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SUPREME COURT OF TEXAS
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No. 24-0102

In the Supreme Court of Texas

JPMorgan Chase Bank, N.A.,
Petitioner,

v.

City of Corsicana and Navarro County,
Respondents.

On Petition for Review
from the Tenth Court of Appeals, Waco

BRIEF FOR AMICUS CURIAE THE STATE OF TEXAS

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Statement of Interest of Amicus Curiae

This appeal involves the proper interpretation of the Gift Clauses of the Texas Constitution. Those provisions help to ensure that government entities in this State do not improperly give away public funds. The State has an important interest in ensuring that all government entities use their taxpayer funds legally and responsibly. No fee has been or will be paid for the preparation of this brief.

To The Honorable Supreme Court of Texas:

"No feature of the Constitution is more marked than its vigilance for the protection of the public funds and the public credit against misuse. This is exemplified by numerous provisions in the instrument." *Bexar County v. Linden*, 220 S.W. 761, 761 (Tex. 1920). Those provisions, called the Gift Clauses, prevent public officials from improperly giving away taxpayer funds. Over the course of a century, this Court has developed a three-part test that determines when a grant of public funds is constitutionally permissible under the Gift Clauses: the government entity must receive a public benefit as consideration for the funds, the grant must have a public purpose, and the government entity must retain control over the funds.

Just last year, Harris County attempted to give away taxpayer funds with no strings attached and told this Court that it could circumvent the Gift Clause test by calling its handout an economic development program. Although the Court did not decide the issue, it expressed skepticism at the County's argument. Now, Petitioner JPMorgan Chase makes the same argument that Harris County made one year ago. The Court should definitively reject it.

Statement of Facts

"Several 'Gift Clauses' of the Texas Constitution prohibit governmental entities from making 'gifts' of public resources to private parties." *Borgelt v. Austin Firefighters Ass'n, IAFF Loc. 975*, 692 S.W.3d 288, 293 (Tex. 2024). Relevant here, one such Gift Clause states that "[e]xcept as otherwise provided by this section, the Legislature shall have no power to authorize any county, city, town or other political corporation or subdivision of the State to lend its credit or to grant public money or

thing of value in aid of, or to any individual, association, or corporation whatsoever." Tex. Const. art. III, § 52(a). "This Gift Clause was adopted in 1876 and its text has not been materially modified since then." *Borgelt*, 692 S.W.3d at 299. Interpreting that provision, this Court has adopted a three-part test. "A challenged expenditure satisfies § 52(a)'s Gift Clause when (1) the expenditure is not gratuitous but instead brings a public benefit; (2) the predominant objective is to accomplish a legitimate public purpose, not to provide a benefit to a private party; *and* (3) the government retains control over the funds to ensure that the public purpose is in fact accomplished." *Id.* at 301 (consolidating the test articulated in *Tex. Mun. League Intergovernmental Risk Pool v. Tex. Workers' Comp. Comm'n*, 74 S.W.3d 377 (Tex. 2002)). If a given payment meets all three principles, then it does not violate the Gift Clause. *Id.*

Separately, another section of our Constitution interacts with section 52(a). Adopted in 1987, it states that "[n]otwithstanding any other provision of this constitution, the legislature may provide for the creation of programs and the making of loans and grants of public money, other than money otherwise dedicated by this constitution to use for a different purpose, for the public purposes of development and diversification of the economy of the state." Tex. Const. art. III, § 52-a. The Legislature has passed legislation under this provision. *See* Tex. Loc. Gov't Code § 380.001(a); *id.* § 381.004(b)(1), (h). Although not in dispute in this case, any government entity wishing to claim the benefits of section 52-a must also make its grant pursuant to those statutes.

In any event, the Court has never definitively decided a case involving section 52-a, though it tentatively interpreted that provision for the first time last year in a case involving Harris County's attempt to give away public funds. *See In re State*, 711 S.W.3d 641, 647 (Tex. 2024). This case provides an opportunity for the Court to determine the relationship between section 52(a) and section 52-a. Petitioner JPMorgan Chase contends that section 52-a serves as a categorical exception to section 52(a) and the other Gift Clauses. Pet.Br.41. Under its reading, the Court's three-part Gift Clause test does not apply to grants of public money under section 52-a. Pet.Br.39. Respondents the City of Corsicana and Navarro County disagree. Resp.Br.28. In their view, section 52-a clarifies that economic development is a public purpose within the meaning of the "public purpose" prong of the Gift Clause test, but grants of public money must nonetheless meet the test's other two requirements. Resp.Br.39. That was how the Court tentatively interpreted section 52-a last year when it explained that "section 52-a appears designed to clarify that 'development and diversification of the economy of the state' qualify as 'public purposes.'" *In re State*, 711 S.W.3d at 647.

Respondents' position and the Court's tentative conclusions are correct.

Summary of the Argument

Section 52-a does not categorically exempt grants of public money from Gift Clause scrutiny for several reasons.

First, the Court presumes that constitutional amendments are adopted against the backdrop of existing law and a familiarity with this Court's decisions. When the Legislature uses a term with well-established judicial meaning, the Court gives it that

meaning. Over a century of Gift Clause jurisprudence confirms that by the time of section 52-a's adoption in 1987, the three-part Gift Clause test was sufficiently established such that section 52-a's use of the term "public purpose" but omission of terms like "public benefit" or "controls" was meant to announce that economic development counted as a public purpose within the meaning of the Gift Clause test, but not to abolish the test's other two requirements for grants under that section.

Second, grants of public funds under section 52-a are not exempt from the rest of the Gift Clause test because such an argument effectively contends that section 52-a impliedly repealed the Gift Clauses. Almost any grant of public funds can be construed as a grant for economic development. If a government entity can give away taxpayer funds by simply announcing that its grant is for the purpose of economic development, then the Gift Clauses are effectively null. Implied repeals are highly disfavored.

Third, JPMorgan's arguments to the contrary are incorrect. Perhaps most importantly, JPMorgan misreads section 52-a's "notwithstanding" clause. Under this Court's precedent, notwithstanding clauses explain that one provision controls over another in the event of a conflict. But there is no conflict between section 52-a and the Gift Clauses' public benefit and controls requirements because section 52-a changes only the public purpose requirement. Further, JPMorgan misreads this Court's tentative conclusions in the Harris County litigation.

ARGUMENT

I. Section 52-a Does Not Categorically Exempt Grants of Public Money From Gift Clause Scrutiny.

A. Section 52-a was adopted against the backdrop of all three parts of the Gift Clause test.

Section 52-a states that "[n]otwithstanding any other provision of this constitution, the legislature may provide for the creation of programs and the making of loans and grants of public money . . . *for the public purposes of* development and diversification of the economy of the state." Tex. Const. art III, § 52-a (emphasis added). The phrase "public purpose" is key because by the time of this provision's adoption in 1987, all three parts of the Gift Clause test—public benefit, public purpose, and controls—had become part of Texas law. By specifically using the phrase "public purpose" but omitting terms like public benefit and controls, section 52-a established that economic development is a public purpose, but a given grant of public funds must still meet the other two prongs of the Gift Clause test.

In construing statutes or constitutional provisions, "we presume that the Legislature acted with knowledge of [the] background law and with reference to it." *In re Facebook, Inc.*, 625 S.W.3d 80, 97 (Tex. 2021). "By employing terms . . . which have well-established meanings in related legal contexts, the legislature is presumed to have adopted the prevailing judicial understanding of those words." *Id.* Thus, courts must assume that "the Legislature was familiar with previous decisions of the Supreme Court affecting the subject-matter." *Koy v. Schneider*, 221 S.W. 880, 886 (Tex. 1920). Relatedly, "[a]bsent a textual contradiction, we may conclude that the Legislature uses terms that have a developed meaning at common law for the

purpose of conveying a meaning consistent with that which we historically afforded to it." *SandRidge Energy, Inc. v. Barfield*, 642 S.W.3d 560, 566 (Tex. 2022). In short, "[w]e read the constitutional text not in a vacuum but also through the lenses of history and precedent." *Borgelt*, 692 S.W.3d at 299.

At the time of section 52-a's adoption in 1987, Texas jurisprudence required a grant of public money to provide a public benefit as consideration, have a public purpose, and retain sufficient control over the funds, all three prongs of the modern Gift Clause test.

This Court's Gift Clause jurisprudence goes back over a century, but at least as early as the 1920s, the different requirements of the Gift Clause test began to emerge. In 1920, the Court explained that the "giving away of public money, its application to other than strictly governmental purposes" is what the Gift Clauses were "intended to guard against," and that their prohibition is "positive and absolute" except as to a now-repealed exception permitting aid to those who fought for the Confederacy. *Linden*, 220 S.W. at 762. So, if a grant were to bestow funds "as a gratuity, or for uses not related to the State's governmental duties, it would be invalid." *Id.* Public money could be appropriated "to none other than strictly governmental purposes, from which, presumably, the State as a sovereignty, derives the benefit." *Id.* at 764. Thus, the public purpose and public benefit requirements began to emerge.

In 1923, the Court held that a statute giving public funds to the City of Aransas Pass for the purpose of constructing sea walls did not violate the Gift Clauses. *City of Aransas Pass v. Keeling*, 247 S.W. 818, 819 (Tex. 1923). It explained that such an act "bestows no gratuity" and that the State had "a direct and vital interest in

protecting the coast cities from the perils of violent storms." *Id.* Thus, the sea walls "though of special benefit to particular communities, must be regarded as promoting the general welfare and prosperity of the state." *Id.* The State "in promoting the welfare, advancement, and prosperity of all her citizens, or in aiding to avert injury to her entire citizenship, cannot be regarded otherwise than as performing a proper function of state government." *Id.* at 820. In other words, giving public funds to construct a sea wall served a public purpose, and the State received a public benefit as consideration. *See also City of Tyler v. Tex. Employers' Ins. Ass'n*, 288 S.W. 409, 412 (Tex. Comm'n App. 1926, judgm't adopted) (suggesting that the Gift Clauses prohibit cities from giving their employees a "gratuity").

A few years later, the Court held that the Gift Clauses are "intended to prevent the application of public funds to private purposes; in other words, to prevent the gratuitous grant of such funds to any individual, corporation, or purpose whatsoever." *Byrd v. City of Dallas*, 6 S.W.2d 738, 740 (Tex. Comm'n App. 1928, judgm't adopted). So, if a grant "is a gratuity or donation to the beneficiary, it is clearly forbidden by the fundamental law." *Id.* But, if the grant were part of employee compensation for services rendered to a government entity, "or if it be for a public purpose, then clearly it is a valid exercise of the legislative power." *Id.* Thus, at least as early as the 1920s, the Court had established that grants of public money needed to have a public purpose and could not be gratuitous but required a public benefit as consideration.

The Gift Clause test developed more in the 1940s and '50s. The Court continued to explain the concepts of public purpose and public benefit. For example, the

Gift Clauses prohibit "the bestowing of gratuities on counties" but "an apportionment of State funds to counties to be used by them in carrying out a part of the duties or governmental functions which properly rest on the State is not a gratuity within the meaning of" the Gift Clauses. *Jefferson County v. Bd. of Cnty. & Dist. Rd. Indebtedness*, 182 S.W.2d 908, 912 (Tex. 1944). And constructing public roads is a "governmental function" such that the Legislature could give counties public money "for the purpose of constructing public roads or for other governmental purposes." *Id.* *Jefferson County* was also an early case that discussed the controls requirement. It noted that the funds at issue "are not granted to . . . counties for unrestricted use by them. Such funds can be used only for the purpose of constructing public roads." *Id.* at 913; *see Borgelt*, 692 S.W.3d at 308 (citing this language in discussion of the controls requirement).

Another case from this era discussed both public purpose and controls in a suit attempting to enjoin the City of Dallas from spending public funds to build a public market. *Gillham v. City of Dallas*, 207 S.W.2d 978, 979-80 (Tex. App.—Dallas 1948, writ ref'd n.r.e.). The court explained the public purpose requirement in detail, noting that "[t]he question of what is a public purpose is a changing question, changing to suit industrial inventions and developments and to meet new social conditions." *Id.* at 982. Thus, "in modern times," buildings for "refrigeration and cold storage facilities to meet the growing demand of producers and consumers, as well as dealers, to conserve food products in large quantities, in wholesale lots, have become things essentially necessary for the preservation and conservation of such food products and to meet the needs and uses of the people and the welfare of the general public."

Id. at 983. Discussing the idea of controls, the court held that "[s]o long as the City authorities supervise and control the contemplated buildings and the business conducted therein, and such buildings and use thereof serve some public market purpose . . . the statutes do not exclude the erection of such buildings by the expenditure of bond funds." *Id.*[1]

The second half of the twentieth century saw more Gift Clause cases too. In 1959, the Court decided whether certain delinquent taxes could be given to a hospital district "specifically to finance hospitals which were later taken over by the District." *Bexar Cnty. Hosp. Dist. v. Crosby*, 327 S.W.2d 445, 446 (Tex. 1959). The Court held that such an arrangement did not violate the Gift Clauses. *Id.* at 448. That was so because the tax revenue was not part of a general revenue fund and was levied by a city and county "to finance a specific function, and [is] limited to that use," namely for the "support and maintenance of hospitals," in other words, a public purpose. *Id.* at 447-48. And, the Court explained, such an arrangement was not "a gratuity within the meaning of" the Gift Clauses. *Id.* at 448. The city and county received the public benefit of hospitals in return for the money.

In 1966, the Court considered a case in which a river authority proposed to exchange its bonds for the stock of a private company. *Brazos River Auth. v. Carr*, 405 S.W.2d 689, 693 (Tex. 1966). That arrangement did not violate the Gift Clauses

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[1] Although *Gillham* does not use the terms "public purpose" and "controls" in reference to the Gift Clauses specifically, the plaintiff alleged that the City's expenditures would violate the Constitution, 207 S.W.2d at 979, and this Court has cited *Gillham* as a Gift Clause case, *see Tex. Mun. League*, 74 S.W.3d at 384.

because the private entity "receives no gratuity." *Id.* at 693-94. Rather, the "contract and manner of consummation is no more than quid pro quo for that given up and received." *Id.* at 694. Around that time, the Court also held that the expenditure of public funds to finance primary elections for political parties qualified as a public purpose within the meaning of multiple constitutional provisions, including the Gift Clauses. *See Bullock v. Calvert*, 480 S.W.2d 367, 369-70 (Tex. 1972) (Reavley, J.).

Finally, just eight months before section 52-a was adopted, a Texas appellate court explained that having a public purpose was necessary but not sufficient to satisfy the Gift Clauses. In that case, a county argued "that a 'public purpose' exception should be read into" the Gift Clauses. *Key v. Comm'rs Ct. of Marion Cnty.*, 727 S.W.2d 667, 669 (Tex. App.—Texarkana 1987, no writ). It urged that "transfers of public money to private corporations are permissible if the public purpose is accomplished through the transfer, even if a private interest is also benefited." *Id.* The court held that insufficient to satisfy the Gift Clauses, explaining that "[i]n this case we have no . . . contractual obligation and no retention of formal control" of the funds. *Id.* Thus, had the private entity at issue "obligated itself contractually to perform a function beneficial to the public, this obligation might be deemed consideration, and where sufficient consideration exists [section 52(a)] would not be applicable to the transaction." *Id.* The court concluded that the "unifying theme" of Gift Clause cases "shows that some form of continuing public control is necessary to insure that the State agency receives its consideration: accomplishment of the public purpose." *Id.*

Thus, by 1987, Texas jurisprudence had outlined the requirements of the modern three-part Gift Clause test: public benefit, public purpose, and controls. *See Borgelt*, 692 S.W.3d at 301. That history of precedent shows that when section 52-a announced "[n]otwithstanding any other provision of this constitution" the Legislature may provide for "grants of public money" "for the public purposes of development and diversification of the economy of the State," it meant that economic development counted as a public purpose, not that an economic development program was categorically exempt from Gift Clause scrutiny. The inclusion of the phrase "for the public purposes of" with no mention of terms like "public benefit," "gratuity," or "control" shows that section 52-a was both adopted against the backdrop of the Court's Gift Clause jurisprudence and did not intend to exempt economic development programs from the full Gift Clause test. That is the correct reading of section 52-a because it presumes that "the Legislature acted with knowledge of [the] background law and with reference to it," *Facebook,* 625 S.W.3d at 97, presumes that the Legislature "adopted the prevailing judicial understanding" of words by using terms that have "well-established meanings in related legal contexts," *id.*, and properly assumes that "the Legislature was familiar with previous decisions of the Supreme Court affecting the subject-matter," *Koy*, 221 S.W. at 886. Thus, this Court's tentative conclusion last year was correct when viewed in light of the history of Gift Clause precedent: "[S]ection 52-a appears designed to clarify that 'development and diversification of the economy of the state' qualify as 'public purposes.'" *In re State*, 711 S.W.3d at 647.

B. JPMorgan improperly argues that Section 52-a impliedly repeals the Gift Clauses.

JPMorgan argues that neither section 52(a) nor the Gift Clause test governs grants under section 52-a. Pet.Br.39-41. That argument effectively suggests that section 52-a impliedly repealed the Gift Clauses because almost any grant of public money can be labeled as one for economic development. The Court should reject that argument.

"Courts do not readily find implied repeals. If we can reasonably harmonize two seemingly inconsistent enactments of the same level of authority—like two constitutional provisions, two statutes, or two ordinances—we will do so." *City of Dallas v. Emps. Ret. Fund of City of Dallas*, 687 S.W.3d 55, 61 (Tex. 2024). "An implied repeal will only be found where provisions in two statutes are in irreconcilable conflict or where the latter Act covers the whole subject of the earlier one and is clearly intended as a substitute." *Branch v. Smith*, 538 U.S. 254, 273 (2003) (plurality op.) (Scalia, J.). Further, "the Constitution must be read as a whole, and all amendments thereto must be considered as if every part had been adopted at the same time as one instrument, and effect must be given to each part of each clause . . . . Different sections, amendments, or provisions of a Constitution which relate to the same subject-matter should be construed together and considered in the light of each other." *In re Nestle USA, Inc.*, 387 S.W.3d 610, 619-20 (Tex. 2012).

This Court has recognized that "nearly any direct gift of public money that will likely be spent by the recipient could qualify as 'economic development,'—on the theory that any boost in overall consumer spending is good for the economy. If this

is right, then section 52-a comes close to repealing the Gift Clauses' ban on gratuitous payments to individuals. Such payments could nearly always be portrayed as good for the economy in some sense." *In re State*, 711 S.W.3d at 647 (internal citation omitted). Indeed, if section 52-a requires showing only that a given grant of public money is factually "for the public purposes of development and diversification of the economy," then the Gift Clauses will become an effective nullity. Tex. Const. art. III, § 52-a. The Court's deference to government entities in applying the public purpose requirement reinforces that conclusion. The Court "presume[s]" that a grant's "predominant purpose is to accomplish a legitimate public purpose unless petitioners show that it clearly is not." *Borgelt*, 692 S.W.3d at 304. "Suffice it to say, unless a court can say that the purposes for which public funds are expended are *clearly not* public purposes, it would not be justified in holding invalid a legislative act . . . providing funds for such purposes." *Id.*

JPMorgan's theory of section 52-a must be rejected because it would require grantors of public money to show only that their gift of funds is factually for the public purpose of economic development, and almost any grant qualifies for that purpose. Under such a theory, the Gift Clauses will be all but void. They will not stop government entities from giving away public funds to those that are the most well-connected, or those that elected officials most favor. If JPMorgan is correct, then Harris County's attempt to provide "no-strings-attached $500 monthly cash payments," *In re State*, 711 S.W.3d at 643, to certain county residents may have been permissible, and so might almost any giveaway of public funds.

II. JPMorgan's Remaining Arguments are Incorrect.

JPMorgan makes four primary arguments in contending that section 52-a operates as a categorical exception to the Gift Clauses. None have merit.

First, JPMorgan points out that section 52(a) "generally *prohibits*" gratuitous payments of public money whereas section 52-a "specifically *authorizes*" grants of public money for economic development." Pet.Br.40. It notes that under section 52(a) "the Legislature shall have no power," Tex. Const. art III § 52(a), to authorize local government entities to grant public money with certain exceptions, whereas under section 52-a "the legislature may provide for the creation of programs and the making of loans and grants of public money," *id.* § 52-a. That incomplete analysis changes nothing. Section 52(a) generally prohibits giving away public money with enumerated exceptions, and section 52-a permits grants of public money "for the public purposes of development and diversification of the economy of the state," and other enumerated purposes. *Id.* § 52-a. As explained above, the phrases "public purpose," "public benefit," and "controls" all had well-established judicial meanings in the context of the Gift Clauses by the time of section 52-a's adoption. That section 52-a announced a list of acceptable public purposes does not mean that it abolished the public benefit and controls requirements.

Second, JPMorgan misreads section 52-a's "notwithstanding" clause. Section 52-a states that "[n]otwithstanding any other provision of this constitution," the Legislature may provide for grants of public money for certain public purposes. But this Court has repeatedly held that a provision with a notwithstanding clause prevails over other *conflicting* provisions. Thus, a statute using the phrase "notwithstanding

any other law" confirms that its provisions "control over any other law that may conflict with its provisions." *Whole Woman's Health v. Jackson*, 642 S.W.3d 569, 579 (Tex. 2022). A "'notwithstanding' provision indicates that the provision controls in the event of an irreconcilable conflict with another provision." *Sunstate Equip. Co., LLC v. Hegar*, 601 S.W.3d 685, 695 (Tex. 2020). JPMorgan seemingly agrees that this rule of interpretation applies to section 52-a's notwithstanding clause. *See* Reply Br.11-12. But it still must show how section 52-a conflicts with *all* the Gift Clause requirements as interpreted by this Court in order for the notwithstanding clause to create the categorical Gift Clause exception for which it advocates. That section 52-a expressly used the well-established judicial term "public purpose" and enumerated several public purposes shows that section 52-a loosened the Gift Clauses' public purpose requirement such that the enumerated terms like economic development "qualify as public purposes." *In re State*, 711 S.W.3d at 647. But it does not follow that section 52-a's notwithstanding clause also creates an exception to the public benefit and controls requirements because the amendment does not conflict with them in the first instance.

Third, JPMorgan contends that it "makes no sense" to apply the Gift Clause test to section 52-a grants because that provision makes clear that economic development is a public purpose within the meaning of that test. Pet.Br.42; Reply Br.13. But that ignores that the Gift Clause test has two other requirements, public benefit and controls, about which section 52-a does not speak. It also ignores that even though section 52-a says that economic development is a public purpose, a given grant must still factually be for the purpose of economic development in order to be

constitutional. Although "nearly any direct gift of public money that will likely be spent by the recipient could qualify as economic development," *In re State*, 711 S.W.3d at 647, and the Court reviews the public purpose requirement with deference, *see Borgelt*, 692 S.W.3d at 304, it remains possible that some type of grant may not qualify. Though it did not decide the issue, this Court was "skeptical" of Harris County's "argument that a program of unmonitored 'no strings attached' cash payments to individuals serves 'the public purposes of development and diversification of the economy of the state' as envisioned by section 52-a." *In re State*, 711 S.W.3d at 647. So even though section 52-a makes it much easier to fulfill the Gift Clauses' public purpose requirement, a grant must still factually be for the purpose of economic development to pass constitutional muster, even if that showing is easy.

Fourth, JPMorgan misreads *In re State*. It asserts that the Court never suggested that the Gift Clause test applies to section 52-a or that the Court expressed skepticism of JPMorgan's position in this case. Reply Br.14. Both contentions are wrong. *In re State* suggested that "section 52-a removed doubt about the constitutionality of conventional economic-development grants, by which governments promote business growth and job creation through grant agreements designed to ensure that the recipient of public funds spends them in a way that has an economic benefit for the wider community." 711 S.W.3d at 647. "In other words, section 52-a appears designed to clarify that 'development and diversification of the economy of the state' qualify as 'public purposes.'" *Id.* Thus, the Court described at a high level of generality a type of grant that would be constitutional, namely, one designed to ensure that the recipient spends the money in a way that economically benefits the community.

Such a grant would be constitutional because it has a public benefit and controls, and section 52-a supplies the public purpose that such a grant meets. So, the Court suggested that section 52-a clarified that economic development is a public purpose, and that certain types of grants would meet the rest of the Gift Clause test. That suggests that the Gift Clause test does apply to section 52-a grants.

JPMorgan also incorrectly contends that the Court was not skeptical of its position in this case. JPMorgan now makes the identical argument that Harris County made just last year. *Compare* Opposition to Relator's Motion for Temporary Relief at 55, No. 24-0325, *In re State* (Tex. Apr. 29, 2024) ("Sections 51 and 52 (and the *Texas Municipal League* test) do not apply to economic development programs authorized by § 52-a") *with* Pet.Br.39 ("Neither section 52(a) nor TML governs section 52-a grants"). More specifically, Harris County argued "that the Uplift Harris program qualifies as 'economic development' and is therefore separately authorized by article III, section 52-a of the Texas Constitution—even if the program otherwise violates the Gift Clauses." *In re State*, 711 S.W.3d at 647. The Court expressed skepticism about *both* the argument that section 52-a exempts grants of public funds from the Gift Clause test and any suggestion that Uplift Harris factually served the public purpose of economic development. *Id.* at 647; *Contra* Reply Br.14. At bottom, the Court should follow its tentative conclusions in *In re State*.

Prayer

The Court should reject Petitioner's argument that section 52-a operates as a categorical exception to the Gift Clauses. The State takes no position on other issues in this case.

Respectfully submitted.

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Associated Case Party: City of Corsicana

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Yolanda Lopez		lopez@sytfirm.com	8/19/2025 11:56:19 AM	SENT
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Marissa Ramires		office@terryjacobsonlaw.com	8/19/2025 11:56:19 AM	SENT