

By: Grusendorf

H.J.R. No. 7

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), ~~[and]~~ (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

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