JOURNAL
OF THE
House of Representatives
OF THE
SECOND CALLED SESSION
OF THE
Sixty-fifth Legislature
OF THE
STATE OF TEXAS
BEGUN AND HELD AT
THE CITY OF AUSTIN
JULY 10, 1978
COMMITTEE APPOINTED

The Speaker announced the appointment of the following committee to escort the Governor to the Speaker’s rostrum: Representatives Nugent, Slack, Abbott, Bode, J. L. Clark, Cofer, Haley, T. Hall, A. Hill, and Uribe.

(Lewis now present)

GOVERNOR NOTIFIED

The committee appointed to notify the Governor that the House of Representatives is now organized and ready for the transaction of business was announced at the door of the House and, being admitted, reported that they had so notified the Governor.

INTRODUCTION OF NEW MEMBERS

Speaker Clayton introduced the following new members: S. L. Abbott, Mary Jane Bode, J. L. Clark, Lanell Cofer, Bill Haley, W. Tip Hall, Jr., Hector Uribe, and Anita Hill.

HOUSE AT EASE

At 12:33 p.m., the Speaker announced that the House would stand at ease.

The Speaker called the House to order at 12:44 p.m.

SENATE NOTIFIED

The committee appointed to notify the Senate that the House of Representatives is now organized and ready for the transaction of business was announced at the door of the House and, being admitted, reported that they had so notified the Senate.

HOUSE AT EASE

At 12:45 p.m., the Speaker announced that the House would stand at ease.

The Speaker called the House to order at 12:51 p.m.

ADDRESS BY GOVERNOR DOLPH BRISCOE

(The House of Representatives and the Senate in Joint Session)

In accordance with the provisions of SCR 1, providing for a joint session of the Senate and the House of Representatives at 1:00 p.m. today, for the purpose of hearing an address by the Honorable Dolph Briscoe, Governor of Texas, Lieutenant Governor William P. Hobby, and the Honorable Senators were admitted to the hall of the House and occupied seats arranged for them.

Lieutenant Governor Hobby was escorted to a seat on the Speaker’s rostrum.

(R. Green now present)
At 12:56 p.m., Governor Dolph Briscoe and party, escorted by Senators Snelson, Hance, Longoria, Meier, and Traeger, committee on the part of the Senate; and Representatives Nugent, Slack, Abbott, Bode, J. L. Clark, Cofer, Haley, T. Hall, A. Hill, and Uribe, committee on the part of the House, were announced at the door of the House and, being admitted, were escorted to the Speaker’s rostrum.

Lieutenant Governor Hobby called the Senate to order.

A quorum of the Senate was announced present.

The Honorable Bill Clayton, Speaker of the House, called the House of Representatives to order.

A quorum of the House was announced present.

Speaker Clayton stated that the two Houses were in joint session for the purpose of hearing an address by His Excellency Dolph Briscoe, Governor of Texas.

Speaker Clayton addressed the joint session and introduced Governor Briscoe, speaking as follows:

The House and Senate are meeting in joint session today pursuant to SCR 1 to hear an address from His Excellency, Dolph Briscoe. I would like, at this time, to introduce to you a man who needs no introduction, particularly on the subject matter on which he is about to address you. A man who has been in the forefront of trying to lessen tax burdens of the citizens of this state; a man who though realizing that there could be down sides to the call of a special session, yet realizing that in all probability there could be some good accomplished for the citizenry, chose to make this call showing what I believe is a great concern for the people of Texas. It is my esteemed pleasure and privilege to introduce to you, at this time, the Honorable Dolph Briscoe, Governor of the State of Texas.

Governor Briscoe addressed the joint session, speaking as follows:

Governor Hobby, Speaker Clayton, distinguished Members of the Legislature: thank you for inviting me to deliver this message in person.

You have been called to participate in one of the most important special sessions in our history. While tax reductions of various kinds have occurred in the past, never before has a legislature been asked to accomplish a tax relief program of the magnitude to be placed before you.

Texas has gained an impressive momentum of economic growth and expansion. That momentum has thrust this state to the forefront in agriculture, industrialization, and commercial growth. That momentum has given Texas the soundest economy of any state in the nation. Part of the reason for that growth is that Texas has a fundamentally sound tax climate. And Texas remains the only major state without an income tax, either corporate or personal.

Certainly, the tax burden in Texas is dramatically lower than in California and other states to which our attention has recently been drawn. California has the fifth highest per capita state and local tax burden as a percentage of personal income of any state in the nation. Texas ranks 42nd. For six years, we have prevented the addition of any new state tax burden. We have proven consistently that saying no to new taxes is saying yes to greater economic prosperity.
You and I may be justly proud of that accomplishment. As our economy has grown so have our tax revenues, within the existing tax structure. Texas has operated in a fiscally responsible manner. Nevertheless, local property taxes continue to climb.

The fact is that a tax revenue surplus is money taken from the people in excess of the needs of the state. The people are demanding that a significant portion of that money be returned to them. This is a legitimate demand. I know that you and I will respond.

No one can question that the time has come for the legislature to face this issue without the distraction of other important issues which crowd your calendars during a regular session. The program which I call you to consider today will do just that. Three specific items have been considered by this legislature before. They should be passed this session. The state sales tax on residential utilities should be repealed and local governments should be encouraged to do likewise by permitting action upon a majority of the governing board.

The inheritance tax exemption should be raised. I recommend both of these reductions in state taxes. If adopted they will constitute the largest cutback in state taxes in modern history.

The last regular session of the legislature failed to adopt an agricultural use valuation for ad valorem taxes by the narrowest of margins. A tax tied to productivity rather than market value is desperately needed by the agricultural industry in Texas. It should be provided this session. The most oppressive tax burden in this state is the ad valorem property tax imposed by local school districts to help finance public education. Enactment of an agricultural use valuation will help to alleviate that burden.

Another measure which is needed is a meaningful exemption from that tax for residential homesteads. The amendment to our constitution which I suggest would exempt the first $10,000 of assessed valuation for school property taxes with an additional $10,000 exemption for citizens 65 years of age and over. This proposal is designed simply to provide major relief to the average Texas homeowner—those on whom the burden of school property taxes falls most heavily. I recommend the submission of this constitutional amendment to the voters in November.

These proposals alone constitute significant tax relief. They total at least one billion, 100 million dollars over the next biennium. Their passage could mean as much as $352 over the next biennium to an average household. But they alone are not enough.

Under the present laws and constitution of this state, only a simple majority of the constitutionally required quorum of each House is needed to impose or increase taxes. That means that 51 members of the House and 11 members of the Senate, barely one-third of the membership of the legislature, could pass a tax bill.

I propose that a tax bill must receive approval of at least a two-thirds majority of members of both Houses present and voting at each stage of the legislative process following the initial introduction and first reading.

This amendment also serves as a limitation on state spending by limiting state income. My promise as Governor to veto any tax bill has effectively imposed this two-thirds rule. For six years we have not had a tax bill. We have lived within our income. This amendment should be submitted to the voter to help continue that experience for many years to come. It is important to point out that the Texas tax situation is not like California's. It is also important to point out that deliberate responsible action now can prevent Texas from falling into the California trap. The proposals which I make for constitutional limitations on spending and taxation are designed not to cut services, but rather to
insure that only necessary services are expanded and that unnecessary services are reduced and abandoned. Responsible action now will avoid the danger of irresponsible reaction in the future.

Finally, I call upon you to submit to the people for their consideration a constitutional amendment creating a right of initiative with respect to tax matters. I do not believe that state government in Texas will engage in the kind of reckless spending and taxation against which the people of California were finally forced to rebel. But at least the people of California had a vehicle for the direct redress of their grievances. The people of Texas do not. I call upon you to allow our citizens to decide for themselves whether such a right will exist in Texas.

The tax situation in Texas is not like California's, but I for one have no desire to ignore the question of tax relief and government spending until it is too late. The passage of the items I have outlined will represent a significant advancement of the doctrine of fiscal restraint which has served Texas so well.

Today I discharge my duty under the Constitution of Texas by placing before you a specific agenda for tax relief. Now, as the people of Texas and indeed the nation watch, each of you must discharge your duty under the constitution. It is now for you to act upon this agenda. In my opinion the taxpayers of this state will not be satisfied with half measures or tokenism from their elected officials. They want and deserve a substantial legislative product. It was my duty to call you here and propose such a program. It is your duty to enact such a program. Having done that, together, we shall have returned to the people of this state that which is rightfully theirs.

I look forward to working with you in the coming days. While we have a serious challenge, I firmly believe that together we can meet it effectively for the benefit of the people of our state.

SENATE ADJOURNS

At 1:10 p.m., Lieutenant Governor Hobby stated that the business of the joint session had been accomplished and that the Senate would, in accordance with a previous motion, stand adjourned until 10 a.m. tomorrow.

HOUSE AT EASE

At 1:10 p.m., Speaker Clayton announced that the House would stand at ease pending the departure of the guests.

Speaker Clayton called the House to order at 1:16 p.m.

HOUSE BILLS ON FIRST READING

The following House bills were today laid before the House, read first time and referred to committee:

By Wyatt, Allen, English, McLeod, Bush, Schueter, Davis, Berlanga, Grant, Olson, Hollowell, Schieffer, Collazo, Wieting, and Cartwright:

HB 1, A bill to be entitled An Act relating to exemptions from the state inheritance tax for certain Class A beneficiaries; relating to the taxation or exemption from taxation of the receipts from the sale, production, distribution, lease or rental of, and the storage, use, or other consumption of gas and electricity for residential use under state and local sales and use taxes; amending Article 14.02, Title 122A, Taxation—General, Revised Civil Statutes of Texas, 1925, as amended; amending various provisions of Chapter 20, Title 122A, Tax-
RESOLUTION SIGNED BY THE SPEAKER

The Speaker signed in the presence of the House, after giving due notice thereof, the following enrolled resolution:

SCR 4

PROCLAMATION BY THE GOVERNOR
OF THE STATE OF TEXAS

The Speaker laid before the House and had read the following Proclamation by the Governor:

To All To Whom These Presents Shall Come:

Under the provisions of Article IV, Section 8 of the Constitution of the State of Texas, I, Dolph Briscoe, Governor of the State of Texas, do hereby submit the following for consideration by the Second Called Session of the 65th Legislature, now convened, in addition to such items as have heretofore been submitted, to wit:

To enact legislation adopting a property tax code with provision for taxation of property based upon a countywide single appraisal of such property, the adoption and enforcement of uniform appraisal standards statewide, periodic uniform reappraisal of all taxable property, placing a limitation on increases on local property taxes, and taxpayer remedies;

To propose a constitutional amendment to permit producers of agricultural and marine commodities to form associations and vote to impose refundable assessments on sale of those commodities by producers;

To consider and act on such other subjects and questions as the Governor may submit from time to time.

The Secretary of State will take notice of this action and will notify the members of the legislature.

(SEAL)

In Testimony Whereof, I have hereunto signed my name officially and caused the Seal of State to be affixed hereto at Austin, this the 19th day of July, A.D., 1978.

Dolph Briscoe
Governor of Texas

Attest:

Steven C. Oaks
Secretary of State

RESOLUTIONS REFERRED TO COMMITTEES

The following resolutions were laid before the House and referred to committees:

By Abbott and McLeod:
HCR 6, Expressing appreciation to Los Grenaderos de Galvez.
MESSAGE FROM THE SENATE

Austin, Texas, July 20, 1978

Honorable Bill Clayton
Speaker of the House of Representatives

Sir: I am directed by the Senate to inform the House that the Senate has passed the following:

SB 4 by Creighton, relating to the valuation of open space land used to support the raising of livestock or produce farm crops or forest crops.

SJR 2 by Creighton, proposing an amendment to the Texas Constitution to authorize separate appraisal formulas to promote preservation of land devoted to farm, ranch, and forest purposes.

CSHB 1 by Wyatt, Davis, et al., relating to exemptions from the state inheritance tax for certain Class A beneficiaries; etc.

Respectfully,
Betty King
Secretary of the Senate

RESOLUTION SIGNED BY THE SPEAKER

The Speaker signed in the presence of the House, after giving due notice thereof, the following enrolled resolution:

SCR 8

PROCLAMATION BY THE GOVERNOR
OF THE STATE OF TEXAS

The Speaker laid before the House and had read the following Proclamation by the Governor:

To All To Whom These Presents Shall Come:

Under the provisions of Article IV, Section 8 of the Constitution of the State of Texas, I, Dolph Briscoe, Governor of the State of Texas, do hereby submit the following for consideration by the Second Called Session of the 65th Legislature, now convened, in addition to such items as have heretofore been submitted, to wit:

The enactment of legislation transferring certain units and facilities of the Texas Youth Council to the Texas Department of Corrections and the enactment of legislation transferring certain funds appropriated to the Texas Youth Council in the General Appropriations Bill adopted in the Regular Session of the 65th Legislature from the Texas Youth Council to the Texas Department of Corrections;

The enactment of legislation amending Sections 4 and 5, Chapter 467, Acts of the 54th Legislature, Regular Session, 1955, as amended, relating to contributions by the State of Texas and its agencies from the Social Security Trust Fund in order to obtain federal old age and survivor's insurance coverage for state employees;

The consideration and action upon other subjects and questions as the Governor may submit from time to time.
The Secretary of State shall take notice of this action and will notify the members of the legislature.

(SEAL)

In Testimony Whereof, I have hereunto signed my name officially and caused the Seal of State to be affixed hereto at Austin, this the 20th day of July, A.D., 1978.

Dolph Briscoe
Governor of Texas

Attest:

Steven C. Oaks
Secretary of State

**HSR 4 - ADOPTED**

Representative Heatly moved that all necessary rules be suspended to take up and consider at this time, **HSR 4**.

The motion prevailed without objection.

The Speaker laid before the House the following resolution:

By Heatly and Laney:

**HSR 4**, In memory of Maxine Tarbox, wife of former Representative Elmer Tarbox.

The resolution was read and was unanimously adopted by a rising vote.

On motion of Representative Watson, the names of all the members of the House were added to **HSR 4** as signers thereof.

**HOUSE BILL ON FIRST READING**

The following House bill was today laid before the House, read first time and referred to committee:

By Hendricks, Massey, McBee, Sullivant, Close, Blythe, Bryant, Kubiak, and Allen:

**HB 39**, A bill to be entitled An Act relating to a nonbinding referendum on the question of tax relief for school districts.

To Committee on Constitutional Amendments.

**SENATE BILL ON FIRST READING**

The following Senate bill was today laid before the House, read first time and referred to committee:

**SB 4** to Committee on Ways and Means.
The Speaker laid before the House and had read the following Proclamation by the Governor:

To All To Whom These Presents Shall Come:

Under the provisions of Article IV, Section 8 of the Constitution of the State of Texas, I, Dolph Briscoe, Governor of the State of Texas, do hereby submit the following for consideration by the Second Called Session of the 65th Legislature, now convened, in addition to such items as have heretofore been submitted, to wit:

To consider legislation requiring common school districts and rural high school districts which do not support county school administration from ad valorem tax revenue as provided in Chapter 18 of the Texas Education Code to be reclassified as independent school districts;

To consider legislation validating the incorporation, establishment of boundaries, and other governmental acts and proceedings of municipalities originally incorporated under Chapter 11, Title 28, V.A.T.S., which incorporation subsequently became the subject of a district court lawsuit relating to the violation of another municipality’s territory or extraterritorial jurisdiction, and which lawsuit resulted in an agreed judgment upholding the incorporation and boundaries as incorporated;

To consider legislation relating to the compensation and expenses of the court reporter of the 31st Judicial District;

To consider and act on such other subjects and questions as the Governor may submit from time to time.

The Secretary of State will take notice of this action and will notify the members of the legislature.

(SEAL)

In Testimony Whereof, I have heretofore signed my name officially and caused the Seal of State to be affixed hereto at Austin, this 3rd day of August, A.D., 1978.

Dolph Briscoe
Governor of Texas

Attest:

Steven C. Oaks
Secretary of State

RESOLUTIONS SIGNED BY THE SPEAKER

The Speaker signed in the presence of the Speaker, after giving due notice thereof, the following enrolled resolutions:

SCR 2, SCR 3, SCR 5, SCR 10, SCR 12, HCR 6
recognized to make a motion to suspend all necessary rules in order to take up and consider HB 55.

BILLS SIGNED BY THE SPEAKER

The Speaker signed in the presence of the House, after giving due notice thereof, the following enrolled bills:

SB 8, SB 13, SB 17

PROCLAMATION BY THE GOVERNOR OF THE STATE OF TEXAS

The Speaker laid before the House and had read the following Proclamation by the Governor:

To All To Whom These Presents Shall Come:

Under the provisions of Article IV, Section 8 of the Constitution of the State of Texas, I, Dolph Briscoe, Governor of the State of Texas, do hereby submit the following for consideration by the Second Called Session of the 65th Legislature, now convened, in addition to such items as have heretofore been submitted, to wit:

The consideration of legislation which permits the Board of Regents of West Texas State University to levy a fixed student fee not to exceed $15 per student for each semester of the long session and not to exceed $7.50 per student for each term of the summer session of such university;

To consider an act on such other subjects and questions as the Governor may submit from time to time.

The Secretary of State will take notice of this action and will notify the members of the legislature.

(SEAL)

In Testimony Whereof, I have heretofore signed my name officially and caused the Seal of State to be affixed hereto at Austin, this 4th day of August, A.D., 1978.

Dolph Briscoe
Governor of Texas

Attest:

Steven C. Oaks
Secretary of State

RESOLUTION REFERRED TO COMMITTEE

The following resolution was laid before the House and referred to committee:

By M. Garcia, Rangel, Moreno, and Berlanga:
HSR 18, Declaring support for the movement of farm workers.
To Committee on Labor.
PROCLAMATION BY THE GOVERNOR
OF THE STATE OF TEXAS

The Speaker laid before the House and had read the following Proclamation by the Governor:

To All To Whom These Presents Shall Come:

Under the provisions of Article IV, Section 8 of the Constitution of the State of Texas, I, Dolph Briscoe, Governor of the State of Texas, do hereby submit the following for consideration by the Second Called Session of the 65th Legislature, now convened, in addition to such items as have heretofore been submitted, to wit:

To consider legislation authorizing the Texas Department of Corrections to sell certain real property known as the Blue Ridge Farm and to reinvest the proceeds of that sale in the purchase of additional real property and facilities for use by the Texas Department of Corrections;

To consider and act on such other subjects and questions as the Governor may submit from time to time.

The Secretary of State will take notice of this action and will notify the members of the legislature.

Under the provisions of Article IV, Section 8 of the Constitution of the State of Texas, I, Dolph Briscoe, Governor of the State of Texas, do hereby submit the following for consideration by the Second Called Session of the 65th Legislature, now convened, in addition to such items as have heretofore been submitted, to wit:

The consideration of legislation exempting from the state sales, excise and use tax certain energy saving materials and equipment;

The consideration and action upon such other subjects and questions as the Governor may submit from time to time.

The Secretary of State will take notice of this action and will notify the members of the legislature.

(SEAL)

In Testimony Whereof I have heretofore signed my name officially and caused the Seal of State to be affixed hereto at Austin, this 4th day of August, A.D., 1978.

Dolph Briscoe
Governor of Texas

ATTEST:

Steven C. Oaks
Secretary of State

HOUSE BILL ON FIRST READING

The following House bill was today laid before the House, read first time and referred to committee:
Representative Denton moved that all necessary rules be suspended to take up and consider at this time, HSR 23.

The motion prevailed without objection.

The Speaker laid before the House the following resolution:

By Denton:

HSR 23, Commending the Parent Teacher Association of Texas.

The resolution was adopted without objection.

On motion of Representative R. Green, the names of all the members of the House were added to HSR 23 as signers thereof.

PROCLAMATION BY THE GOVERNOR OF THE STATE OF TEXAS

The Speaker laid before the House and had read the following Proclamation by the Governor:

To All To Whom These Presents Shall Come:

Under the provisions of Article IV, Section 8 of the Constitution of the State of Texas, I, Dolph Briscoe, Governor of the State of Texas, do hereby submit the following for consideration by the Second Called Session of the 65th Legislature, now convened, in addition to such items as have heretofore been submitted, to wit:

The submission of a proposed constitutional amendment relating to tax increment financing;

The consideration and action upon such other subjects and questions as the Governor may submit from time to time.

The Secretary of State will take notice of this action and will notify the members of the legislature.

(SEAL)

In Testimony Whereof, I have heretofore signed my name officially and caused the Seal of State to be affixed hereto at Austin, this 7th day of August, A.D., 1978.

Dolph Briscoe
Governor of Texas

Attest:

Steven C. Oaks
Secretary of State

HB 59 - NOTICE GIVEN

Pursuant to the provisions of Rule XXI, Section 10, at 10:44 a.m., the Speaker notified the House that in one hour, Representative Lauhoff would be