(All content below is taken from Texas Legislature Online bill summaries for each piece of legislation.)

TEXAS PROPOSITION 1 – HJR 21

SUPPORTERS SAY: HJR 21 would allow the Legislature to fix an anomaly in current law that can increase the financial burden on a partially disabled veteran who paid some amount of the cost of a donated home. Unlike a partially disabled veteran whose home is donated in full, a veteran who paid part of the cost of a donated home receives no property tax exemption on its taxable value. This can lead to a sizable property tax bill that the recipient may not have anticipated and an ongoing cost that the veteran may not have the income to offset. Veterans in this situation are at risk of losing a donated home to unpaid property taxes, even if that home was built or renovated specifically for the individual's disabilities, with features such as wheelchair-accessibility.

Veterans have sacrificed much for the state, and the Legislature should afford them certain benefits and attempt to address injustices when it finds them. In this spirit, HJR 21 would confer the same well-earned property tax exemption to a partially disabled veteran who paid something toward the value of a donated home that is currently received by disabled veterans whose homes were donated in full. No disabled veteran should be at risk of losing a home that is specifically donated to accommodate their needs due to an ongoing, unaffordable property tax burden.

OPPONENTS SAY: HJR 21 would continue a pattern of giving carve-outs and exemptions to specific groups of people, when instead the Legislature should focus its efforts on reducing the tax burden on everyone.

TEXAS PROPOSITION 2 – SJR 60

SUPPORTERS SAY: SJR 60 would adjust the state's home equity lending framework to help make loans more accessible, lower costs for borrowers, and give consumers more choice. The proposed amendment would be consistent with the goal of protecting consumers within a stable housing market that Texas set when it developed home-equity loans.

Fee cap. SJR 60 would balance consumer protection with an appropriate standard for lenders by lowering the ceiling on fees that can be charged and removing certain fees from the calculation of the cap. These changes would address problems that have surfaced, especially for loans around $100,000 and those in rural areas. It can be difficult for lenders to put together a loan under the fee cap, resulting in some being reluctant to make such loans.

The fee cap was designed as a check against lenders imposing excessive fees, and SJR 60 would continue that consumer protection. The fees that would be excluded from the cap come from third parties and do not go to lenders, including ones for appraisals, surveys, title insurance, and title examination reports. If these were excluded and the cap was lowered, consumers would continue to be protected against extreme fees from lenders, and lenders would be held to a reasonable standard that would help ensure they could offer such loans.

Refinancing. SJR 60 would increase consumer choice by allowing the refinancing of home equity loans into non-home equity loans, something currently prohibited. If consumers want to combine a home equity loan with a purchase money loan, perhaps to get a lower interest rate on the total amount borrowed and have one payment, that option should be available. The proposed amendment would establish reasonable parameters on such refinances, including requiring at least a year to pass before a home equity loan could be refinanced as a non-home equity loan, not allowing cash advances, and keeping the standard limit used for home

equity loans so that the total amount the homeowner had borrowed could not exceed 80 percent of the home's value.

SJR 60 would require that consumers receive a notice that clearly explained the difference in the two types of loans so that they could make an informed choice. The notice would ensure that borrowers were especially aware of two important differences between these loan types by including a statement that the new loan would permit lenders to foreclose without a court order and that lenders would have recourse against other assets. This full knowledge of the conditions of each type of loan would help protect borrowers from any aggressive lending practices. Refinanced loans would be under the same regulations as any non-home equity loans with which the borrower would be familiar.

Home equity lines of credit. The proposed amendment would repeal an unnecessary restriction on home equity lines of credit, which has resulted in consumers being unable to access funds for which they had been approved. In such instances, owners must repay funds in order to access the remaining line of credit. This can result in consumers taking out larger loans sooner than they would like and paying more interest.

SJR 60 would eliminate the 50 percent limit on the amount that can be outstanding before making additional withdrawals, but lines of credit would continue to be covered by provisions that limit loans to 80 percent of fair market value. This would make conditions on lines of credit consistent with regular home equity loans, while continuing the same protections with these loans.

Agricultural homesteads. SJR 60 would allow home equity loans to be made on agricultural homesteads to give these consumers the same choice as other Texans. The original home equity laws broadly prohibited such loans, but there have been no problems in the more than 20 years of home equity lending in Texas that would support continuing a prohibition on loans to one class of homesteads. In addition to shutting owners of larger farms and ranches out from home equity loans, the current prohibition keeps smaller, hobby agricultural homesteads from having the option of taking out home equity loans. All of the current consumer protections would continue to cover these loans.

Approved lenders. SJR 60 would update the types of approved lenders that can make home equity loans by including subsidiaries of entities that

already can make the loans, including banks, savings and loan associations, savings banks, and credit unions. The bill also would update language relating to those in the mortgage industry by eliminating an obsolete term and including mortgage bankers and mortgage companies. All of the lenders that would be added by SJR 60 are highly regulated and would be held to the same standards as those who make the loans now.

OPPONENTS SAY: SJR 60 would raise costs for borrowers and would roll back important consumer protections. These protections have worked for consumers and lenders and contributed to a stable housing market that was not as seriously affected by the recent housing bubble as other states.

Fee cap. SJR 60's changes to the fee cap would raise, not lower, costs for consumers and could create incentives to lenders to make loans. While the bill would lower the overall cap, it also would exclude major charges from the cap calculation. Borrowers would continue to pay these charges for appraisals, surveys, title insurance, or title examination reports. Lenders would then have room under the cap to raise or add upfront fees. Taken together, the costs to borrowers could easily be higher than current costs under the 3 percent cap. Higher fees going to lenders could incentivize the approval of loans by originators interested in the fees. To protect against predatory lending practices, the focus for lenders should be not only on the fees but on home equity loans as a package, with fees, interest rate, and consumer protections taken into consideration.

Refinancing. Allowing home equity loans to be refinanced as non-home equity loans would be counter to the ideas and protections embedded in the Texas home equity laws. These laws deliberately encompassed the idea of "once-a-home-equity-loan, always-a-home-equity-loan" so that

homeowners who borrowed against the equity in their homes would have certain protections.

Consumers would lose important protections if home equity loans were refinanced as non-home equity loans. These protections include requiring judicial foreclosure on home equity loans and making home equity loans non-recourse so that a borrower's other assets are not at risk in a default. Requiring judicial foreclosure is especially important as it ensures the involvement of a court and that homeowners are afforded certain rights in the foreclosure process. Allowing this type of refinancing also could give lenders incentives to push the refinancing of loans both to earn the fees

and to bring a loan out from under the protections given to home equity borrowers.

Home equity loan borrowers interested in refinancing their loans already can do so with a new home equity loan that carries with it all the protections, and this would be a better option than the change proposed by SJR 60.

TEXAS PROPOSITION 3 – SJR 34

SUPPORTERS SAY: SJR 34 would address concerns about some gubernatorial appointees being held over in their positions long after their terms have expired. Amending the Texas Constitution to place a limit on how long an appointee whose term had expired could continuing serving in office would ensure that these non-salaried volunteer positions were rotated among qualified Texans. Placing the limit at the end of a regular legislative session would allow the Texas Senate to hold confirmation hearings on replacement appointees.

OPPONENTS SAY: SJR 34 could result in important appointed offices remaining vacant if a successor had not been duly qualified within the time limits of the proposal. The Office of the Governor has many appointed positions to fill, and the existing constitutional provision allows flexibility for appointees to continue serving until qualified replacements can be found.

Texas Proposition 4 – SJR 6

SUPPORTERS SAY: SJR 6 would ensure that the state had an opportunity to defend Texas laws from constitutional challenges by clarifying that courts can be required to notify the attorney general when a suit challenges those laws. In 2013, the Texas Court of Criminal Appeals struck down the Texas law establishing that requirement, and SJR 6 is needed to restore the law.

It is important that the state, through the attorney general, has an opportunity to weigh in when someone is challenging the constitutionality of a law. This protects the prerogative of the Legislature to pass laws on behalf of Texans and to have those laws maintained. SJR 6 would help protect that prerogative by amending the Constitution to make it clear that the Legislature may request notice from courts and may establish a reasonable period for the attorney general to respond.

The proposed amendment would not alter the state's separation of powers doctrine nor restrict the ability of courts to strike down laws enacted by the Legislature on constitutional grounds. SJR 6 would be in line with a similar provision relating to federal law and would not deny anyone relief in state courts.

The proposed constitutional amendment would not change the authority of the attorney general's office over criminal matters and would not cause confusion. It simply would provide the attorney general with notice so that the attorney general could offer assistance or file amicus briefs to defend a state law from a constitutional challenge.

The attorney general's current system for receiving notices and deciding how the office should respond to a challenge to Texas law works well. SJR 6 would allow that process to continue so that the state at least would know when its laws were being challenged.

OPPONENTS SAY: The Constitution should not be amended in a way that could undermine the state's separation of powers doctrine. The doctrine helps ensure that the branches of government can exercise their powers without interference from another branch, and the Legislature should not be authorized to enact laws that might erode the doctrine.

The Legislature should not be empowered to establish procedures that could delay relief for those challenging a law as unconstitutional. Texans should be able to pursue and receive relief from unconstitutional laws without courts being subject to a waiting period to make a ruling.

The constitutional amendment proposed by SJR 6 could create confusion regarding the attorney general's role in criminal cases. In these cases, the prosecutor represents the state and can defend the constitutionality of a law. The state prosecuting attorney also is charged with representing Texas before the Court of Criminal Appeals. Under current law, the attorney general, with a few statutory exceptions that require the consent of local prosecutors, is not

authorized to represent the state in criminal cases. Because of this lack of authority, it would be unnecessary to provide notice to the attorney general in those cases. If prosecutors feel that they need the attorney general's assistance in a pending case, they easily can request it.

TEXAS PROPOSITION 5 – HJR 100

SUPPORTERS SAY: HJR 100, along with its enabling legislation, HB 3125 by Kuempel, would expand the number of professional sports team charitable foundations eligible to hold charitable raffles at home sports games. The joint resolution would allow teams to capitalize on the large and supportive crowds at sporting events to increase the amount of charitable funds available to support their charitable programs. Current charitable raffles have been successful in raising large amounts of money for charity with no abuse of the process.

The joint resolution and HB 3125 would work together to permit the charitable foundations of more professional leagues and their teams to hold charitable raffles for cash prizes at each of their team's home games. HJR 100 would add sports teams representing more rural and suburban communities, bringing charitable revenue to new and different parts of the state and uniting sports teams and their communities to assist disadvantaged Texans. HB 3125 would expand the definition of "professional sports team" to include additional leagues. Charitable raffles help a team link its fans to community programs supported by its foundation and help raise public awareness of charitable activities in the area. HJR 100 only would expand the number of sports teams that could participate in charitable raffles — it would make no other change and would not remove safeguards that were established to protect against improperly conducted raffles. The protections that are in place, such as requirements that the foundation be associated with a professional sports team with a home venue in Texas and that it qualify as a charitable organization under federal law, have been successful. Since the law took effect in 2016, no proliferation of profit-making gambling activities has resulted.

OPPONENTS SAY: The current constitutional authorization appropriately applies only to the 10 Texas major league sports franchises that had charitable foundations on January 1, 2016. This limitation in Art. 3, sec. 47(d-1) was

established to protect against the creation of entities solely to take advantage of charitable raffles. HJR 100, along with its enabling legislation, could open the door to further expansion of charitable raffles conducted by the foundations of less well established teams, an idea that was rejected last session when the Legislature was unambiguous in its choice of teams allowed to hold charitable raffles.

The state should be cautious about expanding the number of participants allowed to conduct charitable raffles. HJR 100 would expand gambling in Texas by increasing the number of such raffles that sports team foundations could conduct, which could prompt other groups to request expanded authority to offer such raffles.

TEXAS PROPOSITION 6 – SJR 1

SUPPORTERS SAY: SJR 1 would extend the same well-deserved property tax exemption given to surviving spouses of veterans and disabled veterans to surviving spouses of first responders. The spouse of a fallen first responder loses a source of income, which can jeopardize his or her ability to pay property taxes and may ultimately affect the ability of surviving spouses to maintain their homesteads. SJR 1 would help ensure that families in these situations were not forced to sell their homes due to this sudden property tax burden. The tax exemption would be appropriate considering the significant sacrifices made by these families.

OPPONENTS SAY: SJR 1 would continue a pattern of giving tax exemptions to specialized groups, when instead the Legislature should focus its efforts on reducing the aggregate property tax burden. Exempting a specific category of people, regardless of how deserving, results in an increased tax burden on other homeowners.

TEXAS PROPOSITION 7 – HJR 37

SUPPORTERS SAY: HJR 37 would authorize the Legislature to allow banks and credit unions to host savings promotion raffles, also known as prize-linked savings accounts (PLSAs), which offer incentives to save rather than spend or gamble away earnings. Savings incentives are needed in the state, as more than one-third of Texas households lack a savings account, and about half do not have a three-month emergency fund.

Many states have removed legal barriers to PLSAs and seen millions of dollars in consumer savings and thousands of new accounts as a result. These savings can allow households to weather financial emergencies such as car repairs or medical bills or to accumulate wealth over time to pursue retirement, higher education, or home ownership. Savings also reduce reliance on sometimes destructive short-term lending.

Savings promotion raffles are not gambling, as they require no form of payment or consideration. They are unlike other raffles, in that they directly benefit the consumer even if the consumer does not win a prize. Depositors could withdraw their money at any time and thus could not lose as in a raffle in any other industry.

While the enabling legislation, HB 471 by E. Johnson, probably would not be subject to constitutional challenge, HJR 37 is nonetheless necessary and would finally resolve any constitutional questions. Last session, HB 1628 by E. Johnson was vetoed by the governor on the grounds that it would violate Art. 3, sec. 47 of the Texas Constitution.

OPPONENTS SAY: HJR 37, if accompanied by the enabling legislation, HB 417 by E. Johnson, would be a carve-out for one industry to do a raffle and would be the only non-charitable raffle allowed in the state. The Legislature should consider the equity of allowing a single industry to conduct raffles….

HJR 37 is unnecessary, as the Texas Constitution only requires the prohibition of lotteries, which require some form of payment or consideration to enter. Because a savings promotion raffle merely requires a deposit into an ordinary savings account, it would not be subject to the constitutional prohibition or challenge, and thus HJR 37 would have no functional effect.