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LEGISLATIVE COUNCIL
P. O. BOX 12188 - CAPITAL STATION
AUSTIN, TEXAS 78711

A Summary

**ACCOMPLISHMENTS OF THE
60TH LEGISLATURE--1ST CALLED SESSION
June, 1968**

Prepared by the Staff

**TEXAS LEGISLATIVE COUNCIL
Drawer D, Capitol Station
Austin, Texas 78711**

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TEXAS LEGISLATIVE COUNCIL
of the
60th Legislature of Texas

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ENACTMENTS--IN BRIEF

60th Legislature--1st Called Session

June, 1968

APPROPRIATIONS

H.B. 5 General Appropriations Bill--Appropriates a total of \$2.6 billion from all funds for support of state government during fiscal 1969 (September 1, 1968-August 31, 1969). Spending from general fund alone, which is derived from taxes and fees, totals \$490.2 million, an increase of \$35.6 million over the appropriation for fiscal 1968. However, the Governor vetoed items totaling \$1.3 million. Major increases in spending were for public education, higher education, health and welfare, water resources and development, law enforcement and public safety, and merit salary increases and across-the-board salary increases for state employees who are covered by the Position Classification Act.

H.B. 22 Funds Transfer--Authorizes the comptroller to transfer not to exceed \$175,000 in funds appropriated at the Regular Session of the 60th Legislature to his department for salaries of classified positions to use in purchasing consumable supplies and materials, current and recurring operating expense, and capital outlay.

H.B. 25 Transfer of Funds--Transfers up to \$3 million from the Operator's and Chauffeur's License Fund to the General Revenue Fund.

TAX BILL

H.B. 2 Sales-Franchise Tax--Increases limited sales, excise, and use tax from 2 to 3 percent; also increases auto sales tax rate from 2 to 3 percent. Provides for an increase in the franchise tax on corporations from \$2.25 to \$2.75 per \$1,000 of taxable capital, surplus, and profit.

LIQUOR LEGISLATION

H.B. 16 Weapons-Sign Posted by Liquor Licensee--Amends Penal Code prohibitions against carrying weapons to make offense a felony and increase penalty up to five years imprisonment in penitentiary if offense committed on premises where alcoholic beverages are sold, served, or consumed. Requires each holder of license issued under Texas Liquor Control Act to display sign setting forth penalty for carrying prohibited weapons on premises, and provides penalty of \$25 fine, upon conviction, for licensee violating this section.

INTRODUCTION

The 60th Legislature in its 1st Called Session, which was adjourned on July 3, 1968, complied with the Governor's call in two respects: (1) by raising new revenues to finance state government through a major tax bill; and (2) by appropriating the necessary funds to meet budgeted expenditures for state government during the fiscal year beginning September 1, 1968. A third recommendation of Governor John Connally, to "... authorize, through local option election, the sale of alcoholic beverages for on-premises consumption through the miniature bottle system ..." failed to gain the necessary support and was not implemented by appropriate legislation.

Further deviation by the Legislature from recommendations of the Governor was evidenced when the appropriations bill, as finally adopted, called for spending \$2.6 billion, which was \$148.7 million more than revenue estimates made by the Comptroller of Public Accounts showed to be available. The Governor had estimated that his budgeted expenditures would leave a fund deficit of \$125 million. But when the Legislature enacted House Bill 2, its tax measure, the deficit was covered and a surplus is anticipated. New tax money is expected to bring in \$153,491,180.

Despite limitations of the Governor's call--appropriations, tax measures, and liquor laws--32 bills were introduced in the House of Representatives and 30 in the Senate during the 30-day period of the special session. The final tally showed that only five bills, all introduced in the House, were enacted. These included House Bill 2, the tax bill; House Bill 5, the general appropriations bill; House Bill 22, authorizing the Comptroller of Public Accounts to transfer a portion of funds appropriated during the regular session for classified salaries in his department to use for supplies, operational, and maintenance purposes; House Bill 25, providing for the transfer of \$3 million from the Operator's and Chauffeur's License Fund to the General Revenue Fund; and House Bill 16, amending the Penal Code provision against carrying certain weapons for offense or defense to increase the penalty when the offense occurs where alcoholic beverages are sold, served, or consumed. Since there is no constitutional restriction on the introduction of resolutions under a governor's call, members of the Legislature apparently exercised this privilege to the fullest during the special session. In the Senate, 264 simple resolutions were introduced and 264 were adopted. Concurrent resolutions introduced in the Senate totaled 23, with 22 adopted. In the House of Representatives, 128 simple resolutions were introduced and 117 of them were adopted. Forty-two concurrent resolutions were introduced in the House, and 34 were approved by the Legislature.

The 1st Called Session of the 60th Legislature initiated one of the new House Rules in considering the Conference Committee Report on House Bill 5. Rule XXIV, Section 14, provides that limitations imposed on certain conference committees may be suspended in part, by permission of the House, to enable consideration of and action on a specific matter or matters which would otherwise be in violation. Rule XXIV, Section 10, Subsection (b), provides that if "... an item of appropriation appears in both House and Senate versions of the bill, and in identical amounts, no change can be made (by the Conference Committee) in such item or the amount thereof." This rule was suspended by adoption of H.S.R. 84 to sanction changes made in amounts on certain items in the Conference Committee Report that had been identical in House and Senate versions of House Bill 5.

APPROPRIATIONS

General Appropriations Bill--H.B. 5

House Bill 5, the general appropriations bill enacted during the 1st Called Session of the 60th Legislature, 1968, appropriated \$2.6 billion from all funds for the support of state government during the second year of the current biennium. The total amount to be expended from September 1, 1968, through August 31, 1969, is approximately \$200 million more than was authorized for the same period of 1967-1968. When he signed the measure on July 20, 1968, Governor John Connally announced the veto of items totaling about \$1.3 million.

Appropriations made from the general fund alone, which is derived from taxes and fees, totaled \$490.2 million, an increase of \$35.6 million. Since all the line-item vetoes of funds by the Governor were in the general fund category, the total general fund appropriation was reduced to about \$489.2 million. Spending increases under the new appropriations measure are most pronounced in areas of public education, health and welfare, water resources and development, law enforcement and public safety, and merit salary increases and across-the-board salary increases for state employees covered by the Position Classification Act.

PUBLIC EDUCATION

Funds appropriated to the *Texas Central Education Agency* for fiscal 1969 total \$816,835,488, whereas the budget for fiscal 1968 called for the expenditure of \$763,322,476. Significant increases are to be found in funds appropriated for vocational/technical education, vocational rehabilitation, disability determination, and Foundation School Fund allocations to local schools.

The appropriation as the state's matching share for the *Teacher Retirement System* totals \$73 million for the 235,480 members. Last year \$68.8 million was appropriated for this purpose.

Appropriations for state aid to *Public Junior Colleges* were increased from \$23,571,825 to \$24,461,350, approximately \$890,000. Although the junior colleges did not get all they asked for in new funds, the Legislature did use the most recent enrollment figures in its formulas-application of the 1968 rate per student to Fall, 1967, enrollments. Also, the contingency appropriation was increased from \$1.5 million to \$2.1 million.

The *Coordinating Board, Texas College and University System*, received an appropriation from general revenue which was nearly \$72,000 less than that for last year, to make a net of \$721,679. The reduction in allocation of funds was in the item for professional positions. The Texas Opportunity Loan Program was allocated \$200,000 of the total \$808,429 from all funds. Under this student loan plan, 42,000 loans have been made at 104 institutions since September, 1966.

The *22 Colleges and Universities* in the state's higher education system received an increase of \$10.5 million in general revenue over the amount budgeted for 1968. Funds allocated for fiscal 1969 total \$210,805,743, of which \$176,783,332 will be derived from the General Revenue Fund. In the measure, faculty salaries have been calculated on the basis of Summer, 1967, Fall, 1967, and Spring, 1968, semester credit hours of enrollment to produce, under this formula, \$115.3 million, an increase of \$9.5 million over budgeted amounts for 1968. Funds allocated for major repairs of buildings totaled \$3.3 million, and an additional \$600,000 was included for custodial services. Funds for security forces and grounds upkeep added another \$1 million. An across-the-board salary increase of 3.4 percent for non-teaching personnel cost an additional \$1.5 million.

The education appropriation also provided funds for two new agencies, the *Western Information Network Association* and *Texas Veterinary Diagnostic Laboratory*. A \$100,000 fund was created to provide for final plans and specifications of the network. The Diagnostic Laboratory appropriation for construction, maintenance, and other expenses totals \$657,639.

The eight *medical units* of *The University of Texas System* received appropriations from general revenue totaling \$37,488,598, which is \$3.1 million over current spending from general revenue. Appropriations from general revenue and all other funds for the medical units total \$50,639,736.

The University of Texas South Texas Medical School at San Antonio will open in September, 1968, with at least 88 students. General revenue appropriations for this new school total nearly \$5 million, and the completed school building is now being furnished and laboratories equipped.

For *Texas A&M University Service Branches*, there was a decrease from the fiscal 1968 level in appropriations from general revenue of \$3.1 million. The fiscal-1969 appropriation is \$15,541,132, compared to \$18,703,661 for fiscal 1968. The reduction is due, primarily, to the one-time appropriation of funds for the purchase of James Connally Air Force Base. However, the A&M service branches received a new \$500,000 appropriation for the Maritime Academy for docking facilities at the Pelican Island site, which is to be the permanent home of the academy.

By rider, *Blinn College at Brenham* was allocated \$22,000, to be used by the college to operate a museum at Old Washington State Park. The Governor vetoed this item in House Bill 5 because, he said, the "... operation of a museum at the Old Washington State Park should be the responsibility of the Parks and Wildlife Commission which has jurisdiction of this park and all other state parks. In addition, the operation of a museum is not within the role and scope of a public junior college."

PUBLIC HEALTH

General revenue appropriations to the State Department of Health have been increased \$2.2 million over the fiscal-1968 level to a total of \$10.3 million for 1969. The biggest share of the increase, \$1.6 million, has been allocated to finance increased hospitalization costs in the department's Crippled Children's Program. The remaining \$600,000 will finance expanded tuberculosis control and occupational safety activities and provide the standard 3.4 percent salary increase for personnel in classified positions. Total budgeted for the department for 1969, exclusive of tuberculosis hospital institutional programs, is estimated at \$23.6 million, of which over \$12 million is in federal funds.

A rider in the appropriations section relating to the State Department of Public Health was among the several line items vetoed by the Governor. It prohibited the use of the department's appropriations in the regulation of cotton gins or the ginning industry, which, in effect, would have exempted cotton gins from air pollution controls. Virtually the same rider aimed at exemption of cotton gins and the ginning industry from air pollution controls was included in House Bill 5 pertaining to the Air Control Board. This rider was also vetoed by the Governor.

MENTAL HEALTH AND MENTAL RETARDATION

The grant-in-aid program for *Community Mental Health Mental Retardation Centers* of the Department of Mental Health and Mental Retardation received an increase of \$500,000 over the \$3 million appropriated from the General Revenue Fund for this purpose last year. The department's construction and repair program received a \$4 million increase, to bring the total allocated for this purpose in fiscal 1969 to \$11 million. The department is authorized to allocate the funds so as to support most effectively the long-range goals of the department.

The eight hospitals for the mentally ill and geriatric patients received \$34.8 million from general revenue, an increase of about \$1.5 million. Most of the new funds will be expended for salary increases for classified positions and for operating the new Vernon Geriatric Center, which is soon to open.

The nine schools for the mentally retarded received nearly \$27 million, an increase of approximately \$2.5 million, which will be used largely in the operation of the new Richmond State School that was opened in March, 1968, and for the new Lubbock school, to open around April, 1969. Across-the-board salary increases will also be financed through this \$2.5 million.

To finance the lease and operation of hospital facilities for the intensive treatment of the mentally ill, the *Texas Research Institute of Mental Sciences* received an increase of over \$600,000 in its appropriation. Funds for this program had been provided by the Legislature last year but were vetoed.

Although the *Texas Youth Council* appropriation was actually decreased by \$1,802,343, this reduction was due largely to the fact that major capital construction was provided for in the last appropriation. Building and repair items for 1969 include only \$50,000 for underground utilities at the Brownwood State School and \$200,000 for site selection, architectural fees, and other planning costs for a new 480-bed delinquent boys' school.

EXECUTIVE AND ADMINISTRATIVE DEPARTMENTS AND AGENCIES

General state agency spending was increased for fiscal 1969 by approximately \$8 million, to make a total of \$85 million. Nearly all of the increase was allocated for salary raises.

The *Adjutant General* received a \$252,146 increase, to be used for riot control training and equipment, and the *Attorney General* also received an increase of \$200,000 as the Legislature directed its efforts toward better and more efficient law enforcement. The attorney general's additional funds are allocated for three additional assistant attorneys general, travel, and court costs.

An appropriation of \$900,000 in additional funds was made for the *Department of Agriculture* and included in a lump sum of \$1,441,725 for about 15 widely varying projects. Among them was the expansion of marketing outlets for Texas agricultural commodities, an item for which \$325,000 was included in last year's appropriations bill and vetoed by the Governor. In his veto message of July 20, 1968, concerning items vetoed in House Bill 5, Governor Connally was again critical of the Legislature for including funds for the expansion of marketing outlets and, particularly so for placing them in a lump sum which, if vetoed, would cause the entire state agricultural program to suffer. He called this legislative action a "... blatant attempt to protect unnecessary and unwarranted appropriations in combination with other appropriations, which are legitimate and beneficial."

One of the smaller departments, the *Texas Aeronautics Commission*, received an increase from \$887,569 in fiscal 1968 to \$1,245,382 for fiscal 1969. The increase provides \$1 million for airport development in smaller towns of Texas, as well as funds for replacement of the commission's airplane and two additional classified positions. The *Department of Corrections* received funds for completion of stages II and III at the Coffield Prison Unit, at a cost of \$1 million, and additions to and remodeling of the main unit at Ramsey No. 2, at a cost of \$1,071,525. Vocational and technical educational programs of the department received new funds totaling \$200,000.

An item in the appropriation of the *State Board of Control*, which would have created the position of Assistant Executive Director, at a salary of \$16,500, was vetoed by the Governor because, he said, the item was not requested by the board, neither he nor the Legislative Budget Board recommended it, and the item did not appear in either of the preliminary House or Senate appropriations bills.

Total appropriation for the *Board of Insurance* was increased from \$4,162,098 to \$4,340,106, with \$50,000 of the increase allocated for use on a program of investigation of claims not paid by insurance companies. This \$50,000 item was vetoed by the Governor because, he said, no explanation was made as to the intent of the Legislature in including this appropriation or as to the purpose for which the funds would be used. This was the same item which the Governor vetoed, for the same reasons, in the Conference Committee Report on Senate Bill 15, 60th Legislature, Regular Session, 1967.

Appropriation for the *Liquor Control Board* was increased from \$3,396,405 to \$3,877,438, amounting to \$481,033 in new money for the board. With the Governor's veto of two new positions--a deputy administrator, with a salary of \$17,500, and an assistant director of auditing, at a salary of \$13,000-- the increase was reduced by \$30,500. The Governor based his veto on the fact that neither he, the Legislative Budget Board, the agency request, the House Appropriations Bill, nor the Senate Appropriations Bill included such positions.

The appropriation for the *Parks and Wildlife Department* was increased by \$1,338,336: \$500,000 from general revenue to match \$500,000 from other sources for improvements totaling \$1 million at the Lyndon Baines Johnson State Park; \$200,000 for a retaining wall at San Jacinto Battleground; \$187,500 for Port Lavaca State Park; and \$90,000 to purchase land in Somervell County. The Governor vetoed the Port Lavaca State Park and Somervell County items on the

grounds that these appropriations take tax resources needed for other purposes and commit them to two park sites which may be included in the existing parks bond program and are, therefore, contrary to the purpose and intent of the comprehensive development program which the Legislature passed and the people of Texas adopted by constitutional amendment. The wildlife division of the department received \$285,834 for a shell survey on inland coastal waters and \$100,000 to control noxious vegetation.

Another rider provision in the appropriation for the Parks and Wildlife Department which was vetoed by the Governor would have required the use of the department's funds for the acquisition, restoration, and maintenance of historical sites, listed in order of their priority, at Leaton, McKavett, Lancaster, Griffin, Concho, and Richardson. Governor Connally recalled that this rider also appeared in Senate Bill 15 of the 60th Legislature, Regular Session, 1967, and was the subject of Attorney General's Opinion M-219, dated April 18, 1968. In the opinion, the attorney general held the rider invalid because of conflict with Article 6081s, Vernon's Civil Statutes, which gives the Parks and Wildlife Department board discretion in designing, acquiring, restoring, and maintaining state historical structures and sites. The Governor based his veto upon this opinion.

One of the largest appropriations increases went to the *Department of Public Safety*, which received \$31,767,427, compared to \$28,469,407. This \$3,298,020 increase is allocated for an additional 10 narcotics agents, 12 intelligence agents, 203 patrolmen, and 15 sergeants. Three of the patrolmen are for the license and weight section, and the other patrolmen and sergeants will be assigned to the highway patrol. Salaries for patrolman trainees and funds for additional clerical positions for administration of the drivers' license law and for the data-processing section are included in \$300,000 of the total increase. An item of \$65,000 is included in the increase for the purchase of land and construction of an area office building at Kerrville.

The Governor vetoed two riders applicable to the Department of Public Safety. One would have prohibited the department from receiving payments for policing turnpikes under contract with the Texas Turnpike Authority and would have deposited funds received in payment under such contract to Highway Fund No. 6, thereby depriving the Department of Public Safety of approximately \$120,000 to \$150,000 each year. The veto was based on a conflict with the contract between the Department of Public Safety and the Texas Turnpike Authority, as well as the Inter-Agency Cooperation Act, which states that "... payments received by the State agency performing the service shall be credited to that State agency's

current appropriated item or account from which the expenditures of that character were originally made." The Governor stated that the rider is also repugnant to Section 31, Article V, General Appropriations Act (H.B. 5, 60th Legislature, 1st Called Session, 1968), which provides that "... reimbursements received by an agency . . . for authorized services rendered to any other agency of the State Government, and any payments to an agency of the State government made in settlement of a claim for damages, are hereby appropriated to the agency of the State receiving such reimbursements and payments for use during the fiscal year in which they are received. . . ."

The second rider pertaining to the Department of Public Safety would have required the basing in Austin of all airplanes and helicopters owned by the department, except for use in rescue operations. In his veto, the Governor explained that this restriction would almost prohibit the use of aircraft by the Department of Public Safety for traffic surveillance and control, and would make questionable the use of the department's aircraft in connection with civil disorders and civil disasters away from Austin.

The *Water Rights Commission* received an increase of \$88,885 over amounts appropriated for the first year of the biennium. The increase in the total appropriation of \$856,242 will be used for additional personnel necessary to implement the Water Rights Adjudication Act, and for additional travel and consumable supplies.

Also receiving an increase is the *Water Quality Board*, which will use its \$1,789,627 (all but \$400,000 from general revenue) for an additional 28 positions to complete the two-stage organizational pattern begun in fiscal 1968. Funds for continuation of planning sewage treatment facilities are also included in the appropriation.

The *Department of Public Welfare* received an appropriation of \$445,624,796 as compared to the 1968 appropriation of \$417,377,793, an increase of \$28,247,003 over fiscal 1968. Included is \$29,731,613 for the medical assistance program under Title XIX of the Social Security Act, an increase of \$4 million over fiscal 1968, which was the first year that Texas participated in the Title XIX program. Amounts appropriated for the four assistance programs--needy aged, needy disabled, needy blind, and needy children--are at the constitutional limit of \$60 million. If the proposed Constitutional Amendment No. 2, to be considered by the electorate on November 5, 1968, is adopted, this limit will be increased to \$75 million but, of course, would become effective only when a new appropriation in this amount has been made by the Legislature.

Appropriations for child welfare services total \$1,318,291, compared to \$716,463 appropriated for 1968--an increase of \$601,828.

The estimate of federal funds to be received by the department has been increased by \$17.3 million, to a total of approximately \$325 million for the 1969 fiscal year.

OTHER VETOES IN DEPARTMENTAL APPROPRIATIONS

House Bill 5 appropriated \$600,000 for use by the *Comptroller of Public Accounts* in constructing and equipping a prefabricated building for use by the comptroller's department until completion of permanent quarters in the new Finance Building. The Governor vetoed this item, explaining that since its incorporation in the appropriations bill, a satisfactory alternative arrangement has been developed. Governor Connally added that he was informed by appropriate members of the Legislature that the expenditure is not now necessary.

An appropriation of \$275,000 to the *Building Commission* for the installation of two automatic elevators in the Capitol was also vetoed. This veto was based on the fact that the State Finance Building will be completed and the offices of the comptroller and state treasurer will be moved to it from the Capitol in 1969. Thus, the Governor said, the relocation of these departments will make substantial reallocation and remodeling of Capitol space necessary, so that deferring the installation of additional elevators until that time would possibly increase the utility of elevator installations.

Two riders in the appropriations bill affected *state employees*. The first provided that none of the funds appropriated may be used to employ a person who took a leave of absence from state employment for the purpose of participating in a political campaign. The Governor vetoed this rider on the basis that it is unconstitutional. It violates Article I, Section 16, which states: "No bill of attainder, ex post facto law, retroactive law, or any law impairing the obligation of contracts, shall be made." Since the rider would have the effect of retroactive law, the Governor believed it to be unconstitutional.

A provision relating to state employees was also included in Article V, Section 12, which would have authorized a state agency to reimburse its employees, out of funds appropriated by House Bill 5, for costs incurred in purchasing necessary additional personal liability insurance for the purpose of insuring against personal

liability arising out of the full-time use of state-owned motor vehicles. This rider was identical to one included in Senate Bill 15, 60th Legislature, Regular Session, 1967. Both were vetoed by the Governor in his belief that the proper method for changing state policy regarding provision of personal liability insurance coverage for employees operating state vehicles is by enactment of a basic statute.

THE JUDICIARY

Article I of House Bill 5 added the new position of briefing legal clerks to 13 of the 14 courts of civil appeals, although the position was not included by any of the courts in their 1969 budget requests. The positions, at \$7,000 each, were vetoed by the Governor because, he said, the need for this new position in the courts has not been adequately demonstrated.

FUNDS TRANSFERS

*Funds Transfer--
H.B. 22 and
H.B. 25*

Two measures, House Bill 22 and House Bill 25, were enacted by the 60th Legislature, 1st Called Session, 1968, to provide for transfer of funds appropriated in Senate Bill 15, 60th Legislature, Regular Session, 1967. The first transfer, authorized by House Bill 22, provides for the transfer of not to exceed \$175,000 from the amount itemized in the appropriation of the *Comptroller of Public Accounts* for salaries in classified positions to the item providing for purchase of consumable supplies and materials, current and recurring operating expense, and capital outlay in the same department.

House Bill 25 provides that the Comptroller of Public Accounts, from time to time, shall transfer any sums in the *Operator's and Chauffeur's License Fund* which are in excess of amounts required to finance authorized appropriations for the normal operation and maintenance of the Department of Public Safety to the General Revenue Fund until the total of the transfers equals \$3 million. Thereafter, the allocation of revenue in the *Operator's and Chauffeur's License Fund* shall be made as provided in Chapter 173, Acts of the 47th Legislature, Regular Session, 1941, as amended.

TAXES

*Sales, Excise, and Use
Tax; Motor Vehicle Tax;
Franchise Tax--
H.B. 2*

A combination sales-franchise tax bill was the final solution in balancing the state's budget for the second year of the biennium, beginning on September 1, 1968. As adopted with Senate amendments, House Bill 2 increased the *Limited Sales, Excise and Use Tax* from 2 percent to 3 percent on the receipts from the sale at retail of all tangible personal property within the state already subject to the tax. No changes were made in present exemptions applicable to groceries, animal feed, medicines, fertilizer, farm implements, and certain other items. Total revenue to the state's general fund from the 1 percent raise is estimated at \$125.6 million for the period from October 1, 1968, through August 31, 1969. The Limited Sales, Excise and Use Tax increase of 1 percent brings the total sales tax to 4 percent in the 274 Texas cities which have adopted a 1 percent city sales-tax under authority granted in House Bill 207 (Article 1066c, Sections 1-14, Vernon's Texas Civil Statutes), 60th Legislature, Regular

Session, 1967. In the municipalities where the levy will total 4 percent beginning on October 1, 1968, the tax will be added to sales prices in the following manner:

13 to 37 cent sale--1 cent tax
38 to 62 cent sales--2 cents tax
63 to 87 cent sales--3 cents tax
88 to \$1.12 sales--4 cents tax
\$1.13 to \$1.37 sale--5 cents tax
\$1.38 to \$1.62 sale--6 cents tax
\$1.63 to \$1.87 sale--7 cents tax

For successive brackets, the tax will be computed by multiplying the amount of sale by 4 percent.

The Act also increased from 2 to 3 percent the sales and use tax on *motor vehicles*. The 3 percent motor vehicle sales tax will be calculated on the "trading difference." For example, a car listed for \$3,000, on which \$1,000 has been credited in trade for another car, would be taxed only on the \$2,000 difference. The 1 percent increase in the motor vehicle sales tax is expected to bring in about \$23.6 million during the October 1, 1968, through August 31, 1969, period. It is to be noted that in municipalities where the total sales, excise, and use tax will be 4 percent, this is not true of the motor vehicle sales tax, which will not go above 3 percent because it is covered by a different statute (Sections (1) and (2), Article 6.01, Chapter 6, Title 122A, Taxation - General, Revised Civil Statutes of Texas, 1925, as amended). The increase in the motor vehicle sales tax is expected to bring in about \$23.6 million in the same October 1, 1968, through August 31, 1969, period. The increase in the *franchise tax*, as provided by H.B. 2, is a straight \$2.75 per \$1,000 of taxable capital, surplus, and undivided profits. The old rate was \$2.25 per \$1,000. Franchise taxes are collectible annually on May 1, and notices of new rates will be sent out on January 1, 1969. The increase in the franchise tax is expected to bring in approximately \$10.9 million for next year. The new measure continues the provision of gradually retiring the tax on debt of corporations paying a franchise tax at the rate of 50 cents a year until it is abolished entirely on April 30, 1973.

A round-up from all new revenue sources, House Bill 2 and fund transfers, shows that \$153,491,180 will be available to more than balance the state's budget for fiscal 1969. The breakdown, according to estimates of the state comptroller, is as follows:

House Bill 2

Sales, Excise and Use Tax	\$125,628,168
Motor Vehicle Sales	23,599,933
Franchise Tax	10,963,079
Transfer from Chauffeur's and Operator's License Fund	3,000,000
TOTAL	\$163,191,180
Less Estimate Loss-- Federal Surtax	9,700,000
Net Revenue Increase Available Fiscal 1969	\$153,491,180

OTHER LEGISLATION

*Prohibition of Weapons
Where Alcoholic Beverages
Are Sold or Consumed--
H.B. 16*

The Penal Code of Texas, 1925, as amended (Article 483) and Article II, Texas Liquor Control Act (Articles 667-1 through 667-33, Vernon's Texas Penal Code), were amended to stiffen Texas law with additional restrictions and penalties for carrying arms, when the offense is committed on premises

where alcoholic beverages are served, sold, or consumed. A person convicted of the offense is deemed guilty of a felony and punishment is set at not less than two nor more than five years imprisonment in the state penitentiary.

House Bill 16 also requires each holder of a license issued under provisions of the Texas Liquor Control Act to display in a prominent place on his premise a sign, at least 6 inches high and 14 inches wide, which states:

"Felony. State Law Prescribes A Maximum Penalty of Five Years' Imprisonment for Carrying Weapons Where Alcoholic Beverages Are Sold, Served, or Consumed."

A licensee who violates this section is guilty of a misdemeanor and on conviction is punishable by a fine of not more than \$25.

RESOLUTIONS--INTERIM STUDIES

Of the 437 simple and concurrent resolutions adopted during the 1st Called Session of the 60th Legislature, 1968, six authorized special interim committee studies and a seventh requested the Texas Legislative Council to add a study to its research projects for the interim.

*Governor's Advisory
Committee on Physical
Fitness--H.C.R. 28*

A 20-member committee, with 10 members to be named by the Governor and 5 members each by the Speaker of the House of Representatives and the Lieutenant Governor was created by H.C.R. 28. The resolution

calling for the study requests that the committee review advances made in the field of physical fitness, make recommendations to the Governor concerning fitness programs for Texas citizens, and be available to advise and counsel representatives of schools, industries, civic, and governmental organizations concerned with the physical fitness of Texas citizens.

*Texas Liquor
Control Act--
H.S.R. 32*

H.S.R. 32 created a five-member committee, with members appointed by the Speaker of the House of Representatives. The committee is directed to review the financial and business relationship, if any, between permittees and

licensees under the Texas Liquor Control Act and their suppliers of services, mechanical equipment, or merchandise. A complete report will be submitted to the 61st Legislature in January, 1969. The Texas Legislative Council, the Texas Liquor Control Board, the Texas Department of Public Safety, and other state departments and agencies concerned, as well as officials of cities and counties are requested to cooperate with the committee.

*Texas Stock
Exchange--
H.S.R. 35*

This resolution requests the Department of Finance of the Graduate School of Business at The University of Texas at Austin to study the feasibility of creating a Texas stock exchange, as well as provide professional

counsel and assistance to owners and operators of small businesses in Texas. A three-member committee, comprised of members of the House of Representatives, is to be appointed by the Speaker of the House to give any needed assistance to the Department of Finance as it undertakes the required studies.

*Organ Trans-
plantation--
H.S.R. 55*

The advances in surgery that have brought about increasing numbers of organ transplantations--heart, lung, and liver, for example--have raised serious legal questions, which should be resolved by amendment of the Texas statutes as necessary. The study

proposed by H.S.R. 12 would investigate the need for new and changed laws to keep abreast of developments in the field of medicine related to organ transplantation. The resolution creates a nine-member Interim Committee on Organ Transplantation, comprised of five members of the House of Representatives and four private citizens, all to be appointed by the Speaker. Findings and recommendations are to be reported to the House of Representatives of the 61st Legislature.

*Texas Election
Code--H.S.R. 66*

Studies of the Texas Election Code were made in the legislative interims of 1961 to 1963 and 1965 to 1967, but the House of Representatives of the 60th Legislature again called for an election code study by resolution adopted during the 1st Called

Session. H.S.R. 66 created a five-member committee from the House of Representatives, with appointments to be made by the Speaker of the House. The Texas Election Code Committee is directed to make a complete study of the Election Code and to file the report with the 61st Legislature in January, 1969.

*Senate Amplifi-
cation System--
S.R. 232*

Gallery spectators and even members of the Senate have long complained at the difficulty in hearing during sessions of the Texas Senate, but by long-standing tradition there has been general opposition to the installation of a

loudspeaker or voice amplification system in the chamber of the Upper House. However, S.R. 232 was adopted during the 1st Called Session of the 60th Legislature, 1968, to request the Senate's Contingent Expense Committee to investigate a suitable voice amplification system for installation in the Senate Chamber and to purchase and install the system selected prior to the convening of the 61st Legislature.

Parks and Recreational Land--
S.R. 235

The Senate, by S.R. 235, created a seven-member committee, with members to be appointed by the Lieutenant Governor from the Senate, to make a study of the Parks and Wildlife Department, viewing the problem of locating and securing more land which might be set aside for parks and recreational purposes as well as investigating possibilities for better utilization of existing parks and the development of existing parks to accommodate more visitors. On July 17, 1968, Lieutenant Governor Preston Smith appointed the seven-member committee to include Senators Joe Christie, of El Paso, Dorsey B. Hardeman, of San Angelo, D. Roy Harrington, of Port Arthur, Charles Herring, of Austin, Bruce Reagan, of Corpus Christi, Murray Watson, Jr., of Waco, and Don Kennard, who was designated chairman, from Fort Worth.

Employment by Ethnic Groups in State Government--S.R. 239

S.R. 239 requested the Texas Legislative Council to make a statistical survey of employment practices of the State of Texas, with respect to ethnic origin of employees, classifications, and salaries by ethnic groups.

Further, it requested that the Council's report classify the statistics in four categories: Anglo, Negro, White-with-Spanish-Surname, and Others. The resolution requested that the report be completed for submission to the 61st Legislature in January, 1969.

**Other
Resolutions**

Several other resolutions, in addition to the many memorial and congratulatory resolutions that were adopted, are of significance. The late Dallas Senator, George Parkhouse, was honored by H.C.R. 38, which designated the name of "*George Parkhouse Dam and Reservoir*" for the new dam and reservoir facilities to be constructed by the State of Texas on the Sulphur River, Sulphur River Basin, approximately four miles north of Sulphur Bluff. Senator Parkhouse's long tenure in the Senate had been identified with his sponsorship of many progressive measures directed toward water conservation and reclamation.

Of significance to the rich heritage in which Texans take great pride was the adoption of H.S.R. 103, providing for removal of the historic *De Zavala Cemetery*, burial ground of the family of Texas' first vice president, to the San Jacinto Battleground across the ship channel from its original location. Recurring flooding necessitated removal of the cemetery in order to assure its preservation and proper maintenance.

By S.C.R. 17, the Legislature asked the Congress of the United States not to pass laws requiring the *registration of firearms* such as the current presidential proposals, but to consider instead laws such as H.R. 6137 by Congressman Bob Casey, of Texas, which would punish the criminal misuse of firearms, and to order the strict enforcement of existing firearms statutes.

H.C.R. 17 was adopted to provide for a *tort action* against the state. The Governor filed it with the secretary of state, unsigned, within the 20-day limitation established by the constitution. Basis for his disapproval of the resolution was the doctrine of sovereign immunity, under which the state would not be liable for torts committed by its agents or employees. The Governor added that he could see no justification for adding the cases in H.C.R. 17 to the state's already overcrowded court dockets.

On July 22, 1968, Governor Connally filed another resolution, H.C.R. 42, with the secretary of state without his signature. Assignment to the Legislature of premises to be vacated by certain state departments in the Capitol was the subject of this resolution, which also granted the Legislature authority to assign this space to other agencies. The Governor explained his veto of the resolution on the basis of present statutory law which placed authority for control of public buildings and allocation of space within them in the State Board of Control.

APPENDIX
SUMMARY OF APPROPRIATIONS VETOES
House Bill 5

ARTICLE I

Courts of Civil Appeals		
Briefing Legal Clerks, 13 of the 14 District Courts	\$	91,000

ARTICLE II

Department of Health - Cotton Gin Rider

ARTICLE III

Air Control Board - Cotton Gin Rider

Building Commission		
Two Automatic Elevators in the Capitol Building	275,000	

Comptroller of Public Accounts		
Constructing and Equipping a Prefabricated Building	600,000	

Board of Control		
Assistant Executive Director	16,500	

Board of Insurance		
Investigation of Insurance Claims	50,000	

Liquor Control Board		
Deputy Administrator	17,500	
Assistant Director of Auditing	13,000	

Parks and Wildlife Department		
Purchase of land in Somervell County	90,000	
Acquisition of land and development of Port Lavaca Causeway State Park	187,500	
Rider Provision - Designating Historical Sites		

Department of Public Safety - Riders
Turnpike Authority
Restriction on use of Airplanes and Helicopters

ARTICLE IV

Blinn College	
Old Washington State Park	22,000

ARTICLE V

Riders
Section 2, Paragraph D - Restricting State Employment
Section 12 - Liability Insurance

TOTAL	\$1,362,500
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