



To: Ben Williamson, City Manager of Farmers Branch
From: Ashley L. White, Partner at WHF
Date: October 14, 2025
Re: November 4, 2025 Statewide Constitutional Amendments

The purpose of this memorandum is to provide the City Manager’s Office with an overview and analysis of the seventeen (17) proposed constitutional amendments appearing on the November 4, 2025 statewide ballot. These propositions address a broad range of fiscal, administrative, and policy issues, including property-tax exemptions, water-infrastructure funding, judicial oversight, and individual rights. While most measures affect state-level policy, several—particularly those involving taxation and infrastructure—may have indirect or limited implications for municipalities. This memorandum is intended for informational purposes only and does not advocate for or against any proposition.

Proposition 1 (SJR 59) – Texas State Technical College Funding

Creates the Permanent Technical Institution Infrastructure Fund and the Available Workforce Education Fund to finance equipment and capital improvements at Texas State Technical College campuses. Funding would support workforce-training programs without relying on bond issuances.

Municipal Impact: Indirect; may strengthen regional workforce pipelines benefiting local industries and economic-development efforts.

Proposition 2 (SJR 18) – Capital Gains Tax Ban

Constitutionally prohibits any state tax on realized or unrealized capital gains of individuals, families, estates, or trusts.

Municipal Impact: None direct. Municipalities cannot levy such taxes; minimal relevance except for potential statewide revenue limitations.

Proposition 3 (SJR 5) – Bail Reform

Permits courts to deny bail in specified felony cases, such as murder, aggravated assault, and indecency with a child, where the state proves by clear and convincing evidence that a defendant is a flight risk or a public-safety danger.

Municipal Impact: Potential indirect effects on city detention facilities and police departments through pre-trial population changes.

Proposition 4 (HJR 7) – Water Infrastructure Funding

Dedicates up to \$1 billion per year from sales-and-use tax revenue to the Texas Water Fund each year starting in 2027 for statewide water-supply, infrastructure, and conservation projects. The amendment would also give the Texas Water Development Board flexibility in distributing funds.

Municipal Impact: Significant. Cities, water utilities, and regional districts may gain additional funding opportunities for local infrastructure, drought resilience, and intergovernmental partnerships.

Proposition 5 (HJR 99) – Tax Exemption on Animal Feed

Allows the Legislature to exempt retail-held animal feed from ad valorem taxation.

Municipal Impact: Minimal; possible minor reduction in local tax base in agricultural or feed-store communities.

Proposition 6 (HJR 4) – Securities Tax Ban

Prohibits future state taxes on securities transactions, such as stock trading, or on entities operating within securities markets, including financial institutions, brokers and dealers.

Municipal Impact: None; municipal finance operations unaffected.

Proposition 7 (HJR 133) – Tax Exemption for Veterans' Surviving Spouses

Authorizes a property-tax exemption (in full or part) for the homestead of a surviving spouse of a veteran who dies from a service-connected condition or disease.

Municipal Impact: Minor cumulative reduction in taxable value; aligns with a more recent federal law that expanded benefits for veterans exposed to toxic substances during their service.

Proposition 8 (HJR 2) – Inheritance and Gift Tax Ban

Prohibits the Legislature from imposing estate, inheritance, legacy, succession, or gift taxes.

Municipal Impact: None; cities do not levy such taxes.

Proposition 9 (HJR 1) – Inventory and Equipment Tax Exemption

Authorizes an exemption of up to \$125,000 of tangible personal property used to produce income (e.g., business equipment, machinery, or inventory) from ad valorem taxation.

Municipal Impact: Potential modest erosion of the local commercial tax base, depending on the number of qualifying small businesses. Should be considered during future revenue forecasting.

Proposition 10 (SJR 84) – Tax Exemption for Homes Destroyed by Fire

Permits a temporary property-tax exemption for a homestead that has been completely destroyed by fire, under terms defined by the Legislature.

Municipal Impact: Limited and case-specific; local appraisal districts would administer exemptions following major residential losses.

Proposition 11 (SJR 85) – School Tax Exemption for Elderly or Disabled Homeowners

Increases the school-district homestead exemption for elderly or disabled homeowners from \$10,000 to \$60,000.

Municipal Impact: Applies only to school taxes; no direct municipal fiscal effect.

Proposition 12 (SJR 27) – State Judicial Conduct Commission

Revises the structure, membership, and authority of the State Commission on Judicial Conduct and its review tribunal.

Municipal Impact: None direct; may influence statewide judicial accountability but not municipal court operations.

Proposition 13 (SJR 2) – Increased School Tax Exemption for Homeowners

Raises the mandatory school-district homestead exemption from \$100,000 to \$140,000 of appraised value.

Municipal Impact: Reduces school-district tax collections but does not alter city tax rates. However, may affect perceived overall property-tax burdens for residents.

Proposition 14 (SJR 3) – Dementia Research and Prevention Fund

Establishes the Dementia Prevention and Research Institute of Texas and transfers \$3 billion from General Revenue to fund research and prevention of Alzheimer's, Parkinson's, and related diseases.

Municipal Impact: No direct fiscal effects.

Proposition 15 (SJR 34) – Parental Rights

Constitutionally recognizes parents' primary right to direct the education, upbringing, and care of their children, subject only to compelling state interests.

Municipal Impact: Possible indirect implications for municipalities that operate youth programs, libraries, or after-school partnerships with public schools, depending on how implementing legislation is interpreted.

Proposition 16 (SJR 37) – Citizenship Requirement for Voters

Clarifies that only U.S. citizens may vote in Texas elections.

Municipal Impact: Reinforces existing election law; minimal change to local election administration practices.

Proposition 17 (HJR 34) – Border Security Property-Tax Exemption

Allows the Legislature to exempt from property taxation the portion of a property's value attributable to border-security infrastructure (e.g., fencing, surveillance equipment) located in border counties.

Municipal Impact: Applies primarily to cities and counties along the U.S.–Mexico border; could reduce taxable property value for affected installations.