

Metrocrest Chamber – 2025 Constitutional Amendments Quick Brief

On November 4, 2025, Texas voters will consider 17 proposed constitutional amendments. This handout summarizes each proposal with ballot language, a plain-language description, key pros and cons, and whether the amendment is business-related from the Chamber's perspective. This simplified version is provided for the Government Affairs Committee to save time when reviewing which amendments the Chamber may endorse.

Proposition 1: Workforce Education Funds

Ballot Language: The constitutional amendment providing for the creation of the permanent technical institution infrastructure fund and the available workforce education fund to support the capital needs of educational programs offered by the Texas State Technical College System.

What it does: Creates a permanent endowment + annual fund to finance TSTC capital projects/equipment to expand industry-aligned technical training capacity.

Pros: Builds skilled-labor pipeline; supports expansion in high-demand technical fields.

Cons: Earmarks money outside normal appropriations; increases long-term state obligation.

Business Related? Yes

👉 *Business Connection: Strengthens the workforce pipeline with industry-aligned training.*

Proposition 2: Ban on Capital Gains Taxes

Ballot Language: The constitutional amendment prohibiting the imposition of a tax on the realized or unrealized capital gains of an individual, family, estate, or trust.

What it does: Bars capital-gains taxes at the state level for individuals/estates/trusts.

Pros: Preserves investment-friendly climate; reduces perceived risk of future tax changes.

Cons: Reduces future policy flexibility/revenue options; potential franchise-tax edge cases.

Business-related? Yes — statewide investment climate.

Business Related? Yes

👉 *Business Connection: Preserves Texas' pro-investment, pro-business tax climate.*

Proposition 3: Deny Bail for Serious Felonies

Ballot Language: The constitutional amendment requiring the denial of bail under certain circumstances to persons accused of certain offenses punishable as a felony.

What it does: Lets judges deny bail in listed serious felonies under specified evidence standards; mandates written orders and sets factors to consider.

Pros: Targets high-risk offenders; aligns with federal bail standards (Salerno).

Cons: Increases pretrial detention/costs; may worsen disparities and jail overcrowding.

Business Related? No

Proposition 4: Water Infrastructure Funding

Ballot Language: The constitutional amendment to dedicate a portion of the revenue derived from state sales and use taxes to the Texas water fund and to provide for the allocation and use of that revenue.

What it does: Deposits up to \$1B/yr (subject to collections) into the Texas Water Fund; limits use; sets allocation rules and sunsets after 20 years.

Pros: Predictable, large-scale water infrastructure funding that supports economic growth.

Cons: May still be insufficient versus total needs; prioritization questions.

Business Related? Yes

👉 *Business Connection: Ensures water reliability to support population and business growth.*

Proposition 5: Animal Feed Inventory Tax Exemption

Ballot Language: The constitutional amendment authorizing the legislature to exempt from ad valorem taxation tangible personal property consisting of animal feed held by the owner of the property for sale at retail.

What it does: Allows the Legislature to exempt retail animal feed inventory (limited to feed for farm/ranch animals or animals held for sale).

Pros: Reduces costs passed to ag customers by removing seasonal inventory tax spike.

Cons: Creates a carve-out others don't get; narrows local tax base.

Business Related? Somewhat

👉 **Business Connection:** Provides targeted tax relief to agricultural retailers and farmers, though more limited in scope than broader business tax reforms.

Proposition 6: Ban on Securities Transaction Taxes

Ballot Language: The constitutional amendment prohibiting the legislature from enacting a law imposing an occupation tax on certain entities that enter into transactions conveying securities or imposing a tax on certain securities transactions.

What it does: Bars state taxes on exchanges/brokers and their securities transactions (while preserving existing taxes like sales/severance).

Pros: Signals to exchanges/investors that Texas is a low-tax financial hub.

Cons: Removes a potential revenue lever; perceived as benefiting wealthier actors.

Business Related? Yes

👉 *Business Connection: Helps Texas attract financial markets and reinforces a low-tax investment environment.*

Proposition 7: Veterans' Spouse Homestead Exemption

Ballot Language: The constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a veteran who died as a result of a condition or disease that is presumed under federal law to have been service-connected.

What it does: Lets Legislature exempt the homestead of surviving spouses of certain veterans; allows transfer of exemption amount to a new homestead; ends on remarriage.

Pros: Aligns state law with PACT Act realities; narrow, targeted relief.

Cons: Shifts burden to other taxpayers in areas with many qualifying families.

Business Related? No

Proposition 8: Ban on Estate/Inheritance Taxes

Ballot Language: The constitutional amendment to prohibit the legislature from imposing death taxes applicable to a decedent's property or the transfer of an estate, inheritance, legacy, succession, or gift.

What it does: Bars state-level taxes on estates/inheritances and limits any transfer-tax changes beyond 1/1/2025 status.

Pros: Predictability for succession/estate planning; avoids double-tax concerns.

Cons: Unnecessary (no current death tax); reduces future fiscal flexibility.

Business Related? Yes

👉 *Business Connection: Provides predictability for family-owned businesses and succession planning.*

Proposition 9: Business Personal Property Exemption

Ballot Language: The constitutional amendment to authorize the legislature to exempt from ad valorem taxation a portion of the market value of tangible personal property a person owns that is held or used for the production of income.

What it does: Authorizes an exemption (set at \$125,000 in enabling law) for business personal property used to produce income.

Pros: Material relief for small/medium businesses; lowers compliance/admin burdens.

Cons: Shrinks local tax base, potentially shifting burden to homeowners; state backfill impacts GR.

Business Related? Yes

👉 *Business Connection: Significant tax relief for small businesses and reduced compliance burdens.*

Proposition 10: Fire-Destroyed Homestead Relief

Ballot Language: The constitutional amendment to authorize the legislature to provide for a temporary exemption from ad valorem taxation of the appraised value of an improvement to a residence homestead that is completely destroyed by a fire.

What it does: Allows a temporary exemption on the habitable structure when a home is rendered uninhabitable by fire (duration set by statute).

Pros: Immediate tax relief after catastrophic loss.

Cons: Minimal policy opposition noted.

Business Related? No

Proposition 11: Elderly/Disabled Homestead Exemption

Ballot Language: The constitutional amendment authorizing the legislature to increase the amount of the exemption from ad valorem taxation by a school district of the market value of the residence homestead of a person who is elderly or disabled.

What it does: Lifts the cap the Legislature may set from \$10,000 up to \$60,000.

Pros: Targeted relief for fixed-income households; state backfills school revenue.

Cons: Uses state funds that may crowd out other priorities; excludes renters/commercial property.

Business Related? No

Proposition 12: Judicial Conduct Commission Reform

Ballot Language: The constitutional amendment regarding the membership of the State Commission on Judicial Conduct, the membership of the tribunal to review the commission's recommendations, and the authority of the commission, the tribunal, and the Texas Supreme Court to more effectively sanction judges and justices for judicial misconduct.

What it does: Changes SCJC composition (more public appointees), limits private sanctions, clarifies suspension/removal processes.

Pros: Greater transparency/accountability in judicial discipline.

Cons: Risk of politicization via appointment shifts; fewer judges on commission.

Business Related? No

Proposition 13: Raise School Homestead Exemption

Ballot Language: The constitutional amendment to increase the amount of the exemption of residence homesteads from ad valorem taxation by a school district from \$100,000 to \$140,000.

What it does: Increases the homestead school tax exemption by \$40,000.

Pros: Broad homeowner relief; may buoy housing market; state backfills schools.

Cons: Excludes renters/commercial property; long-term state fiscal exposure.

Business Related? Somewhat

👉 *Business Connection: While residential, it addresses broader property tax relief — a Chamber advocacy focus.*

Proposition 14: Dementia Research Institute

Ballot Language: The constitutional amendment providing for the establishment of the Dementia Prevention and Research Institute of Texas and transferring to that fund \$3 billion from state general revenue.

What it does: Creates DPRIT, a state institute/fund to award grants for dementia/Alzheimer's/Parkinson's prevention, treatment, and research, seeded with \$3B GR.

Pros: Addresses major health/economic burden; may attract research talent and jobs.

Cons: Sizeable long-term public cost; concerns about bureaucracy/accountability.

Business Related? No

Proposition 15: Affirm Parental Rights

Ballot Language: The constitutional amendment affirming that parents are the primary decision makers for their children.

What it does: Codifies parental rights to care/custody/control and upbringing decisions.

Pros: Clarifies parental rights in state constitution; may reduce litigation ambiguity.

Cons: Does not expressly address children's rights; interpretation questions.

Business Related? No

Proposition 16: Clarify Voter Citizenship

Ballot Language: The constitutional amendment clarifying that a voter must be a United States citizen.

What it does: Explicitly disqualifies non-citizens from voting (already in Election Code; makes it constitutional).

Pros: Clarity in constitution; intended to bolster voter confidence.

Cons: Redundant with current law; may create confusion among eligible voters.

Business Related? No

Proposition 17: Border Security Property Tax Exemption

Ballot Language: The constitutional amendment to authorize the legislature to provide for an exemption from ad valorem taxation of the amount of the market value of real property located in a county that borders the United Mexican States that arises from the installation or construction on the property of border security infrastructure and related improvements.

What it does: Lets Legislature exempt the added value from border-security improvements (walls, roads, surveillance) in counties on the Texas-Mexico border (under agreements/easements with state/federal).

Pros: Avoids new tax burden on landowners who host security infrastructure.

Cons: Narrows local tax base; incentivizes further construction some oppose.

Business Related? No

Business-Related Index

Strongly Business-Related: Propositions 1, 2, 4, 6, 8, 9

Somewhat/Indirect: Propositions 5, 13

Not Business-Related: Propositions 3, 7, 10, 11, 12, 14, 15, 16, 17