article VIII, Texas Constitution,
12 is amended to read as follows:

13 Sec. 1-e. (a) Except as provided by Subsection (b) of this
14 section, no ~~[No]~~ State ad valorem taxes shall be levied upon any
15 property within this State.

16 (b) The legislature by general law may impose a State ad
17 valorem tax on all taxable property for elementary and secondary
18 public free school purposes.

19 SECTION 5. This proposed constitutional amendment shall be
20 submitted to the voters at an election to be held November 2, 2004.
21 The ballot shall be printed to permit voting for or against the
22 proposition: "The constitutional amendment creating the education
23 excellence fund, authorizing a state ad valorem tax for public
24 education, authorizing state video lottery games that may be
25 operated by licensed racetrack operators or recognized Indian
26 tribes, and authorizing the legislature to limit the maximum
27 average increase in the appraised value of residence homesteads for

1 ad valorem tax purposes to three percent or more."