

1 AN ACT
2 relating to the reorganization of, efficiency in, and other reform
3 measures applying to governmental entities and certain regulatory
4 practices; providing a penalty.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 ARTICLE 1. GOVERNOR'S BUDGET AUTHORITY

7 SECTION 1.01. Section 401.046(a), Government Code, is
8 amended to read as follows:

9 (a) The governor shall deliver a copy of the governor's
10 budget to each member of the legislature before the governor gives
11 the message to the legislature required by Section 9, Article IV,
12 Texas Constitution, at the commencement [~~not later than the sixth~~
13 ~~day~~] of each regular legislative session.

14 SECTION 1.02. Section 401.047, Government Code, is
15 repealed.

16 ARTICLE 2. UNCLAIMED PROPERTY

17 SECTION 2.01. Section 72.101(a), Property Code, is amended
18 to read as follows:

19 (a) Except as provided by this section and Sections 72.1015
20 and [~~Section~~] 72.102, personal property is presumed abandoned if,
21 for longer than three years:

22 (1) the existence and location of the owner of the
23 property is unknown to the holder of the property; and

24 (2) according to the knowledge and records of the

1 holder of the property, a claim to the property has not been
 2 asserted or an act of ownership of the property has not been
 3 exercised.

4 SECTION 2.02. Subchapter B, Chapter 72, Property Code, is
 5 amended by adding Section 72.1015 to read as follows:

6 Sec. 72.1015. UNCLAIMED WAGES. (a) In this section,
 7 "wages" has the meaning assigned by Section 61.001, Labor Code.

8 (b) An amount of unclaimed wages is presumed abandoned if,
 9 for longer than one year:

10 (1) the existence and location of the person to whom
 11 the wages are owed is unknown to the holder of the wages; and

12 (2) according to the knowledge and records of the
 13 holder of the wages, a claim to the wages has not been asserted or an
 14 act of ownership of the wages has not been exercised.

15 SECTION 2.03. Section 74.001(a), Property Code, as amended
 16 by Chapter 465, Acts of the 78th Legislature, Regular Session,
 17 2003, is amended to read as follows:

18 (a) Except as provided by Subsection (b), this chapter
 19 applies to a holder of property that is presumed abandoned under [+

20 [~~1~~] Chapter 72, Chapter 73, or Chapter 75 [~~of this~~
 21 ~~code, or~~

22 [~~2~~] ~~Subchapter C, Chapter 61, Labor Code~~].

23 SECTION 2.04. Section 74.101(a), Property Code, as amended
 24 by Chapter 465, Acts of the 78th Legislature, Regular Session,
 25 2003, is amended to read as follows:

26 (a) Each holder who on June 30 holds property that is
 27 presumed abandoned under Chapter 72, 73, or 75 of this code or

1 under[7] Chapter 154, Finance Code, [~~or Subchapter G, Chapter 61,~~
2 ~~Labor Code,~~] shall file a report of that property on or before the
3 following November 1. The comptroller may require the report to be
4 in a particular format, including a format that can be read by a
5 computer.

6 SECTION 2.05. Section 74.301(a), Property Code, as amended
7 by Chapter 465, Acts of the 78th Legislature, Regular Session,
8 2003, is amended to read as follows:

9 (a) Except as provided by Subsection (c), each holder who on
10 June 30 holds property that is presumed abandoned under Chapter 72,
11 73, or 75 [~~of this code or Subchapter G, Chapter 61, Labor Code,~~]
12 shall deliver the property to the comptroller on or before the
13 following November 1 accompanied by the report required to be filed
14 under Section 74.101.

15 SECTION 2.06. Subchapter G, Chapter 61, Labor Code, as
16 added by Chapter 465, Acts of the 78th Legislature, Regular
17 Session, 2003, is repealed.

18 SECTION 2.07. This article takes effect immediately if this
19 Act receives a vote of two-thirds of all the members elected to each
20 house, as provided by Section 39, Article III, Texas Constitution.
21 If this Act does not receive the vote necessary for immediate
22 effect, this article takes effect on the 91st day after the last day
23 of the legislative session.

24 ARTICLE 3. ABANDONMENT OF PROCEEDS ON DEMUTUALIZATION

25 SECTION 3.01. Section 72.101, Property Code, is amended by
26 adding Subsections (c) and (d) to read as follows:

27 (c) Property distributable in the course of a

1 demutualization or related reorganization of an insurance company
2 is presumed abandoned on the first anniversary of the date the
3 property becomes distributable if, at the time of the first
4 distribution, the last known address of the owner according to the
5 records of the holder of the property is known to be incorrect or
6 the distribution or statements related to the distribution are
7 returned by the post office as undeliverable and the owner has not:

8 (1) communicated in writing with the holder of the
9 property or the holder's agent regarding the interest; or

10 (2) otherwise communicated with the holder regarding
11 the interest as evidenced by a memorandum or other record on file
12 with the holder or its agents.

13 (d) Property distributable in the course of a
14 demutualization or related reorganization of an insurance company
15 that is not subject to Subsection (c) is presumed abandoned as
16 otherwise provided by this section.

17 SECTION 3.02. This article takes effect immediately if this
18 Act receives a vote of two-thirds of all the members elected to each
19 house, as provided by Section 39, Article III, Texas Constitution.
20 If this Act does not receive the vote necessary for immediate
21 effect, this article takes effect on the 91st day after the last day
22 of the legislative session.

23 ARTICLE 4. TELECONFERENCE MEETING OF LEGISLATIVE BUDGET BOARD

24 SECTION 4.01. Section 322.003, Government Code, is amended
25 by adding Subsections (d) and (e) to read as follows:

26 (d) As an exception to Chapter 551 and other law, if the
27 joint chairs of the board are physically present at a meeting, then

1 any number of the other members of the board may attend a meeting of
2 the board by use of telephone conference call, video conference
3 call, or other similar telecommunication device. This subsection
4 applies for purposes of constituting a quorum, for purposes of
5 voting, and for any other purpose allowing a member of the board to
6 otherwise fully participate in any meeting of the board. This
7 subsection applies without exception with regard to the subject of
8 the meeting or topics considered by the members.

9 (e) A meeting held by use of telephone conference call,
10 video conference call, or other similar telecommunication device:

11 (1) is subject to the notice requirements applicable
12 to other meetings;

13 (2) must specify in the notice of the meeting the
14 location of the meeting at which the joint chairs will be physically
15 present;

16 (3) must be open to the public and shall be audible to
17 the public at the location specified in the notice of the meeting as
18 the location of the meeting at which the joint chairs will be
19 physically present; and

20 (4) must provide two-way audio communication between
21 all members of the board attending the meeting during the entire
22 meeting, and if the two-way audio communication link with any
23 member attending the meeting is disrupted at any time, the meeting
24 may not continue until the two-way audio communication link is
25 reestablished.

26 SECTION 4.02. The change in law made by this article applies
27 in relation to a notice given on or after the effective date of this

1 article of a meeting of the Legislative Budget Board.

2 ARTICLE 5. ENERGY AND WATER CONSERVATION BY STATE AGENCIES

3 SECTION 5.01. Chapter 447, Government Code, is amended by
4 adding Sections 447.010 and 447.011 to read as follows:

5 Sec. 447.010. FUEL SAVINGS FOR STATE AGENCIES. (a) In this
6 section and in Section 447.011:

7 (1) "Cost-effective" means resulting in fuel
8 consumption reduction with a projected savings in fuel cost over a
9 one-year period that exceeds the cost of purchasing and using a
10 technology.

11 (2) "Fuel-saving technology" means a:

12 (A) device containing no lead metal that is
13 installed on a motor vehicle or non-road diesel and that has been
14 proven to reduce fuel consumption per mile or per hour of operation
15 by at least five percent;

16 (B) fuel additive registered in accordance with
17 40 C.F.R. Part 79 that contains no known mutagenic materials and
18 that has been proven to reduce fuel consumption per mile or per hour
19 of operation by at least five percent; or

20 (C) fuel registered in accordance with 40 C.F.R.
21 Part 79 that contains no known mutagenic materials and that has been
22 proven to reduce fuel consumption per mile or per hour of operation
23 by at least five percent.

24 (3) "Motor vehicle" and "non-road diesel" have the
25 meanings assigned by Section 386.101, Health and Safety Code.

26 (4) "Proven fuel-saving technologies" means
27 technologies shown to reduce fuel use by at least five percent in:

1 (A) an Environmental Protection Agency fuel
2 economy federal test protocol test performed at a laboratory
3 recognized by the Environmental Protection Agency;

4 (B) a fuel economy test performed in accordance
5 with protocols and at testing laboratories or facilities recognized
6 by the state energy conservation office, the Texas Commission on
7 Environmental Quality, or the Environmental Protection Agency; or

8 (C) a field demonstration performed in
9 accordance with Section 447.011.

10 (b) A state agency with 10 or more motor vehicles or
11 non-road diesels shall reduce the total fuel consumption of the
12 vehicles or diesels by at least five percent from fiscal year 2002
13 consumption levels through the use of cost-effective proven
14 fuel-saving technologies.

15 (c) A state agency may delay reducing fuel use as described
16 in this section until a list of proven fuel-saving technologies is
17 provided by the state energy conservation office as provided by
18 Section 447.011.

19 (d) A state agency may not purchase or use as a fuel-saving
20 technology a technology that:

21 (1) is known to increase oxides of nitrogen emissions
22 or toxic air contaminants;

23 (2) may be reasonably concluded to degrade air quality
24 or human health or to negatively impact the environment; or

25 (3) is known to affect negatively the manufacturer's
26 warranty of a motor vehicle or a non-road diesel.

27 (e) A state agency may purchase cost-effective proven

1 fuel-saving technologies out of the agency's fuel budget.

2 (f) A state agency shall competitively evaluate similar
3 fuel-saving technologies.

4 (g) A state agency may require a seller of a fuel-saving
5 technology to refund the cost of the technology if it is determined
6 to be ineffective at reducing fuel use by at least five percent
7 before the 91st day after the date the technology is first used by
8 the agency.

9 (h) A state agency may use fuel-saving technologies that the
10 agency determines are cost-effective and may use a fuel-saving
11 technology in applications that provide other benefits, including
12 emissions reductions.

13 (i) A state agency may establish a program for agency
14 employees to voluntarily:

15 (1) purchase fuel-saving technologies; and

16 (2) document reductions in fuel savings and air
17 emissions.

18 (j) A state agency shall annually report to the state energy
19 conservation office on a form provided by the office on the state
20 agency's efforts and progress under this section.

21 (k) This section does not apply to an institution of higher
22 education as defined by Section 61.003, Education Code.

23 Sec. 447.011. FIELD DEMONSTRATIONS. (a) Under the
24 direction of the state energy conservation office, the Texas
25 Department of Transportation shall demonstrate the effectiveness
26 of at least four fuel-saving technologies on a combined maximum of
27 100 motor vehicles or non-road diesels in accordance with this

1 section to determine the fuel-saving technologies that may
2 cost-effectively reduce fuel consumption and save state revenue.

3 (b) The Texas Department of Transportation shall select
4 varying ages and types of motor vehicles and non-road diesels to
5 demonstrate the fuel-saving technologies and shall give a
6 preference to high-use motor vehicles and non-road diesels in the
7 selection.

8 (c) The Texas Department of Transportation shall
9 demonstrate the performance of fuel-saving technologies by:

10 (1) assessing a technology's performance in the normal
11 course of operations of motor vehicles or non-road diesels; and

12 (2) performing controlled field tests.

13 (d) In selecting the technologies to be evaluated, the state
14 energy conservation office shall:

15 (1) consult with governmental and business
16 organizations that are currently using fuel-saving technology;

17 (2) consider technologies that are proven fuel-saving
18 technologies that have demonstrated fuel economy benefits of five
19 percent or more in field tests or recorded use data of government
20 organizations or businesses that operate fleets; and

21 (3) determine whether each technology selected has the
22 potential to be cost-effective.

23 (e) A fuel-saving technology may be disqualified from being
24 demonstrated or used if it is known to reduce engine performance,
25 reduce the life of the engine, require additional maintenance
26 expenses, or degrade air quality.

27 (f) The Texas Commission on Environmental Quality, the

1 Texas Transportation Institute, The University of Texas Center for
2 Transportation Research, the University of Houston Diesel
3 Emissions Center, or another agency may be designated to assist
4 with executing the demonstration, compiling the results,
5 estimating the potential average fuel savings of the technologies
6 in different applications, or preparing a final report.

7 (g) On completing the demonstration described by this
8 section the state energy conservation office shall rank the
9 fuel-saving technologies based on their fuel savings, other cost
10 savings, and overall cost-effectiveness. The office shall:

11 (1) list recommended applications of the
12 technologies;

13 (2) document other negative or positive effects; and

14 (3) prepare a concise report of these findings.

15 (h) The Texas Commission on Environmental Quality shall
16 obtain information on any fuel-saving technology that appears to
17 reduce particulate matter, oxides of nitrogen, carbon monoxide, or
18 hydrocarbon emissions. The Texas Commission on Environmental
19 Quality may use this information to fund the United States
20 Environmental Protection Agency verification of a technology in
21 accordance with Section 387.003, Health and Safety Code.

22 (i) The state energy conservation office shall provide the
23 report prepared under Subsection (g) to each state agency with 10 or
24 more motor vehicles or non-road diesels and to the Legislative
25 Budget Board.

26 (j) The demonstration and associated reports described by
27 this section shall be completed not later than January 1, 2005.

1 (k) All results of a demonstration project under this
2 section shall be made public on the state energy conservation
3 office's Internet website.

4 (l) The state energy conservation office shall provide
5 quarterly an updated list of all proven fuel-saving technologies on
6 its Internet website.

7 (m) Money from the state highway fund may not be used for the
8 purchase, installation, maintenance, or operation of the
9 fuel-saving technologies being assessed or subjected to controlled
10 field tests under this section. Repairs to state equipment
11 resulting from demonstrations of fuel-saving technologies must be
12 paid from the same funds used to implement this section.

13 SECTION 5.02. Chapter 2113, Government Code, is amended by
14 adding Subchapter E to read as follows:

15 SUBCHAPTER E. RESTRICTIONS ON CAPITAL EXPENDITURES

16 Sec. 2113.301. PREFERENCE FOR FINANCING CERTAIN CAPITAL
17 EXPENDITURES WITH MONEY GENERATED BY UTILITY COST SAVINGS CONTRACT.

18 (a) In this section:

19 (1) "State facility purpose" means a purpose related
20 to:

21 (A) the maintenance of a state-owned or
22 state-leased building or facility; or

23 (B) a project as defined by Section 2166.001,
24 including a project described by Section 2166.003.

25 (2) "Utility cost savings contract" means a contract
26 under Subchapter I, Chapter 2166, or other law that guarantees
27 utility cost savings for energy conservation measures to reduce

1 energy or water consumption or to reduce operating costs of
2 governmental facilities.

3 (b) Before a state agency may use appropriated money to make
4 a capital expenditure for a state facility purpose, the state
5 agency must determine whether the expenditure could be financed
6 with money generated by a utility cost savings contract.

7 (c) If it is practicable to do so, a state agency that is
8 using appropriated money must finance a capital expenditure for a
9 state facility purpose with money generated by a utility cost
10 savings contract.

11 (d) If it is not practicable for a state agency that is using
12 appropriated money to finance a capital expenditure for a state
13 facility purpose with money generated by a utility cost savings
14 contract, the state agency must provide justification to the
15 comptroller for the capital expenditure.

16 (e) In determining under Subsection (b) whether a capital
17 expenditure could be financed by a utility cost savings contract, a
18 state agency must consider whether utility cost savings generated
19 by any department of that agency could be a potential means of
20 financing a capital expenditure for any department of that agency.
21 Money generated by a utility cost savings in one department of a
22 state agency may be used to finance capital expenditures for a state
23 facility purpose in any department of that agency.

24 (f) This section does not apply to an institution of higher
25 education as defined by Section 61.003, Education Code.

26 (g) This section does not apply to a capital expenditure for
27 a state facility purpose that requires expeditious action to:

1 (1) prevent a hazard to life, health, safety, welfare,
2 or property; or

3 (2) avoid undue additional cost to the state.

4 (h) The Texas Building and Procurement Commission shall
5 appoint a task force to develop design recommendations that are to
6 be used for state facilities and that encourage rain harvesting and
7 water recycling by state agencies using appropriated money to
8 finance a capital expenditure for a state facility purpose.

9 ARTICLE 6. ADMINISTRATION OF CERTAIN LEGISLATIVE AGENCIES

10 SECTION 6.01. Section 321.002(e), Government Code, is
11 amended to read as follows:

12 (e) The lieutenant governor and the speaker are joint chairs
13 of the committee. The committee shall elect ~~[organize by electing]~~
14 one member to serve as ~~[chairman and one member to serve as]~~
15 secretary.

16 SECTION 6.02. Sections 321.018(b) and (c), Government Code,
17 are amended to read as follows:

18 (b) Each subpoena must be signed by either of the joint
19 chairs of the committee ~~[chairman]~~ or the secretary of the
20 committee.

21 (c) On the request of either of the joint chairs of the
22 committee ~~[chairman]~~ or the secretary of the committee, the
23 sergeant at arms or an assistant sergeant at arms of either house of
24 the legislature or any peace officer shall serve the subpoena in the
25 manner prescribed for service of a district court subpoena.

26 SECTION 6.03. Section 322.001(b), Government Code, is
27 amended to read as follows:

1 (b) The lieutenant governor [~~is the chairman of the board~~]
2 and the speaker are joint chairs of the board [~~is the~~
3 ~~vice-chairman~~].

4 SECTION 6.04. Sections 322.003(a) and (b), Government Code,
5 are amended to read as follows:

6 (a) A majority of the members of the board from each house
7 constitutes a quorum to transact business. If a quorum is present,
8 the board may act on any matter that is within its jurisdiction by a
9 majority vote.

10 (b) The board shall meet as often as necessary to perform
11 its duties. Meetings may be held at any time at the request [~~at the~~
12 ~~call~~] of either of the joint chairs of the board [~~chairman~~] or on
13 written petition of a majority of the members of the board from each
14 house.

15 SECTION 6.05. Section 322.006, Government Code, is amended
16 to read as follows:

17 Sec. 322.006. APPROVAL OF EXPENSES. Before payment may be
18 made on an item of expense for the board, one of the joint chairs of
19 the board [~~chairman~~] must approve the expense.

20 SECTION 6.06. Section 322.009, Government Code, is amended
21 to read as follows:

22 Sec. 322.009. INSPECTION COMMITTEES. Either of the joint
23 chairs of the board [~~The chairman~~], with the approval of the board,
24 may appoint a committee to visit, inspect, and report on any state
25 institution, department, agency, officer, or employee.

26 SECTION 6.07. Section 322.013(d), Government Code, is
27 amended to read as follows:

1 (d) For purposes of carrying out its duties, the board may
2 administer oaths and issue subpoenas, signed by either of the joint
3 chairs of the board [~~chairman or vice-chairman~~], to compel the
4 attendance of witnesses and the production of books, records, and
5 documents. A subpoena of the board shall be served by a peace
6 officer in the manner in which district court subpoenas are served.
7 On application of the board, a district court of Travis County shall
8 compel compliance with a subpoena issued by the board in the same
9 manner as for district court subpoenas.

10 SECTION 6.08. Sections 322.001 through 322.014, Government
11 Code, are designated as Subchapter A, Chapter 322, Government Code,
12 and a heading to that subchapter is added to read as follows:

13 SUBCHAPTER A. GENERAL PROVISIONS

14 SECTION 6.09. Subchapter A, Chapter 322, Government Code,
15 as designated by this Act, is amended by adding Sections 322.015
16 through 322.018 to read as follows:

17 Sec. 322.015. REVIEW OF INTERSCHOLASTIC COMPETITION. The
18 board may periodically review and analyze the effectiveness and
19 efficiency of the policies, management, fiscal affairs, and
20 operations of an organization that is a component or part of a state
21 agency or institution and that sanctions or conducts
22 interscholastic competition. The board shall report the findings
23 to the governor and the legislature. The legislature may consider
24 the board's reports in connection with the legislative
25 appropriations process.

26 Sec. 322.016. PERFORMANCE REVIEW OF SCHOOL DISTRICTS. (a)
27 The board may periodically review the effectiveness and efficiency

1 of the operations of school districts, including the district's
2 expenditures for its officers' and employees' travel services. A
3 review of a school district may be initiated by the board at its
4 discretion or on the request of the school district. A review may
5 be initiated by a school district only by resolution adopted by a
6 majority of the members of the board of trustees of the district.

7 (b) If a review is initiated on the request of the school
8 district, the district shall pay 25 percent of the cost incurred in
9 conducting the review.

10 (c) The board shall:

11 (1) prepare a report showing the results of each
12 review conducted under this section;

13 (2) file the report with the school district, the
14 governor, the lieutenant governor, the speaker of the house of
15 representatives, the chairs of the standing committees of the
16 senate and the house of representatives with jurisdiction over
17 public education, and the commissioner of education; and

18 (3) make the entire report and a summary of the report
19 available to the public on the Internet.

20 Sec. 322.0165. PERFORMANCE REVIEW OF INSTITUTIONS OF HIGHER
21 EDUCATION. (a) In this section, "public junior college" and
22 "general academic teaching institution" have the meanings assigned
23 by Section 61.003, Education Code.

24 (b) The board may periodically review the effectiveness and
25 efficiency of the budgets and operations of:

26 (1) public junior colleges; and

27 (2) general academic teaching institutions.

1 (c) A review under this section may be initiated by the
2 board or at the request of:

3 (1) the governor; or

4 (2) the public junior college or general academic
5 teaching institution.

6 (d) A review may be initiated by a public junior college or
7 general academic teaching institution only at the request of the
8 president of the college or institution or by a resolution adopted
9 by a majority of the governing body of the college or institution.

10 (e) If a review is initiated by a public junior college or
11 general academic teaching institution, the college or institution
12 shall pay 25 percent of the cost incurred in conducting the review.

13 (f) The board shall:

14 (1) prepare a report showing the results of each
15 review conducted under this section;

16 (2) file the report with:

17 (A) the chief executive officer of the public
18 junior college or general academic teaching institution that is the
19 subject of the report; and

20 (B) the governor, the lieutenant governor, the
21 speaker of the house of representatives, the chairs of the standing
22 committees of the senate and of the house of representatives with
23 primary jurisdiction over higher education, and the commissioner of
24 higher education; and

25 (3) make the entire report and a summary of the report
26 available to the public on the Internet.

27 Sec. 322.017. EFFICIENCY REVIEW OF STATE AGENCIES. (a) In

1 this section, "state agency" has the meaning assigned by Section
2 2056.001.

3 (b) The board periodically may review and analyze the
4 effectiveness and efficiency of the policies, management, fiscal
5 affairs, and operations of state agencies.

6 (c) The board shall report the findings of the review and
7 analysis to the governor and the legislature.

8 (d) The legislature may consider the board's reports in
9 connection with the legislative appropriations process.

10 Sec. 322.018. RECORDS MANAGEMENT REVIEW. (a) In this
11 section, "state agency" has the meaning assigned by Section
12 2056.001.

13 (b) The board may periodically review and analyze the
14 effectiveness and efficiency of the policies and management of a
15 state governmental committee or state agency that is involved in:

16 (1) analyzing and recommending improvements to the
17 state's system of records management; and

18 (2) preserving the essential records of this state,
19 including records relating to financial management information.

20 SECTION 6.10. Section 323.001(b), Government Code, as
21 amended by Chapter 1328, Acts of the 78th Legislature, Regular
22 Session, 2003, is amended to read as follows:

23 (b) The council consists of:

24 (1) the lieutenant governor;

25 (2) the speaker of the house of representatives;

26 (3) the chairman of the house administration
27 committee;

1 (4) six [~~five~~] senators from various areas of the
2 state appointed by the president of the senate; and

3 (5) five [~~nine~~] other members of the house of
4 representatives from various areas of the state appointed by the
5 speaker.

6 SECTION 6.11. Section 323.001(c), Government Code, is
7 amended to read as follows:

8 (c) The lieutenant governor and the speaker are joint chairs
9 ~~[is the chairman]~~ of the council ~~[and the speaker is the~~
10 ~~vice-chairman]~~.

11 SECTION 6.12. Sections 323.003(a) and (b), Government Code,
12 are amended to read as follows:

13 (a) The council shall meet as often as necessary to perform
14 its duties. Meetings may be held at any time at the request of
15 either of the joint chairs of the council.

16 (b) A majority of the [Twelve] members of the council from
17 each house of the legislature constitutes [including the chairman
18 and vice-chairman constitute] a quorum. If a quorum is present, the
19 council may act on any matter that is within its jurisdiction by a
20 majority vote.

21 SECTION 6.13. Section 323.005(c), Government Code, is
22 amended to read as follows:

23 (c) The certificate of either of the joint chairs of the
24 council [chairman or vice-chairman] is sufficient evidence of the
25 validity of a claim. On certification, the comptroller shall issue
26 warrants on the treasury to pay each claim for mileage and per diem
27 expenses, salaries of employees, and other authorized expenses.

1 SECTION 6.14. Sections 323.008(a)-(d), Government Code,
2 are amended to read as follows:

3 (a) If the council determines a need exists, either of the
4 joint chairs [~~chairman~~] of the council may appoint statutory
5 revision advisory committees to advise the council on matters
6 relating to the revision of particular subjects of the law.

7 (b) Advisory committees consist of seven members appointed
8 by a joint chair [~~the chairman~~] of the council. Advisory committee
9 members serve for a period of two years from the date of
10 appointment.

11 (c) In appointing an advisory committee, a joint chair [~~the~~
12 ~~chairman~~] shall include representatives of the:

- 13 (1) State Bar of Texas;
14 (2) judiciary; and
15 (3) Texas law schools.

16 (d) An advisory committee shall meet at the call of either
17 of the joint chairs [~~chairman~~] of the council.

18 SECTION 6.15. Section 323.011(b), Government Code, is
19 amended to read as follows:

20 (b) A subpoena must be signed by either of the joint chairs
21 [~~chairman~~] of the council [~~or the vice-chairman~~].

22 SECTION 6.16. Section 323.012(b), Government Code, is
23 amended to read as follows:

24 (b) On the request of either of the joint chairs [~~chairman~~]
25 of the council [~~or the vice-chairman~~], the attorney general shall
26 render opinions and give advice and assistance to the council.

27 SECTION 6.17. Sections 325.003(a), (d), and (j), Government

1 Code, are amended to read as follows:

2 (a) The Sunset Advisory Commission consists of five [~~four~~]
3 members of the senate and one public member appointed by the
4 lieutenant governor and five [~~four~~] members of the house of
5 representatives and one public member appointed by the speaker of
6 the house. Each appointing authority may designate himself as one
7 of the legislative appointees.

8 (d) Legislative members serve four-year terms, with terms
9 staggered so that the terms of as near to one-half of the
10 legislative members appointed by the lieutenant governor as
11 possible and the terms of as near to one-half of the legislative
12 members appointed by the speaker as possible expire September 1 of
13 each odd-numbered year. If the lieutenant governor or the speaker
14 serves on the commission, he continues to serve until resignation
15 from the commission or until he ceases to hold the office. Public
16 members serve two-year terms expiring September 1 of each
17 odd-numbered year.

18 (j) Seven [~~Six~~] members of the commission constitute a
19 quorum. A final action or recommendation may not be made unless
20 approved by a record vote of a majority of the commission's full
21 membership.

22 SECTION 6.18. The following laws are repealed:

- 23 (1) Section 403.020, Government Code;
24 (2) Section 403.0205, Government Code;
25 (3) Section 403.022, Government Code; and
26 (4) Section 403.024, Government Code.

27 SECTION 6.19. (a) If, on the effective date of this

1 article, more than five members of the house of representatives
2 appointed under Section 323.001(b)(5), Government Code, as amended
3 by this article, are serving as members of the Texas Legislative
4 Council:

5 (1) those members' terms on the council expire on the
6 effective date of this article; and

7 (2) the speaker of the house of representatives, as
8 soon as possible on or after the effective date of this article,
9 shall appoint five members of the house to serve as members of the
10 Texas Legislative Council under Section 323.001(b)(5), Government
11 Code, as amended by this article.

12 (b) The lieutenant governor, as soon as possible on or after
13 the effective date of this article, shall appoint an additional
14 senator to serve as a member of the Texas Legislative Council under
15 Section 323.001(b)(4), Government Code, as amended by this article.

16 SECTION 6.20. The lieutenant governor and the speaker of
17 the house of representatives, as soon as possible on or after the
18 effective date of the section of this article that amends Section
19 325.003, Government Code, shall appoint a member of the senate or
20 the house of representatives, respectively, to serve initial terms
21 on the Sunset Advisory Commission under Section 325.003, Government
22 Code, as amended by this article, expiring September 1, 2005.

23 SECTION 6.21. On the effective date of this article:

24 (1) all records and other property of the comptroller
25 of public accounts that relate to a review of interscholastic
26 competition, a performance review of school districts, an
27 efficiency review of a state agency, or a records management review

1 are transferred to the Legislative Budget Board;

2 (2) all unexpended and unobligated appropriations of
3 the comptroller of public accounts relating to the comptroller's
4 review of interscholastic competition, performance review of
5 school districts, efficiency review of a state agency, or records
6 management review are transferred to the Legislative Budget Board;

7 (3) all employees of the comptroller of public
8 accounts whose primary functions relate to the review of
9 interscholastic competition, performance review of school
10 districts, efficiency review of state agencies, or records
11 management review become employees of the Legislative Budget Board;
12 and

13 (4) any reference in law to the comptroller of public
14 accounts that relates to the review of interscholastic competition,
15 performance review of school districts, efficiency review of state
16 agencies, or records management review means the Legislative Budget
17 Board.

18 SECTION 6.22. The section of this article that amends
19 Section 325.003, Government Code, takes effect immediately if this
20 Act receives a vote of two-thirds of all the members elected to each
21 house, as provided by Section 39, Article III, Texas Constitution.
22 If this Act does not receive the vote necessary for immediate
23 effect, that section takes effect on the 91st day after the last day
24 of the legislative session.

25 ARTICLE 7. REPORTS AND ASSESSMENTS REGARDING CERTAIN
26 ENVIRONMENTAL ISSUES

27 SECTION 7.01. Section 363.064(a), Health and Safety Code,

1 is amended to read as follows:

2 (a) A regional or local solid waste management plan must:

3 (1) include a description and an assessment of current
4 efforts in the geographic area covered by the plan to minimize
5 production of municipal solid waste, including sludge, and efforts
6 to reuse or recycle waste;

7 (2) identify additional opportunities for waste
8 minimization and waste reuse or recycling;

9 (3) include a description and assessment of existing
10 or proposed community programs for the collection of household
11 hazardous waste;

12 (4) make recommendations for encouraging and
13 achieving a greater degree of waste minimization and waste reuse or
14 recycling in the geographic area covered by the plan;

15 (5) encourage cooperative efforts between local
16 governments in the siting of landfills for the disposal of solid
17 waste;

18 (6) consider the need to transport waste between
19 municipalities, from a municipality to an area in the jurisdiction
20 of a county, or between counties, particularly if a technically
21 suitable site for a landfill does not exist in a particular area;

22 (7) allow a local government to justify the need for a
23 landfill in its jurisdiction to dispose of the solid waste
24 generated in the jurisdiction of another local government that does
25 not have a technically suitable site for a landfill in its
26 jurisdiction;

27 (8) establish recycling rate goals appropriate to the

1 area covered by the plan;

2 (9) recommend composting programs for yard waste and
3 related organic wastes that may include:

4 (A) creation and use of community composting
5 centers;

6 (B) adoption of the "Don't Bag It" program for
7 lawn clippings developed by the Texas Agricultural Extension
8 Service; and

9 (C) development and promotion of education
10 programs on home composting, community composting, and the
11 separation of yard waste for use as mulch;

12 (10) include an inventory of municipal solid waste
13 landfill units, including:

14 (A) landfill units no longer in operation;

15 (B) the exact boundaries of each former landfill
16 unit or, if the exact boundaries are not known, the best
17 approximation of each unit's boundaries;

18 (C) a map showing the approximate boundaries of
19 each former landfill unit, if the exact boundaries are not known;

20 (D) the current owners of the land on which the
21 former landfill units were located; and

22 (E) the current use of the land;

23 (11) assess the need for new waste disposal capacity;

24 and

25 (12) include a public education program[, and

26 [~~(13) include waste reduction in accordance with the~~
27 ~~goal established under Section 361.0201(d), to the extent that~~

1 ~~funds are available~~].

2 SECTION 7.02. The heading to Section 5.178, Water Code, is
3 amended to read as follows:

4 Sec. 5.178. ANNUAL REPORTS; BIENNIAL APPENDICES
5 [~~APPENDIXES~~].

6 SECTION 7.03. Section 5.178(b), Water Code, is amended to
7 read as follows:

8 (b) The report due by December 1 of an even-numbered year
9 shall include, in addition:

10 (1) the commission's recommendations for necessary and
11 desirable legislation; and

12 (2) the following reports:

13 (A) the assessments and reports required by
14 Section [~~Sections~~] 361.0219(c) [~~, 361.0232, 361.510, 371.063, and~~
15 ~~382.141~~], Health and Safety Code;

16 (B) the reports required by Section 26.0135(d)
17 [~~of this code~~] and Section 5.02, Chapter 133, Acts of the 69th
18 Legislature, Regular Session, 1985; and

19 (C) a summary of the analyses and assessments
20 required by Section 5.1773 [~~of this code~~].

21 SECTION 7.04. (a) Sections 361.020, 361.0201, 361.0232,
22 361.0233, 361.0234, 361.040(d), 361.0871(c), 361.510, 371.063, and
23 382.141, Health and Safety Code, are repealed.

24 (b) Section 5.178(c), Water Code, is repealed.

25 ARTICLE 8. PERMITS OF THE TEXAS COMMISSION ON ENVIRONMENTAL
26 QUALITY

27 SECTION 8.01. (a) It is the policy of this state to be

1 effective and efficient with public funds, to provide for effective
2 and efficient management of natural resources, and to serve the
3 people of Texas by making the government more visible, accessible,
4 coherent, consistent, and accountable to the people of Texas. The
5 legislature finds that the Texas Commission on Environmental
6 Quality's procedures for processing permits is cumbersome,
7 confusing, lengthy, and inefficient for citizens, business,
8 political subdivisions, and the commission.

9 (b) The Texas Commission on Environmental Quality's
10 permitting processes warrant, and the legislature directs, an
11 in-depth evaluation, including the identification of problems,
12 potential options, and solutions. The evaluation must solicit and
13 consider input from all stakeholders, including public hearings and
14 the opportunity for submission of written and oral comments. The
15 solutions identified in the final assessment of the commission's
16 permitting processes must ensure that:

17 (1) all relevant environmental protection standards
18 are maintained at a level that at least equals the current level;

19 (2) the commission's permitting processes are
20 streamlined;

21 (3) the commission's permitting processes are
22 user-friendly to citizens and promote sound economic development;
23 and

24 (4) all stakeholder concerns are considered.

25 (c) A seven-member study committee shall conduct the
26 evaluation and final assessment required by Subsection (b) of this
27 section and submit its findings not later than December 1, 2004, to

1 the governor, the lieutenant governor, the speaker of the house of
2 representatives, the Texas Commission on Environmental Quality,
3 and the chair of the standing committee of each house of the
4 legislature with primary jurisdiction over environmental issues.

5 The study committee shall consist of:

6 (1) three appointees of the lieutenant governor;

7 (2) three appointees of the speaker of the house of
8 representatives; and

9 (3) one public member appointed by the governor.

10 (d) It is the intent of the legislature to effectuate the
11 appropriate solutions through legislation at the earliest
12 opportunity subsequent to receipt of the study committee's final
13 assessment.

14 (e) The study committee shall also consider permits for
15 grease trap waste facilities authorized by Chapter 596, Acts of the
16 78th Legislature, Regular Session, 2003.

17 SECTION 8.02. Section 2, Chapter 596, Acts of the 78th
18 Legislature, Regular Session, 2003, is amended to read as follows:

19 Sec. 2. (a) The Texas Commission on Environmental Quality
20 shall:

21 (1) not later than December [~~November~~] 1, 2003:

22 (A) adopt any rules necessary for the
23 implementation of this Act; and

24 (B) notify any person known by the commission to
25 be engaged in the business of composting grease trap waste to submit
26 an application for a permit under Section 361.428(d), Health and
27 Safety Code, as added by this Act; and

1 (2) not later than September 1, 2005 [~~January 1,~~
2 ~~2004~~], begin issuing permits for the commercial composting of
3 grease trap waste under Sections 361.428(d) and (e), Health and
4 Safety Code, as added by this Act.

5 (b) This Act does not prohibit a person who is engaged in the
6 business of composting grease trap waste on the effective date of
7 this Act from continuing to engage in that business if [~~the person~~]:

8 (1) the person submits an application for a permit
9 under Section 361.428(d), Health and Safety Code, as added by this
10 Act, not later than the 30th day after receiving notice from the
11 Texas Commission on Environmental Quality under Subsection
12 (a)(1)(B) of this section; and

13 (2) [~~receives the permit from~~] the commission has
14 declared the application administratively complete on or before
15 June 1, 2004.

16 (c) This section does not prohibit the commission from
17 denying a permit application previously declared administratively
18 complete.

19 (d) If the commission denies a permit application under this
20 section, the applicant shall cease the operations for which the
21 applicant applied for a permit.

22 SECTION 8.03. The adoption of rules by the Texas Commission
23 on Environmental Quality under Section 26.040, Water Code, before
24 the effective date of this Act is authorized. A rule adopted by the
25 commission under that section before that date remains in effect
26 and may be amended or repealed by the commission.

27 ARTICLE 9. OVERSIGHT OF REGIONAL PLANNING COMMISSIONS

1 SECTION 9.01. The heading to Section 391.009, Local
2 Government Code, is amended to read as follows:

3 Sec. 391.009. ROLE OF STATE AUDITOR, GOVERNOR, AND STATE
4 AGENCIES.

5 SECTION 9.02. Section 391.009, Local Government Code, is
6 amended by amending Subsection (a) and adding Subsections (a-1) and
7 (a-2) to read as follows:

8 (a) To protect the public interest and [~~or~~] promote the
9 efficient use of public funds, the governor, with the technical
10 assistance of the state auditor, may draft and [~~shall~~] adopt:

11 (1) rules relating to the operation and oversight of a
12 commission;

13 (2) rules relating to the receipt or expenditure of
14 funds by a commission, including:

15 (A) restrictions on the expenditure of any
16 portion of commission funds for certain classes of expenses; and

17 (B) restrictions on the maximum amount of or
18 percentage of commission funds that may be expended on a class of
19 expenses, including indirect costs or travel expenses;

20 (3) annual reporting requirements for a commission;

21 (4) annual audit requirements on funds received or
22 expended by a commission from any source;

23 (5) rules relating to the establishment and use of
24 standards by which the productivity and performance of each
25 commission can be evaluated; and

26 (6) guidelines that commissions and governmental
27 units shall follow in carrying out the provisions of this chapter

1 relating to review and comment procedures.

2 (a-1) The governor may draft and adopt rules under
3 Subsection (a) using negotiated rulemaking procedures under
4 Chapter 2008, Government Code.

5 (a-2) Based on a risk assessment performed by the state
6 auditor and subject to the legislative audit committee's approval
7 for inclusion in the audit plan under Section 321.013, Government
8 Code, the state auditor's office shall assist the governor as
9 provided by Subsection (a).

10 SECTION 9.03. Section 391.0095, Local Government Code, as
11 amended by Chapter 785, Acts of the 78th Legislature, Regular
12 Session, 2003, is amended to read as follows:

13 Sec. 391.0095. AUDIT AND REPORTING REQUIREMENTS. (a) The
14 audit and reporting requirements under Section 391.009(a) shall
15 include a requirement that a commission annually report to the
16 state auditor [~~governor~~]:

17 (1) the amount and source of funds received by the
18 commission;

19 (2) the amount and source of funds expended by the
20 commission;

21 (3) an explanation of any method used by the
22 commission to compute an expense of the commission, including
23 computation of any indirect cost of the commission;

24 (4) a report of the commission's productivity and
25 performance during the annual reporting period;

26 (5) a projection of the commission's productivity and
27 performance during the next annual reporting period;

1 (6) the results of an audit of the commission's affairs
2 prepared by an independent certified public accountant; and

3 (7) a report of any assets disposed of by the
4 commission.

5 (b) The annual audit of a commission may be commissioned [~~by~~
6 ~~the governor's office or~~] by the commission or at the direction of
7 the governor's office, as determined by the governor's office, and
8 shall be paid for from the commission's funds.

9 (c) A commission shall submit any other report or an audit
10 to the state auditor and [~~required by~~] the governor.

11 (d) If a commission fails to submit a report or audit
12 required under this section or is determined by the state auditor
13 [~~governor~~] to have failed to comply with a rule, requirement, or
14 guideline adopted under Section 391.009, the state auditor shall
15 report the failure to the governor's office. The governor may,
16 until the failure is corrected:

17 (1) appoint a receiver to operate or oversee the
18 commission; or

19 (2) withhold any appropriated funds of the commission.

20 (e) A commission shall send to the governor, the state
21 auditor, the comptroller, and the Legislative Budget Board a copy
22 of each report and audit required under this section or under
23 Section 391.009. The state auditor may review each audit and
24 report, subject to a risk assessment performed by the state auditor
25 and to the legislative audit committee's approval of including the
26 review in the audit plan under Section 321.013, Government Code. If
27 the state auditor reviews the audit or report, the state auditor

1 must be given access to working papers and other supporting
2 documentation that the state auditor determines is necessary to
3 perform the review. If the state auditor finds significant issues
4 involving the administration or operation of a commission or its
5 programs, the state auditor shall report its findings and related
6 recommendations to the legislative audit committee, the governor,
7 and the commission. The governor and the legislative audit
8 committee may direct the commission to prepare a corrective action
9 plan or other response to the state auditor's findings or
10 recommendations. The legislative audit committee may direct the
11 state auditor to perform any additional audit or investigative work
12 that the committee determines is necessary.

13 SECTION 9.04. Section 391.0117(e), Local Government Code,
14 is amended to read as follows:

15 (e) A commission shall submit to the state auditor
16 [~~governor~~] the commission's salary schedule, including the
17 salaries of all exempt positions, not later than the 45th day before
18 the date of the beginning of the commission's fiscal year. If the
19 state auditor, subject to the legislative audit committee's
20 approval for inclusion in the audit plan under Section 321.013,
21 Government Code, has recommendations to improve [~~governor objects~~
22 ~~to~~] a commission's salary schedule or a portion of the schedule, the
23 state auditor shall report the recommendations to the governor's
24 office. The governor's office may not allow the portion of the
25 schedule for which [~~that~~] the state auditor has recommendations to
26 [~~governor objects to may not~~] go into effect until revisions or
27 explanations are given that are satisfactory to the governor based

1 on recommendations from the state auditor [~~and the governor~~
2 ~~approves that portion of the schedule~~].

3 SECTION 9.05. On the effective date of this article, a rule,
4 requirement, or guideline adopted by the governor relating to the
5 oversight of regional planning commissions remains in effect until
6 amended or repealed by the governor.

7 ARTICLE 10. COMMISSIONER OF INSURANCE

8 SECTION 10.01. Section 31.023, Insurance Code, is amended
9 to read as follows:

10 Sec. 31.023. QUALIFICATIONS. The commissioner must:

- 11 (1) be a competent and experienced administrator;
- 12 (2) be well informed and qualified in the field of
13 insurance and insurance regulation; and
- 14 (3) have at least five [~~10~~] years of experience [~~as an~~
15 ~~executive~~] in the administration of business or government or as a
16 practicing attorney or certified public accountant[, ~~with at least~~
17 ~~five years of that experience in the field of insurance or insurance~~
18 ~~regulation~~].

19 SECTION 10.02. (a) The commissioner of the Texas
20 Department of Insurance shall compile information relating to the
21 insurers writing medical professional liability insurance in this
22 state, including information relating to:

- 23 (1) insurers newly writing medical professional
24 liability insurance in this state on and after September 13, 2003;
25 and
- 26 (2) medical professional liability insurance rates
27 for physicians and other health care providers, including which

1 insurers have changed their rates on or after September 13, 2003.

2 (b) The commissioner shall report on a quarterly basis to
3 the governor, the lieutenant governor, the speaker of the house of
4 representatives, and each member of the legislature on the
5 information obtained under this section. Such reports shall be
6 made no later than the fifth day of November, February, May, and
7 August.

8 (c) This section expires January 1, 2005.

9 SECTION 10.03. The change in law made by this article to
10 Section 31.023, Insurance Code, applies only to the appointment of
11 the commissioner of insurance on or after the effective date of this
12 article. A commissioner of insurance appointed before the
13 effective date of this article is governed by the law as it existed
14 immediately before that date, and that law is continued in effect
15 for that purpose.

16 SECTION 10.04. Subchapter B, Chapter 31, Insurance Code, is
17 amended by adding Section 31.028 to read as follows:

18 Sec. 31.028. TRAINING PROGRAM FOR COMMISSIONER. (a) Not
19 later than the 90th day after the date on which the commissioner
20 takes office, the commissioner shall complete a training program
21 that complies with this section.

22 (b) The training program must provide the commissioner with
23 information regarding:

24 (1) the legislation that created the department;

25 (2) the programs operated by the department;

26 (3) the role and functions of the department;

27 (4) the rules of the department, with an emphasis on

- 1 the rules that relate to disciplinary and investigatory authority;
2 (5) the current budget for the department;
3 (6) the results of the most recent formal audit of the
4 department;
5 (7) the requirements of:
6 (A) the open meetings law, Chapter 551,
7 Government Code;
8 (B) the public information law, Chapter 552,
9 Government Code;
10 (C) the administrative procedure law, Chapter
11 2001, Government Code; and
12 (D) other laws relating to public officials,
13 including conflict of interest laws; and
14 (8) any applicable ethics policies adopted by the
15 department or the Texas Ethics Commission.

16 SECTION 10.05. The change in law made by this Act by the
17 addition of Section 31.028, Insurance Code, applies only to the
18 appointment of the commissioner of insurance on or after the
19 effective date of this Act. A commissioner of insurance appointed
20 before the effective date of this Act is governed by the law as it
21 existed immediately before that date, and that law is continued in
22 effect for that purpose.

23 ARTICLE 11. PARDONS AND PAROLES

24 SECTION 11.01. Section 492.0131, Government Code, is
25 amended to read as follows:

26 Sec. 492.0131. PAROLE RULES, POLICIES, PROCEDURES. The
27 board and the presiding officer of the Board of Pardons and Paroles

1 ~~[Policy Board]~~ shall jointly review all rules, policies, and
2 procedures of the department and the Board of Pardons and Paroles
3 that relate to or affect the operation of the parole process. The
4 board and the presiding officer of the Board of Pardons and Paroles
5 ~~[policy board]~~ shall identify areas of inconsistency between the
6 department and the Board of Pardons and Paroles and shall amend
7 rules or change policies and procedures as necessary for consistent
8 operation of the parole process.

9 SECTION 11.02. Section 508.001, Government Code, is amended
10 by amending Subdivision (8) and adding Subdivision (10) to read as
11 follows:

12 (8) "Parole commissioner" means a person employed by
13 the board to perform the duties described by Section 508.0441
14 ~~["Policy board" means the Board of Pardons and Paroles Policy~~
15 ~~Board]~~.

16 (10) "Presiding officer" means the presiding officer
17 of the Board of Pardons and Paroles.

18 SECTION 11.03. Section 508.031(a), Government Code, is
19 amended to read as follows:

20 (a) The board consists of seven ~~[18]~~ members appointed by
21 the governor with the advice and consent of the senate.

22 SECTION 11.04. Section 508.032, Government Code, is amended
23 by adding Subsections (c)-(e) to read as follows:

24 (c)(1) A person who is a former employee of the department
25 may not serve on the board before the second anniversary of the date
26 the person terminated employment with the department.

27 (2) A person who is employed by the department on

1 August 1, 2003, may not serve on the board before August 1, 2005.

2 (d) At any time not more than three members of the board may
3 be former employees of the department.

4 (e) For purposes of Subsections (c) and (d), previous
5 service as a board member is not considered to be employment with
6 the department.

7 SECTION 11.05. Section 508.034, Government Code, is amended
8 to read as follows:

9 Sec. 508.034. GROUNDS FOR REMOVAL. (a) It is a ground for
10 removal from the board that a member:

11 (1) does not have at the time of taking office the
12 qualification required by Section 508.032(b) for appointment to the
13 board;

14 (2) is ineligible for membership under Section
15 508.033;

16 (3) is unable to discharge the member's duties for a
17 substantial part of the term for which the member is appointed
18 because of illness or disability; or

19 (4) is absent from more than half of the regularly
20 scheduled board or panel meetings that the member is eligible to
21 attend during each calendar year[~~, except when the absence is~~
22 ~~excused by majority vote of the board].~~

23 (b) [~~It is a ground for removal from the board and the policy~~
24 ~~board if a member of the policy board is absent from more than half~~
25 ~~of the regularly scheduled policy board meetings that the member is~~
26 ~~eligible to attend during each calendar year.~~

27 [~~(c)~~] The board administrator or the board administrator's

1 designee shall provide to members of the board[~~, to members of the~~
 2 ~~policy board,~~] and to employees, as often as necessary, information
 3 regarding their qualification for office or employment under this
 4 chapter and their responsibilities under applicable laws relating
 5 to standards of conduct for state officers or employees.

6 (c) [~~(d)~~] The validity of an action of[+
 7 [~~(1)~~] the board or panel is not affected by the fact
 8 that the action is taken when a ground for removal of a board member
 9 exists[~~, and~~

10 [~~(2) the policy board is not affected by the fact that~~
 11 ~~the action is taken when a ground for removal of a member of the~~
 12 ~~policy board exists].~~

13 (d) [~~(e)~~] If the general counsel to the board has knowledge
 14 that a potential ground for removal exists, the general counsel
 15 shall notify the presiding officer of the board of the potential
 16 ground. The presiding officer shall notify the governor and the
 17 attorney general that a potential ground for removal exists. If the
 18 potential ground for removal involves the presiding officer, the
 19 general counsel to the board shall notify the governor and the
 20 attorney general that a potential ground for removal exists.

21 (e) [~~(f)~~] It is a ground for removal from the board that a
 22 member fails to comply with policies or rules adopted by the
 23 [~~policy~~] board.

24 SECTION 11.06. Section 508.035, Government Code, is amended
 25 by amending Subsection (c) and adding Subsection (d) to read as
 26 follows:

27 (c) The presiding officer reports directly to the governor

1 and serves as the administrative head of the [~~policy board and the~~]
2 board.

3 (d) The presiding officer may:

4 (1) delegate responsibilities and authority to other
5 members of the board, parole commissioners, or to employees of the
6 board;

7 (2) appoint advisory committees from the membership of
8 the board or from parole commissioners to further the efficient
9 administration of board business; and

10 (3) establish policies and procedures to further the
11 efficient administration of the business of the board.

12 SECTION 11.07. Section 508.036, Government Code, as amended
13 by Section 31.01, Chapter 1170, Acts of the 78th Legislature,
14 Regular Session, 2003, is amended to read as follows:

15 Sec. 508.036. [~~POLICY BOARD: COMPOSITION,~~] GENERAL
16 ADMINISTRATIVE DUTIES. (a) The presiding officer [~~governor shall~~
17 ~~designate seven members of the board to serve as the Board of~~
18 ~~Pardons and Paroles Policy Board. The governor shall designate the~~
19 ~~presiding officer of the board as one of the seven members of the~~
20 ~~policy board, and the presiding officer of the board shall serve as~~
21 ~~presiding officer of the policy board. Service on the policy board~~
22 ~~is an additional duty of office for members appointed to the policy~~
23 ~~board.~~

24 [~~(b) Members of the board designated as members of the~~
25 ~~policy board serve on the policy board for six-year terms that are~~
26 ~~concurrent with their six-year terms on the board, with the service~~
27 ~~of two or three members expiring February 1 of each odd-numbered~~

1 ~~year.~~

2 [~~(c) The policy board~~] shall:

3 (1) develop and implement policies that clearly
4 separate the policy-making responsibilities of the board and the
5 management responsibilities of the board administrator, parole
6 commissioners, and the staff of the board [~~adopt rules relating to~~
7 ~~the decision-making processes used by the board and parole panels~~];

8 (2) establish caseloads and required work hours for
9 members of the board and parole commissioners [~~assign duties to~~
10 ~~members of the policy board that are in addition to the duties those~~
11 ~~members have in handling a caseload~~];

12 (3) update parole guidelines, assign precedential
13 value to previous decisions of the board relating to the granting of
14 parole and the revocation of parole or mandatory supervision, and
15 develop policies to ensure that members of the board and parole
16 commissioners use guidelines and previous decisions of the board
17 and parole commissioners in making decisions under this chapter;

18 (4) require members of the board and parole
19 commissioners to file activity reports [~~on forms provided by the~~
20 ~~policy board~~] that provide information on release decisions made
21 by members of the board and parole commissioners, the workload and
22 hours worked of the members of the board and parole commissioners,
23 and the use of parole guidelines by members of the board and parole
24 commissioners; and

25 (5) report at least annually to the governor and the
26 legislature on the [~~board~~] activities of the board and parole
27 commissioners, parole release decisions, and the use of parole

1 guidelines by the board and parole commissioners.

2 (b) The board shall:

3 (1) adopt rules relating to the decision-making
4 processes used by the board and parole panels;

5 (2) prepare information of public interest describing
6 the functions of the board and make the information available to the
7 public and appropriate state agencies;

8 (3) comply with federal and state laws related to
9 program and facility accessibility; and

10 (4) prepare annually a complete and detailed written
11 report that meets the reporting requirements applicable to
12 financial reporting provided in the General Appropriations Act and
13 accounts for all funds received and disbursed by the board during
14 the preceding fiscal year.

15 (c) The board administrator shall prepare and maintain a
16 written plan that describes how a person who does not speak English
17 can be provided reasonable access to the board's programs and
18 services.

19 (d) The board, in performing its duties, is subject to the
20 open meetings law, Chapter 551, and the administrative procedure
21 law, Chapter 2001. This subsection does not affect the provisions
22 of Section 2001.223 exempting hearings and interviews conducted by
23 the board or the division from Section 2001.038 and Subchapters
24 C-H, Chapter 2001.

25 SECTION 11.08. Section 508.0362, Government Code, is
26 amended to read as follows:

27 Sec. 508.0362. TRAINING REQUIRED. (a)(1) A person who is

1 appointed to and qualifies for office as a member of the board [~~or~~
2 ~~the policy board~~] may not vote, deliberate, or be counted as a
3 member in attendance at a meeting of the board [~~or policy board~~]
4 until the person completes at least one course of a training program
5 that complies with this section.

6 (2) A parole commissioner employed by the board may
7 not vote or deliberate on a matter described by Section 508.0441
8 until the person completes at least one course of a training program
9 that complies with this section.

10 (b) A training program must provide information to the
11 person regarding:

12 (1) the enabling legislation that created the board
13 [~~and the policy board~~];

14 (2) the programs operated by the board;

15 (3) the role and functions of the board and parole
16 commissioners;

17 (4) the rules of the board;

18 (5) the current budget for the board;

19 (6) the results of the most recent formal audit of the
20 board;

21 (7) the requirements of the:

22 (A) open meetings law, Chapter 551;

23 (B) open records law, Chapter 552; and

24 (C) administrative procedure law, Chapter 2001;

25 (8) the requirements of the conflict of interest laws
26 and other laws relating to public officials; and

27 (9) any applicable ethics policies adopted by the

1 [~~policy~~] board or the Texas Ethics Commission.

2 (c) A person appointed to the board [~~or policy board~~] is
3 entitled to reimbursement, as provided by the General
4 Appropriations Act, for the travel expenses incurred in attending
5 the training program regardless of whether the attendance at the
6 program occurs before or after the person qualifies for office.

7 SECTION 11.09. Section 508.040(a), Government Code, is
8 amended to read as follows:

9 (a) The presiding officer is responsible for the employment
10 and supervision of [~~policy board shall employ and supervise~~]:

11 (1) parole commissioners;

12 (2) a general counsel to the board;

13 (3) [~~2~~] a board administrator to manage the
14 day-to-day activities of the board;

15 (4) [~~3~~] hearing officers;

16 (5) [~~4~~] personnel to assist in clemency and hearing
17 matters; and

18 (6) [~~5~~] secretarial or clerical personnel.

19 SECTION 11.10. Section 508.041, Government Code, is amended
20 to read as follows:

21 Sec. 508.041. DESIGNEE TRAINING; HANDBOOK. (a) The
22 [~~policy~~] board shall develop and implement:

23 (1) a training program that each newly hired employee
24 of the board designated to conduct hearings under Section 508.281
25 must complete before conducting a hearing without the assistance of
26 a board member or experienced parole commissioner or designee; and

27 (2) a training program to provide an annual update to

1 designees of the board on issues and procedures relating to the
2 revocation process.

3 (b) The [~~policy~~] board shall prepare and biennially update a
4 procedural manual to be used by designees of the board. The
5 [~~policy~~] board shall include in the manual:

6 (1) descriptions of decisions in previous hearings
7 determined by the [~~policy~~] board to have value as precedents for
8 decisions in subsequent hearings;

9 (2) laws and court decisions relevant to decision
10 making in hearings; and

11 (3) case studies useful in decision making in
12 hearings.

13 (c) The [~~policy~~] board shall prepare and update as necessary
14 a handbook to be made available to participants in hearings under
15 Section 508.281, such as defense attorneys, persons released on
16 parole or mandatory supervision, and witnesses. The handbook must
17 describe in plain language the procedures used in a hearing under
18 Section 508.281.

19 SECTION 11.11. Section 508.042, Government Code, is amended
20 to read as follows:

21 Sec. 508.042. TRAINING PROGRAM FOR MEMBERS AND PAROLE
22 COMMISSIONERS. (a) The [~~policy~~] board shall develop for board
23 members and parole commissioners a comprehensive training and
24 education program on the criminal justice system, with special
25 emphasis on the parole process.

26 (b)(1) A new member may not participate in a vote of the
27 board or a panel, deliberate, or be counted as a member in

1 attendance at a meeting of the board [~~or policy board~~] until the
2 member completes the program.

3 (2) A new parole commissioner may not participate in a
4 vote of a panel until the commissioner completes the program. This
5 subdivision does not apply to a new parole commissioner who as a
6 board member completed the program.

7 SECTION 11.12. Subchapter B, Chapter 508, Government Code,
8 is amended by amending Section 508.044 and adding Section 508.0441
9 to read as follows:

10 Sec. 508.044. POWERS AND DUTIES OF BOARD. [~~(a)~~] A board
11 member shall give full time to the duties of the member's office,
12 including[~~-~~

13 [~~(b) In addition to performing the~~] duties imposed on the
14 board by the Texas Constitution and other law.

15 Sec. 508.0441. RELEASE AND REVOCATION DUTIES. (a) Board[~~-~~
16 ~~board~~] members and parole commissioners shall determine:

17 (1) which inmates are to be released on parole or
18 mandatory supervision;

19 (2) conditions of parole or mandatory supervision,
20 including special conditions;

21 (3) the modification and withdrawal of conditions of
22 parole or mandatory supervision;

23 (4) which releasees may be released from supervision
24 and reporting; and

25 (5) the continuation, modification, and revocation of
26 parole or mandatory supervision.

27 (b) [~~(c)~~] The [~~policy~~] board shall develop and implement a

1 policy that clearly defines circumstances under which a board
 2 member or parole commissioner should disqualify himself or herself
 3 from voting on:

4 (1) a parole decision; or

5 (2) a decision to revoke parole or mandatory
 6 supervision.

7 (c) [~~(d)~~] The [~~policy~~] board may adopt reasonable rules as
 8 [~~the policy board considers~~] proper or necessary relating to:

9 (1) the eligibility of an inmate for release on parole
 10 or release to mandatory supervision;

11 (2) the conduct of a parole or mandatory supervision
 12 hearing; or

13 (3) conditions to be imposed on a releasee.

14 (d) [~~(e)~~] The presiding officer [~~policy board~~] may provide
 15 a written plan for the administrative review of actions taken by a
 16 parole panel by a review panel [~~the entire membership or by a subset~~
 17 ~~of the entire membership of the board~~].

18 (e) [~~(f)~~] Board members and parole commissioners shall, at
 19 the direction of the presiding officer, file activity reports on
 20 duties performed under this chapter.

21 SECTION 11.13. Section 508.045, Government Code, is amended
 22 to read as follows:

23 Sec. 508.045. PAROLE PANELS. (a) Except as provided by
 24 Section 508.046, board members and parole commissioners shall act
 25 in panels composed of three [~~persons each~~] in matters of:

26 (1) release on parole;

27 (2) release to mandatory supervision; and

1 (3) revocation of parole or mandatory supervision.

2 (b) The presiding officer [~~of the board~~] shall designate the
3 composition of each panel and shall designate panels composed of at
4 least one board member and any combination of board members and
5 parole commissioners.

6 (c) A parole panel may:

7 (1) grant, deny, or revoke parole;

8 (2) revoke mandatory supervision; and

9 (3) conduct parole revocation hearings and mandatory
10 supervision revocation hearings.

11 SECTION 11.14. Section 508.047(a), Government Code, is
12 amended to read as follows:

13 (a) The members of the [~~policy~~] board shall meet at least
14 once in each quarter of the calendar year at a site determined by
15 the presiding officer.

16 SECTION 11.15. Section 508.049, Government Code, is amended
17 to read as follows:

18 Sec. 508.049. MISSION STATEMENT. (a) The [~~policy~~] board,
19 after consultation with the governor and the Texas Board of
20 Criminal Justice, shall adopt a mission statement that reflects the
21 responsibilities for the operation of the parole process that are
22 assigned to the [~~policy board, the~~] board, the division, the
23 department, or the Texas Board of Criminal Justice.

24 (b) The [~~policy~~] board shall include in the mission
25 statement a description of specific locations at which the board
26 intends to conduct business related to the operation of the parole
27 process.

1 SECTION 11.16. Section 508.082, Government Code, is amended
2 to read as follows:

3 Sec. 508.082. RULES. The [~~policy~~] board shall adopt rules
4 relating to:

5 (1) the submission and presentation of information and
6 arguments to the board, a parole panel, and the department for and
7 in behalf of an inmate; and

8 (2) the time, place, and manner of contact between a
9 person representing an inmate and:

10 (A) a member of the board or a parole
11 commissioner;

12 (B) an employee of the board; or

13 (C) an employee of the department.

14 SECTION 11.17. Section 508.141(g), Government Code, as
15 added by Chapter 349, Acts of the 78th Legislature, Regular
16 Session, 2003, is amended to read as follows:

17 (g) The [~~policy~~] board shall adopt a policy establishing the
18 date on which the board may reconsider for release an inmate who has
19 previously been denied release. The policy must require the board
20 to reconsider for release an inmate serving a sentence for an
21 offense listed in Section 508.149(a) during a month designated by
22 the parole panel that denied release. The designated month must
23 begin after the first anniversary of the date of the denial and end
24 before the fifth anniversary of the date of the denial. The policy
25 must require the board to reconsider for release an inmate other
26 than an inmate serving a sentence for an offense listed in Section
27 508.149(a) as soon as practicable after the first anniversary of

1 the date of the denial.

2 SECTION 11.18. Section 508.144(b), Government Code, is
3 amended to read as follows:

4 (b) If a board member or parole commissioner deviates from
5 the parole guidelines in voting on a parole decision, the member or
6 parole commissioner shall:

7 (1) produce a brief written statement describing the
8 circumstances regarding the departure from the guidelines; and

9 (2) place a copy of the statement in the file of the
10 inmate for whom the parole decision was made.

11 SECTION 11.19. Section 508.153(b), Government Code, is
12 amended to read as follows:

13 (b) If more than one person is entitled to appear in person
14 before the board members or parole commissioners, only the person
15 chosen by all persons entitled to appear as the persons' sole
16 representative may appear [~~before the board members~~].

17 SECTION 11.20. Section 508.281(a), Government Code, is
18 amended to read as follows:

19 (a) A releasee, a person released although ineligible for
20 release, or a person granted a conditional pardon is entitled to a
21 hearing before a parole panel or a designated agent of the board
22 under the rules adopted by the [~~policy~~] board and within a period
23 that permits a parole panel, a designee of the board, or the
24 department to dispose of the charges within the periods established
25 by Sections 508.282(a) and (b) if the releasee or person:

26 (1) is accused of a violation of the releasee's parole
27 or mandatory supervision or the person's conditional pardon, on

1 information and complaint by a peace officer or parole officer; or

2 (2) is arrested after an ineligible release.

3 SECTION 11.21. Section 508.313(c), Government Code, as
4 amended by Section 3, Chapter 6, Acts of the 78th Legislature,
5 Regular Session, 2003, is amended to read as follows:

6 (c) The department, on request or in the normal course of
7 official business, shall provide information that is confidential
8 and privileged under Subsection (a) to:

9 (1) the governor;

10 (2) a member of the board or a parole commissioner;

11 (3) the Criminal Justice Policy Council in performing
12 duties of the council under Section 413.017; or

13 (4) an eligible entity requesting information for a
14 law enforcement, prosecutorial, correctional, clemency, or
15 treatment purpose.

16 SECTION 11.22. (a) Section 508.0361, Government Code, is
17 repealed.

18 (b) Section 31.02, Chapter 1170, Acts of the 78th
19 Legislature, Regular Session, 2003, is repealed.

20 SECTION 11.23. (a) The governor shall appoint new members
21 to the Board of Pardons and Paroles on or before February 1, 2004,
22 and the terms of members serving on January 31, 2004, expire on the
23 appointment of the new members. The governor may, but is not
24 required to, appoint as new members persons who served on the board
25 before February 1, 2004.

26 (b) Of the new members of the Board of Pardons and Paroles,
27 the governor shall appoint two to serve terms expiring February 1,

1 2005, two to serve terms expiring February 1, 2007, and three to
2 serve terms expiring February 1, 2009. On the expiration of the
3 terms of the initial members of the new board, the term of a member
4 appointed by the governor is six years.

5 (c) On the effective date of this article, a rule of the
6 Board of Pardons and Paroles Policy Board is a rule of the Board of
7 Pardons and Paroles.

8 SECTION 11.24. It is the intent of the legislature that
9 members serving on the Board of Pardons and Paroles on May 1, 2003,
10 be offered the first opportunity to be hired as parole
11 commissioners employed under Chapter 508, Government Code, as
12 amended by this article.

13 ARTICLE 12. MEMBERS OF TEXAS VETERANS COMMISSION

14 SECTION 12.01. Section 434.003(c), Government Code, is
15 amended to read as follows:

16 (c) A person having a less than honorable discharge from
17 military service is not eligible to be a member. No two members may
18 reside in the same senatorial district[, ~~and not more than one~~
19 ~~member may be from a senatorial district composed of a single~~
20 ~~county~~].

21 ARTICLE 13. TRANSFER AND USE OF CERTAIN REAL PROPERTY

22 SECTION 13.01. Section 4, Chapter 38, General Laws, Acts of
23 the 35th Legislature, Regular Session, 1917, is amended to read as
24 follows:

25 Sec. 4: If any portion greater than one acre of said
26 property be used by said city for any purpose except public park and
27 recreational purposes and purposes incident thereto, title to said

1 property shall revert to the State of Texas free from all claims of
2 said city of Austin. Sections 253.001(b) and (d), Local Government
3 Code, Chapter 272, Local Government Code, Chapter 26, Parks and
4 Wildlife Code, any similar charter provision of said city, and any
5 use restriction imposed by this Act do not apply to the sale,
6 conveyance, or lease of a portion of said property to an owner of an
7 interest in adjoining property if the portion of said property is
8 less than one acre. A lease, sale, or conveyance of any interest in
9 land described by Section 1 or 2 of this Act shall be submitted to
10 the commissioner of the General Land Office for review and comment
11 before the completion of the transaction. If more than one portion
12 of said property is used for a purpose other than a purpose
13 described by Section 2 of this Act, the aggregate of those portions
14 of said property may not exceed one acre.

15 ARTICLE 14. CERTAIN GOVERNMENTAL CONTRACTS TO BE PERFORMED

16 IN NONATTAINMENT AREAS FOR NATIONAL AMBIENT AIR QUALITY STANDARDS

17 SECTION 14.01. Section 2155.451(a), Government Code, as
18 added by Section 19, Chapter 1331, Acts of the 78th Legislature,
19 Regular Session, 2003, is amended to read as follows:

20 (a) This section applies only to a contract to be performed,
21 wholly or partly, in a nonattainment area or in an affected county,
22 as those terms are [that term is] defined by Section 386.001, Health
23 and Safety Code.

24 SECTION 14.02. Section 271.907(b), Local Government Code,
25 as added by Section 20, Chapter 1331, Acts of the 78th Legislature,
26 Regular Session, 2003, is amended to read as follows:

27 (b) This section applies only to a contract to be performed,

1 wholly or partly, in a nonattainment area or in an affected county,
2 as those terms are [~~that term is~~] defined by Section 386.001, Health
3 and Safety Code.

4 SECTION 14.03. This article takes effect immediately if
5 this Act receives a vote of two-thirds of all the members elected to
6 each house, as provided by Section 39, Article III, Texas
7 Constitution. If this Act does not receive the vote necessary for
8 immediate effect, this article takes effect on the 91st day after
9 the last day of the legislative session.

10 ARTICLE 15. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM ASSETS

11 SECTION 15.01. Section 845.301(a), Government Code, as
12 amended by Chapter 1103, Acts of the 78th Legislature, Regular
13 Session, 2003, is amended to read as follows:

14 (a) The assets of the retirement system shall be invested
15 and reinvested without distinction as to their source in accordance
16 with Section 67, Article XVI, Texas Constitution. For purposes of
17 the investment authority of the board of trustees under Section 67,
18 Article XVI, Texas Constitution, "securities" means any investment
19 instrument within the meaning of the term as defined by Section 4,
20 The Securities Act (Article 581-4, Vernon's Texas Civil Statutes),
21 15 U.S.C. Section 77b(a)(1), or 15 U.S.C. Section 78c(a)(10).
22 Investment decisions are subject to the standard provided in the
23 Texas Trust Code by Section 117.004(b) [~~Sections 117.004(a)-(c)~~],
24 Property Code.

25 ARTICLE 16. PARTICIPATION OF CERTAIN GOVERNMENTAL EMPLOYEES
26 AND RETIREES IN CERTAIN GROUP BENEFIT PLANS

27 SECTION 16.01. Section 1551.102, Insurance Code, is amended

1 by adding Subsection (i) to read as follows:

2 (i) Subject to Section 1551.323, an individual and the
3 individual's dependents are eligible to participate in the group
4 benefits program as an annuitant and the dependents of an annuitant
5 if the individual:

6 (1) served in a position for which the individual was
7 eligible to participate in the group benefits program under Section
8 1551.101 on or before August 31, 2003; and

9 (2) at the time of retirement meets the requirements
10 for eligibility for participation in the program as an annuitant as
11 those requirements existed on August 31, 2003.

12 SECTION 16.02. Section 1551.111, Insurance Code, is amended
13 by adding Subsection (e) to read as follows:

14 (e) Subject to Section 1551.323, an individual and the
15 individual's dependents are eligible to participate in the group
16 benefits program as an annuitant and the dependents of an annuitant
17 as described under this section if the individual:

18 (1) served as an officer or employee as described by
19 Subsection (b)(1) on or before August 31, 2003; and

20 (2) at the time of retirement meets the requirements
21 for eligibility for participation in the program as an annuitant as
22 those requirements existed on August 31, 2003.

23 SECTION 16.03. Section 1551.112, Insurance Code, is amended
24 by adding Subsection (c) to read as follows:

25 (c) Subject to Section 1551.323, an individual and the
26 individual's dependents are eligible to participate in the group
27 benefits program as an annuitant and the dependents of an annuitant

1 as described under this section if the individual:

2 (1) served in a position described by Subsection (a)
 3 on or before August 31, 2003; and

4 (2) at the time of retirement meets the requirements
 5 for eligibility for participation in the program as an annuitant as
 6 those requirements existed on August 31, 2003.

7 SECTION 16.04. Subchapter G, Chapter 1551, Insurance Code,
 8 is amended by adding Section 1551.323 to read as follows:

9 Sec. 1551.323. COST OF CERTAIN ANNUITANTS. (a) An
 10 annuitant eligible to participate under Section 1551.102(i),
 11 1551.111(e), or 1551.112(c) is, except as provided by this
 12 subsection, required to pay the total cost, as determined by the
 13 board, attributable to the participation of that individual and the
 14 dependents of that individual until the date the individual is 65
 15 years of age. If the General Appropriations Act or other similar
 16 legislation addresses the payment of those costs, those costs shall
 17 be paid in the manner specified by that legislation.

18 (b) This section applies only to an individual who is
 19 eligible to participate as an annuitant under Section 1551.102(i),
 20 1551.111(e), or 1551.112(c) and who is not eligible to participate
 21 under another provision of Section 1551.102, 1551.111, or 1551.112.

22 SECTION 16.05. Section 1575.004, Insurance Code, as
 23 amended by Chapter 1231, Chapter 201, and Chapter 1276, Acts of the
 24 78th Legislature, Regular Session, 2003, is reenacted and amended
 25 to read as follows:

26 Sec. 1575.004. DEFINITION OF RETIREE. (a) In this chapter,
 27 "retiree" means:

1 (1) an individual not eligible for coverage under a
2 plan provided under Chapter 1551 or 1601 who:

3 (A) is at least 65 years of age and has taken a
4 service retirement under the Teacher Retirement System of Texas
5 with at least 10 years of service credit in the system, which may
6 include up to five years of military service credit, but which may
7 not include any other service credit purchased for equivalent or
8 special service credit [~~for actual service in public schools in~~
9 ~~this state~~]; [~~or~~]

10 (B) was employed in actual service in public
11 schools in this state during or before the 2003-2004 school year and
12 at the time of retirement meets the requirements for eligibility as
13 a retiree as those requirements existed on August 31, 2004;

14 (C) purchased equivalent or special service
15 credit, and:

16 (i) had that service credited on or before
17 August 31, 2003;

18 (ii) retires on or before August 31, 2009;

19 (iii) at the time of retirement, meets the
20 requirements for eligibility for the group program for coverage as
21 a retiree as those requirements existed on August 31, 2004,
22 including using up to five years of out-of-state service toward
23 retiree eligibility; and

24 (iv) has taken a service retirement under
25 the Teacher Retirement System of Texas without reduction for early
26 age;

27 (D) has taken a service retirement under the

1 Teacher Retirement System of Texas and who has at least 10 years of
2 service credit in the system, which may include up to [~~for actual~~
3 ~~public service in the public schools in this state or has at least~~
4 ~~five years of service credit for actual public service in the public~~
5 ~~schools in this state and has~~] five years of military service credit
6 but which may not include any other service credit purchased for
7 equivalent or special service credit [~~credited in the Teacher~~
8 ~~Retirement System of Texas~~], and the sum of the individual's age and
9 amount of service credit described by this paragraph [~~earned for~~
10 ~~service in the public schools of this state~~] equals or exceeds the
11 number 80; or

12 (E) has taken a service retirement under the
13 Teacher Retirement System of Texas on or before August 31, 2004, and
14 who is enrolled in the group program on August 31, 2004; or

15 (2) an individual who:

16 (A) has taken a disability retirement under the
17 Teacher Retirement System of Texas; and

18 (B) is entitled to receive monthly benefits from
19 the Teacher Retirement System of Texas.

20 (b) Each year of service credit in the system that an
21 individual would have received but for the individual's
22 participation in the deferred retirement option plan under
23 Subchapter I, Chapter 824, Government Code, is considered a year of
24 service credit solely for the purpose of meeting the definition of
25 "retiree" under Subsection (a)(1)(A) or (D).

26 (c) In this section, "public school" has the meaning
27 assigned by Section 821.001, Government Code.

1 SECTION 16.06. Section 1575.161(b), Insurance Code, as
2 added by Chapter 1231 and Chapter 201, Acts of the 78th
3 Legislature, Regular Session, 2003, is reenacted and amended to
4 read as follows:

5 (b) In addition to the enrollment periods authorized under
6 Subsection (a), a retiree who:

7 (1) is enrolled in the group program as of August 31,
8 2004, and who is 65 years of age or older on that date may select
9 coverage as described by Subsections (c) and (d) on September 1,
10 2004; [~~or~~]

11 (2) is enrolled in the group program as of August 31,
12 2004, and who is 65 years of age after that date may select coverage
13 as described by Subsections (c) and (d) on the date that the retiree
14 is 65 years of age; or

15 (3) enrolls in the group program on or after September
16 1, 2004, and who is 65 years of age or older on or after that date
17 may select coverage as described in Subsections (c) and (d) on the
18 date that the retiree is 65 years of age.

19 SECTION 16.07. Section 1575.161, Insurance Code, as added
20 by Chapter 213, Acts of the 78th Legislature, Regular Session,
21 2003, is redesignated as Section 1575.170, Insurance Code.

22 SECTION 16.08. Section 1575.211, Insurance Code, as added
23 by Chapter 1231 and Chapter 201, Acts of the 78th Legislature,
24 Regular Session, 2003, is amended by adding Subsection (c) to read
25 as follows:

26 (c) A retiree eligible to participate under Section
27 1575.004(a)(1)(B) is, except as provided by this subsection,

1 required to pay the total cost, as determined by the trustee,
2 attributable to the participation of that individual and the
3 dependents of that individual until the date the individual is
4 otherwise eligible under Section 1575.004. The General
5 Appropriations Act or other similar legislation may specify a
6 different allocation of total costs for retirees eligible to
7 participate under Section 1575.004(a)(1)(B) and the dependents of
8 those retirees. This subsection applies only to an individual who
9 is eligible to participate as an annuitant under Section
10 1575.004(a)(1)(B) and who is not otherwise eligible to participate
11 under another provision of Section 1575.004 at the time of
12 retirement.

13 SECTION 16.09. Subchapter E, Chapter 3, Insurance Code, is
14 amended by adding Article 3.50-8A to read as follows:

15 Art. 3.50-8A. ADMINISTRATION OF ACTIVE EMPLOYEE HEALTH
16 COVERAGE OR COMPENSATION SUPPLEMENTATION. (a) In administering
17 the program for active employee health coverage or compensation
18 supplementation established under Article 3.50-8 of this code
19 before September 1, 2004, in accordance with Article 3, Chapter
20 313, Acts of the 78th Legislature, Regular Session, 2003, each
21 year, the Teacher Retirement System of Texas, as trustee, shall
22 deliver to each school district, including a school district that
23 is ineligible for state aid under Chapter 42, Education Code, each
24 other education district that is a member of the Teacher Retirement
25 System of Texas, each participating charter school, and each
26 regional education service center, state funds in an amount, as
27 determined by the trustee, equal to:

1 (1) the product of the number of full-time active
 2 employees employed by the district, school, or service center,
 3 other than in the capacity of administrators, multiplied by \$500 or
 4 a greater amount as provided by the General Appropriations Act for
 5 purposes of Article 3.50-8 of this code; and

6 (2) the product of the number of part-time active
 7 employees employed by the district, school, or service center,
 8 other than in the capacity of administrators, multiplied by \$250 or
 9 a greater amount as provided by the General Appropriations Act for
 10 purposes of Article 3.50-8 of this code.

11 (b) An administrator of a district, charter school, or
 12 service center described by Subsection (a) of this article is not
 13 eligible to receive state funds under the program for active
 14 employee health coverage or compensation supplementation.

15 (c) For purposes of this article, an individual is an
 16 administrator of a district, charter school, or service center
 17 described by Subsection (a) of this article if:

18 (1) 50 or more percent of the individual's time is
 19 reported under any combination of the following role
 20 identifications in the Public Education Information Management
 21 System (PEIMS), or under any subsequently created role
 22 identifications that describe roles that are substantially similar
 23 to the ones identified in this subdivision:

24 (A) central administrators:

25 (i) assistant or associate superintendent
 26 (004);

27 (ii) instructional officer (central

1 office, 012);
2 (iii) superintendent, CAO, CEO, or
3 president (027);
4 (iv) teacher supervisor (central office,
5 028);
6 (v) vocational education coordinator
7 (central office, 032);
8 (vi) athletic director (central office,
9 040);
10 (vii) business manager (043);
11 (viii) tax assessor or collector (044);
12 (ix) director--personnel/human resources
13 (045); or
14 (x) registrar (central office, 055); or
15 (B) campus administrators:
16 (i) assistant principal (003);
17 (ii) instructional officer (not central
18 office, 012);
19 (iii) principal (020);
20 (iv) teacher supervisor (not central
21 office, 028);
22 (v) vocational education coordinator (not
23 central office, 032);
24 (vi) athletic director (not central office,
25 040); or
26 (vii) registrar (not central office, 055);
27 (2) the individual is employed by a regional education

1 service center and 50 or more percent of the individual's time is
2 reported under any combination of the following role
3 identifications in the Public Education Information Management
4 System (PEIMS), or under any subsequently created role
5 identifications that describe roles that are substantially similar
6 to the ones identified in this subdivision:

7 (A) executive director (60);

8 (B) assistant, associate, or deputy executive
9 director (61);

10 (C) component or department director (62); or

11 (D) coordinator, manager, or supervisor (63); or

12 (3) regardless of how the individual's time is
13 reported in the Public Education Information Management System
14 (PEIMS), 50 or more percent of the individual's time is in a role
15 that is substantially similar to a role described by Subdivision
16 (1) or (2) of this subsection, as determined by the reporting entity
17 or combination of entities.

18 (d) This article applies notwithstanding Section 2(a),
19 Article 3.50-8, of this code, as that subsection existed before
20 amendment by Chapter 313, Acts of the 78th Legislature, Regular
21 Session, 2003, or as that subsection was amended by Section 57,
22 Chapter 201, Acts of the 78th Legislature, Regular Session, 2003.

23 (e) Sections 2(b), (c), and (d), Article 3.50-8, of this
24 code, as those sections existed before amendment by Chapter 313,
25 Acts of the 78th Legislature, Regular Session, 2003, apply to the
26 delivery of state funds under Subsection (a) of this article.

27 (f) The terms used in this article have the meanings

1 assigned by Section 1, Article 3.50-8 of this code.

2 (g) This article expires September 1, 2004.

3 SECTION 16.10. (a) Except as otherwise provided by this
4 section, this article takes effect immediately if this Act receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 article takes effect on the 91st day after the last day of the
9 legislative session.

10 (b) Sections 16.05 and 16.08 of this article take effect
11 September 1, 2004.

12 ARTICLE 17. CLOSURE OF CERTAIN PROGRAMS ON LOW-PERFORMING
13 CAMPUSES

14 SECTION 17.01. Section 39.132(b), Education Code, as
15 amended by Chapter 342, Acts of the 78th Legislature, Regular
16 Session, 2003, is amended to read as follows:

17 (b) If a campus has been a low-performing campus for a
18 period of two consecutive years or more, the commissioner shall
19 order the closure of the district or charter program on the campus
20 or reconstitute the campus. In reconstituting the campus, a
21 special campus intervention team shall be assembled for the purpose
22 of deciding which educators may be retained at that campus. If an
23 educator is not retained, the educator may [~~shall~~] be assigned to
24 another position in the district.

25 [~~(1) the educator's employment with the school~~
26 ~~district may be terminated under Section 21.157, if applicable, or~~

27 [~~(2) the educator may be assigned to another position~~

1 ~~in the district.]~~

2 ARTICLE 18. PARTICIPATION IN STATE EMPLOYEE CHARITABLE CAMPAIGN

3 SECTION 18.01. A federation or organization that has
4 participated in the state employee charitable campaign authorized
5 by Subchapter I, Chapter 659, Government Code, is not barred from
6 participation in the program, both in terms of actual participation
7 and the purposes for which the contributions are used, solely as a
8 result of changes made in the law by Sections 35, 36, 37, and 121,
9 Chapter 1310, Acts of the 78th Legislature, Regular Session, 2003.
10 This section is not intended to excuse a federation or organization
11 from compliance with any other law, rule, or state policy.

12 ARTICLE 19. CERTAIN AGREEMENTS OF THE
13 TEXAS DEPARTMENT OF TRANSPORTATION

14 SECTION 19.01. Subchapter C, Chapter 201, Transportation
15 Code, is amended by adding Section 201.1055 to read as follows:

16 Sec. 201.1055. AGREEMENTS WITH PRIVATE ENTITIES.

17 Notwithstanding any other law, including Subchapter A, Chapter
18 2254, Government Code, Chapters 2165, 2166, and 2167, Government
19 Code, and Sections 202.052, 202.053, 203.051, 203.052, and 223.001
20 of this code, the department and a private entity that offers the
21 best value to the state may enter into an agreement that includes:

22 (1) both design and construction of a district office
23 headquarters facility located in a county with a population of 3.3
24 million or more;

25 (2) a lease of department-owned real property in a
26 district that includes a county with a population of 3.3 million or
27 more to the private entity;

1 (3) a provision authorizing the private entity to
2 construct and retain ownership of a building on property leased to
3 the entity under Subdivision (2); and

4 (4) a provision under which the department agrees to
5 enter into an agreement to lease with an option or options to
6 purchase a building constructed on property leased to the entity
7 under Subdivision (2).

8 ARTICLE 20. TAX EXEMPTION FOR CERTAIN

9 MEDICAL CENTER DEVELOPMENTS

10 SECTION 20.01. Section 11.23, Tax Code, is amended by
11 adding Subsection (j-1) to read as follows:

12 (j-1) Medical Center Development in Populous Counties. In a
13 county described by Section 201.1055(1), Transportation Code, all
14 real and personal property owned by a nonprofit corporation, as
15 defined in the Texas Non-Profit Corporation Act (Article 1396-1.01
16 et seq., Vernon's Texas Civil Statutes), and held for use in the
17 development or operation of a medical center area or areas in which
18 the nonprofit corporation has donated land for a state medical,
19 dental, or nursing school, and for other hospital, medical,
20 educational, or nonprofit uses and uses reasonably related thereto,
21 or for governmental or public purposes, including the relief of
22 traffic congestion, and not leased or otherwise used with a view to
23 profit, is exempt from all ad valorem taxation as though the
24 property were, during that time, owned and held by the state for
25 health and educational purposes. In connection with the
26 application or enforcement of a deed restriction or a covenant
27 related to the property, a use or purpose described in this

1 subsection shall also be considered to be a hospital, medical, or
2 educational use, or a use that is reasonably related to a hospital,
3 medical, or educational use.

4 SECTION 20.02. Section 11.43(c), Tax Code, as amended by
5 Chapter 407, Acts of the 78th Legislature, Regular Session, 2003,
6 is amended to read as follows:

7 (c) An exemption provided by Section 11.13, 11.17, 11.18,
8 11.182, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(h), ~~(j)~~, or
9 (j-1), 11.29, 11.30, or 11.31, once allowed, need not be claimed in
10 subsequent years, and except as otherwise provided by Subsection
11 (e), the exemption applies to the property until it changes
12 ownership or the person's qualification for the exemption changes.
13 However, the chief appraiser may require a person allowed one of the
14 exemptions in a prior year to file a new application to confirm the
15 person's current qualification for the exemption by delivering a
16 written notice that a new application is required, accompanied by
17 an appropriate application form, to the person previously allowed
18 the exemption.

19 SECTION 20.03. This article takes effect on the 91st day
20 after the last day of the legislative session and applies only to
21 the ad valorem taxation of property for a tax year that begins on or
22 after January 1, 2004.

23 ARTICLE 21. ALCOHOLIC BEVERAGE REGULATION

24 SECTION 21.01. Section 105.07(b), Alcoholic Beverage Code,
25 as added by Chapter 946, Acts of the 78th Legislature, Regular
26 Session, 2003, is amended to read as follows:

27 (b) Notwithstanding any other provision of this code, in

1 addition to any other period during which the sale and consumption
2 of alcohol is authorized under this code:

3 (1) a licensed or permitted premises located in a
4 sports venue may sell alcoholic beverages between 10 a.m. and noon;

5 ~~[(2) a licensed or permitted premises located in a
6 public entertainment facility that has provisions for overnight
7 camping may allow a person to bring an alcoholic beverage onto the
8 premises, consume the beverage on the premises, and remove the
9 beverage from the premises,] and~~

10 (2) ~~[(3)]~~ a person may consume alcoholic beverages at
11 a sports venue between 10 a.m. and noon.

12 SECTION 21.02. Section 28.13, Alcoholic Beverage Code, is
13 amended by adding Subsections (d) and (e) to read as follows:

14 (d) A mixed beverage permit may be issued under this section
15 to a boat regularly used for voyages in international waters
16 regardless of whether the sale of mixed beverages is lawful in the
17 area of the home port. A person having authority to deliver
18 alcoholic beverages to a mixed beverage permit holder in the county
19 where the licensed premises is located may deliver alcoholic
20 beverages purchased by the permit holder. Subsection (a)(2) does
21 not apply to this subsection.

22 (e) The provisions of Section 109.53 that relate to
23 residency requirements and compliance with Texas laws of
24 incorporation do not apply to the holders of a mixed beverage permit
25 under this section.

26 SECTION 21.03. Section 11.641(c), Alcoholic Beverage Code,
27 as added by Chapter 1223, Acts of the 78th Legislature, Regular

1 Session, 2003, is amended to read as follows:

2 (c) A civil penalty, including cancellation of a permit, may
3 not be imposed on the basis of a criminal prosecution in which the
4 defendant was found not guilty, the criminal charges were
5 dismissed, or there has not been final adjudication.

6 SECTION 21.04. (a) Section 32.03, Alcoholic Beverage Code,
7 is amended by adding Subsection (k) to read as follows:

8 (k) A private club registration permit may not be issued to
9 or maintained by a club for a premises located in a dry area if the
10 club operates a sexually oriented business, as defined by Section
11 243.002, Local Government Code, on the premises.

12 (b) Section 32.03(k), Alcoholic Beverage Code, as added by
13 this section, applies to a permit issued or renewed on or after the
14 effective date of this section. A permit issued or renewed before
15 the effective date of this section is governed by the law in effect
16 immediately before that date only until the first renewal date for
17 the permit that occurs on or after the effective date of this
18 section, and that law is continued in effect for that purpose.

19 SECTION 21.05. Section 28.13(c), Alcoholic Beverage Code,
20 is repealed.

21 SECTION 21.06. This article takes effect immediately if
22 this Act receives a vote of two-thirds of all the members elected to
23 each house, as provided by Section 39, Article III, Texas
24 Constitution. If this Act does not receive the vote necessary for
25 immediate effect, this article takes effect on the 91st day after
26 the last day of the legislative session.

27 ARTICLE 22. COMMISSIONED PEACE OFFICERS OF THE

TEXAS DEPARTMENT OF PUBLIC SAFETY

SECTION 22.01. Section 12.03, Article IX, Chapter 1330, Acts of the 78th Legislature, Regular Session, 2003 (the General Appropriations Act), is amended by adding Subsection (e) to read as follows:

(e) Regardless of the date on which an employee described by this subsection retires, the appropriation of the Department of Public Safety for fiscal year 2004 or 2005 may not be reduced under Subsection (a) of this section as the result of the retirement of a Department of Public Safety employee who is a commissioned peace officer and who retires as provided by Section 814.1051, Government Code, as added by Chapter 735, Acts of the 78th Legislature, Regular Session, 2003. The Department of Public Safety may use money that would otherwise have been reduced under Subsection (a) of this section only to comply with Rider 39 following the appropriation to the department. Lump-sum retirement incentive payments for employees of the Department of Public Safety who are commissioned peace officers and who retire as provided by Section 814.1051, Government Code, shall be paid in accordance with Subsections (b)(1) and (c) of this section.

ARTICLE 23. INTEGRITY AND DISCLOSURE IN THE
STATE TAX SYSTEM

SECTION 23.01. Chapter 321, Government Code, is amended by adding Section 321.0138 to read as follows:

Sec. 321.0138. REVIEW OF STATE TAX SETTLEMENTS AND OTHER DECISIONS. (a) This section applies to:

(1) a settlement of a claim for a tax, refund, or

1 credit of a tax, penalty, or interest imposed by Title 2, Tax Code;

2 (2) a settlement of a taxpayer suit under Chapter 112,
3 Tax Code; or

4 (3) any circumstance in which a taxpayer received a
5 warrant, offset, check, payment, or credit from the comptroller or
6 comptroller's office arising from the filing of a tax return with
7 the state.

8 (b) The state auditor and the committee shall review the
9 comptroller's records of all tax refunds, credits, payments,
10 warrants, offsets, checks, and settlements for the preceding six
11 years from the effective date of this section. The state auditor
12 and the committee may review the comptroller's records of all tax
13 refunds, credits, payments, warrants, offsets, checks, and
14 settlements that occur following the effective date of this
15 section. Notwithstanding any other law, in reviewing these tax
16 refunds, credits, payments, warrants, offsets, checks, and
17 settlements, the state auditor and the committee are entitled to
18 access to related information to the same extent they would be
19 entitled under Section 321.013 if the information were in a
20 department or entity that is subject to audit. In accordance with
21 Section 321.013(h), neither the state auditor nor the committee may
22 conduct audits of private entities concerning the collection or
23 remittance of taxes or fees to this state.

24 (c) Within six months following the effective date of this
25 section, the comptroller shall provide to the state auditor
26 information designated by the state auditor, after consultation
27 with the comptroller, relating to tax refunds, credits, payments,

1 warrants, offsets, checks, and settlements made in the past six
2 years as requested by the state auditor. Commencing February 1,
3 2004, on a monthly basis, the comptroller shall provide to the state
4 auditor information designated by the state auditor relating to tax
5 refunds, credits, payments, warrants, offsets, checks, and
6 settlements to which this section applies.

7 (d) A review by the state auditor under this section is
8 considered an audit for purposes of the application of Section
9 552.116, relating to confidentiality of audit working papers.
10 Information obtained or possessed by the state auditor or the
11 committee that is confidential under law when in the possession of
12 the comptroller remains confidential while in the possession of the
13 state auditor or committee, except as provided by Subsection (e).

14 (e) The committee shall determine the manner in which the
15 state auditor shall report information obtained pursuant to
16 Subsection (b). The report may include any information obtained
17 during the review, except that the report may not be formatted in a
18 manner or include any information that discloses or effectively
19 discloses the specific identity of an individual or taxpayer. The
20 report must state the information by category or by numeric
21 pseudonym and may include other information maintained by the Texas
22 Ethics Commission.

23 (f) Except as provided by Subsection (e), this section does
24 not affect any other law relating to confidentiality of information
25 relating to tax information, including Sections 111.006, 151.027,
26 and 171.206, Tax Code.

27 (g) This section does not affect any other law relating to

1 release of information for legislative purposes, including Section
2 552.008, Government Code.

3 SECTION 23.02. This article takes effect February 1, 2004.

4 ARTICLE 24. COMPTROLLER OF PUBLIC ACCOUNTS

5 SECTION 24.01. Section 403.0131, Government Code, is
6 amended to read as follows:

7 Sec. 403.0131. APPROPRIATION CERTIFICATION [~~SUMMARY~~]. (a)
8 Not later than the 10th day, excluding Sundays, after the date on
9 which an act making an appropriation is reported enrolled by the
10 house of origin, the comptroller shall complete the evaluation and
11 certification of the appropriation required by Section 49a(b),
12 Article III, Texas Constitution.

13 (b) As soon as practical after the comptroller certifies the
14 appropriations made by the legislature in a regular or special
15 session, the comptroller shall prepare a summary table that details
16 the basis for the certification of all major funds. The table must
17 be similar in format and detail to the summary tables of the major
18 fund estimates published in the comptroller's biennial revenue
19 estimate and must include the biennial appropriations from all
20 major funds. The comptroller shall deliver a copy of each table
21 prepared under this section to the governor, the lieutenant
22 governor, the speaker of the house of representatives, each member
23 of the legislature, and the Legislative Budget Board.

24 ARTICLE 25. PROMOTION PARTNERSHIP BETWEEN

25 THE TEXAS DEPARTMENT OF AGRICULTURE AND

26 CERTAIN COMMODITY PRODUCERS BOARDS

27 SECTION 25.01. Chapter 12, Agriculture Code, is amended by

1 adding Section 12.0176 to read as follows:

2 Sec. 12.0176. COOPERATION WITH CERTAIN COMMODITY PRODUCERS
3 BOARDS. (a) The department may, to the extent that resources are
4 available, enter into a cooperative agreement with a commodity
5 producers board to increase the effectiveness and efficiency of the
6 promotion of Texas agricultural products.

7 (b) A cooperative agreement may include:

8 (1) provisions relating to the programs instituted by
9 the department under this chapter and Chapter 46;

10 (2) provisions relating to board contributions for
11 promotional costs; and

12 (3) any other provisions the department and the board
13 consider appropriate.

14 (c) Funds contributed by a board under an agreement under
15 this section are not state funds.

16 SECTION 25.02. Section 41.002(1), Agriculture Code, is
17 amended to read as follows:

18 (1) "Agricultural commodity" means an agricultural,
19 horticultural, viticultural, or vegetable product, bees and honey,
20 planting seed, rice, livestock or livestock product, or poultry or
21 poultry product, produced in this state, either in its natural
22 state or as processed by the producer. The term does not include
23 flax [~~or cattle~~].

24 SECTION 25.03. Chapter 41, Agriculture Code, is amended by
25 adding Subchapter H to read as follows:

26 SUBCHAPTER H. TEXAS BEEF MARKETING, EDUCATION,
27 RESEARCH, AND PROMOTION

1 Sec. 41.151. DEFINITIONS. In this subchapter:

2 (1) "Beef products" means products produced in whole
3 or in part from beef. The term does not include milk or products
4 made from milk.

5 (2) "Board" means the board of directors of the Texas
6 Beef Council.

7 (3) "Council" means the Texas Beef Council.

8 (4) "Producer" means a person who owns or acquires
9 ownership of cattle, except that a person is not a producer if the
10 person's only share in the proceeds of a sale of cattle or beef is a
11 sales commission, handling fee, or other service fee.

12 Sec. 41.152. DECLARATION OF POLICY. (a) The legislature
13 intends that the promotion, marketing, research, and educational
14 efforts regarding beef and beef products under this subchapter use
15 existing cattle industry infrastructure to the extent possible.

16 (b) The council shall be recognized as the entity to plan,
17 implement, and operate research, education, promotion, and
18 marketing programs under this subchapter.

19 Sec. 41.153. ADMINISTRATIVE COSTS. The department may
20 recover costs for administration of this subchapter.

21 Sec. 41.154. ANNUAL REPORT. The council shall deliver to
22 the commissioner and the appropriate oversight committee in the
23 senate and house of representatives an annual report giving details
24 of its efforts to carry out the purposes of this subchapter.

25 Sec. 41.155. CONFLICT WITH GENERAL COMMODITY LAW
26 PROVISIONS. To the extent that the provisions of this subchapter
27 conflict with other provisions of this chapter, the provisions of

1 this subchapter prevail.

2 Sec. 41.156. BOARD MEMBERS. (a) The board is composed of
3 21 members appointed by the commissioner as follows:

4 (1) three representatives of the Texas and
5 Southwestern Cattle Raisers Association;

6 (2) three representatives of the Texas Cattle Feeders
7 Association;

8 (3) three representatives of the Texas Farm Bureau;

9 (4) two representatives of the Independent Cattlemen's
10 Association;

11 (5) two representatives of the Texas purebred cattle
12 industry;

13 (6) two representatives of the Texas dairy industry;

14 (7) two representatives of the Livestock Marketing
15 Association of Texas;

16 (8) one representative of meat packer and exporter
17 associations;

18 (9) one representative of Texas CattleWomen; and

19 (10) two at-large directors.

20 (b) A board member serves a one-year term.

21 (c) The commissioner shall fill a vacancy on the board by
22 appointment for the unexpired term.

23 Sec. 41.157. GENERAL POWERS OF COUNCIL. The council may
24 take action or exercise other authority as necessary to execute any
25 act authorized by this subchapter or the Texas Non-Profit
26 Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil
27 Statutes).

1 Sec. 41.158. DONATIONS. The council may accept gifts,
2 donations, and grants of money, including appropriated funds, from
3 state government, federal government, local governments, private
4 corporations, or other persons, to be used for the purposes of this
5 subchapter.

6 Sec. 41.159. BORROWING. The council may borrow money on
7 approval of the commissioner.

8 Sec. 41.160. ASSESSMENTS; APPLICABILITY OF OTHER LAW. (a)
9 The commissioner, on the recommendation of the council, shall
10 propose the maximum assessment in a referendum under Section
11 41.162.

12 (b) If an assessment referendum is approved, the council
13 shall collect the assessment.

14 (c) An assessment levied on producers may be applied to
15 efforts relating to the marketing, education, research, and
16 promotion of beef and beef products in Texas, the United States, and
17 international markets.

18 (d) Assessments collected by the council are not state funds
19 and are not required to be deposited in the state treasury.

20 (e) Section 41.083 applies to an assessment collected by the
21 council under this subchapter. Section 41.082 does not apply to an
22 assessment collected under this subchapter.

23 Sec. 41.161. FINANCIAL OVERSIGHT. (a) The commissioner
24 shall annually review and approve the council's operating budget.

25 (b) The commissioner and the state auditor at any time may
26 inspect the financial records of the council.

27 Sec. 41.162. CONDUCT OF REFERENDUM; BALLOTING. (a) On the

1 recommendation of the council, the commissioner shall conduct a
2 referendum authorized under this subchapter.

3 (b) Only a producer who has owned cattle in the last 12
4 months before the date of the referendum is eligible to vote in the
5 referendum.

6 (c) An eligible producer may vote only once in a referendum.

7 (d) Each producer's vote is entitled to equal weight
8 regardless of the producer's volume of production.

9 (e) A referendum is approved if a simple majority of votes
10 are cast in favor of the referendum.

11 (f) Individual voter information, including an individual's
12 vote in a referendum conducted under this section, is confidential
13 and not subject to disclosure under Chapter 552, Government Code.

14 (g) The council shall pay all expenses incurred in
15 conducting a referendum.

16 Sec. 41.163. RULES. The commissioner may adopt rules as
17 necessary to implement this subchapter, including rules relating
18 to:

19 (1) the auditing of the financial records of the
20 council;

21 (2) fidelity bonds required for certain council
22 employees;

23 (3) conflicts of interest;

24 (4) penalties; and

25 (5) a statewide referendum under Section 41.156.

26 Sec. 41.164. PENALTIES. (a) A person who violates this
27 subchapter or a rule adopted under this subchapter commits an

1 offense.

2 (b) An offense under this section is a Class C misdemeanor.

3 ARTICLE 26. LIABILITY OF MUNICIPAL HOSPITAL CONTRACTOR

4 SECTION 26.01. Sections 261.051 and 261.052, Health and
5 Safety Code, as added by Chapter 204, Acts of the 78th Legislature,
6 Regular Session, 2003, are amended to read as follows:

7 Sec. 261.051. DEFINITION. In this subchapter, "municipal
8 hospital management contractor" means a nonprofit corporation,
9 partnership, or sole proprietorship that manages or operates a
10 hospital or provides services under a contract with a municipality
11 or municipal hospital authority.

12 Sec. 261.052. LIABILITY OF A MUNICIPAL HOSPITAL MANAGEMENT
13 CONTRACTOR. A municipal hospital management contractor in its
14 management or operation of a hospital under a contract with a
15 municipality or a municipal hospital authority is considered a
16 governmental unit for purposes of Chapters 101, 102, and 108, Civil
17 Practice and Remedies Code, and any employee of the contractor is,
18 while performing services under the contract for the benefit of the
19 hospital, an employee of the municipality for the purposes of
20 Chapters 101, 102, and 108, Civil Practice and Remedies Code.

21 ARTICLE 27. PUBLIC INFORMATION

22 SECTION 27.01. Subchapter A, Chapter 552, Government Code,
23 is amended by adding Section 552.010 to read as follows:

24 Sec. 552.010. STATE GOVERNMENTAL BODIES: FISCAL AND OTHER
25 INFORMATION RELATING TO MAKING INFORMATION ACCESSIBLE. (a) Each
26 state governmental body shall report to the Texas Building and
27 Procurement Commission the information the commission requires

1 regarding:

2 (1) the number and nature of requests for information
3 the state governmental body processes under this chapter in the
4 period covered by the report; and

5 (2) the cost to the state governmental body in that
6 period in terms of capital expenditures and personnel time of:

7 (A) responding to requests for information under
8 this chapter; and

9 (B) making information available to the public by
10 means of the Internet or another electronic format.

11 (b) The Texas Building and Procurement Commission shall
12 design and phase in the reporting requirements in a way that:

13 (1) minimizes the reporting burden on state
14 governmental bodies; and

15 (2) allows the legislature and state governmental
16 bodies to estimate the extent to which it is cost-effective for
17 state government, and if possible the extent to which it is
18 cost-effective or useful for members of the public, to make
19 information available to the public by means of the Internet or
20 another electronic format as a supplement or alternative to
21 publicizing the information only in other ways or making the
22 information available only in response to requests made under this
23 chapter.

24 (c) The commission shall share the information reported
25 under this section with the open records steering committee.

26 ARTICLE 28. DEBT COLLECTION PRACTICES

27 SECTION 28.01. Section 392.304(a), Finance Code, as amended

1 by Chapter 851, Acts of the 78th Legislature, Regular Session,
2 2003, is amended to read as follows:

3 (a) Except as otherwise provided by this section, in debt
4 collection or obtaining information concerning a consumer, a debt
5 collector may not use a fraudulent, deceptive, or misleading
6 representation that employs the following practices:

7 (1) using a name other than the:

8 (A) true business or professional name or the
9 true personal or legal name of the debt collector while engaged in
10 debt collection; or

11 (B) name appearing on the face of the credit card
12 while engaged in the collection of a credit card debt;

13 (2) failing to maintain a list of all business or
14 professional names known to be used or formerly used by persons
15 collecting consumer debts or attempting to collect consumer debts
16 for the debt collector;

17 (3) representing falsely that the debt collector has
18 information or something of value for the consumer in order to
19 solicit or discover information about the consumer;

20 (4) failing to disclose clearly in any communication
21 with the debtor the name of the person to whom the debt has been
22 assigned or is owed when making a demand for money;

23 (5) in the case of a third-party debt collector,
24 failing to disclose, except in a formal pleading made in connection
25 with a legal action:

26 (A) that the communication [~~debt collector~~] is an
27 attempt [~~attempting~~] to collect a debt and that any information

1 obtained will be used for that purpose, if the communication is the
2 initial written or oral communication between the third-party debt
3 collector and [~~with~~] the debtor; or

4 (B) that the communication is from a debt
5 collector, if the communication is a subsequent written or oral
6 communication between the third-party debt collector and [~~with~~] the
7 debtor;

8 (6) using a written communication that fails to
9 indicate clearly the name of the debt collector and the debt
10 collector's street address or post office box and telephone number
11 if the written notice refers to a delinquent consumer debt;

12 (7) using a written communication that demands a
13 response to a place other than the debt collector's or creditor's
14 street address or post office box;

15 (8) misrepresenting the character, extent, or amount
16 of a consumer debt, or misrepresenting the consumer debt's status
17 in a judicial or governmental proceeding;

18 (9) representing falsely that a debt collector is
19 vouched for, bonded by, or affiliated with, or is an
20 instrumentality, agent, or official of, this state or an agency of
21 federal, state, or local government;

22 (10) using, distributing, or selling a written
23 communication that simulates or is represented falsely to be a
24 document authorized, issued, or approved by a court, an official, a
25 governmental agency, or any other governmental authority or that
26 creates a false impression about the communication's source,
27 authorization, or approval;

- 1 (11) using a seal, insignia, or design that simulates
2 that of a governmental agency;
- 3 (12) representing that a consumer debt may be
4 increased by the addition of attorney's fees, investigation fees,
5 service fees, or other charges if a written contract or statute does
6 not authorize the additional fees or charges;
- 7 (13) representing that a consumer debt will definitely
8 be increased by the addition of attorney's fees, investigation
9 fees, service fees, or other charges if the award of the fees or
10 charges is subject to judicial discretion;
- 11 (14) representing falsely the status or nature of the
12 services rendered by the debt collector or the debt collector's
13 business;
- 14 (15) using a written communication that violates the
15 United States postal laws and regulations;
- 16 (16) using a communication that purports to be from an
17 attorney or law firm if it is not;
- 18 (17) representing that a consumer debt is being
19 collected by an attorney if it is not; [~~ex~~]
- 20 (18) representing that a consumer debt is being
21 collected by an independent, bona fide organization engaged in the
22 business of collecting past due accounts when the debt is being
23 collected by a subterfuge organization under the control and
24 direction of the person who is owed the debt; or
- 25 (19) using any other false representation or deceptive
26 means to collect a debt or obtain information concerning a
27 consumer.

ARTICLE 29. TRAVEL SERVICES CONTRACTS

SECTION 29.01. Section 44.044, Education Code, as added by Chapter 482, Acts of the 78th Legislature, Regular Session, 2003, is repealed.

ARTICLE 30. FINANCIAL DISCLOSURE FOR BOARDS OF TRUSTEES OF CERTAIN
SCHOOL DISTRICTS

SECTION 30.01. Section 11.064, Education Code, as added by Chapter 249, Acts of the 78th Legislature, Regular Session, 2003, is amended by amending Subsections (a) and (c) and adding Subsections (a-1), (a-2), (a-3), and (a-4) to read as follows:

(a) The board of trustees [~~A trustee~~] of an independent school district by resolution adopted by majority vote may require each member of the board to [~~with an enrollment of at least 5,000 students shall~~] file the financial statement required of state officers under Subchapter B, Chapter 572, Government Code, with:

- (1) the board of trustees; and
- (2) the Texas Ethics Commission.

(a-1) Not later than the 15th day after the date a board of trustees adopts a resolution under Subsection (a), the board shall deliver a certified copy of the resolution to the Texas Ethics Commission.

(a-2) A resolution adopted under Subsection (a) applies beginning on January 1 of the second year following the year in which the resolution is adopted. A member of a board of trustees that has adopted a resolution under Subsection (a) is not required to include, in a financial disclosure statement under this section, financial activity occurring before January 1 of the year following

1 the year in which the resolution is adopted.

2 (a-3) The commissioner by order shall require the members of
3 the board of trustees of an independent school district to file the
4 financial statement required of state officers under Subchapter B,
5 Chapter 572, Government Code, in the same manner as the members of a
6 board of trustees that have adopted a resolution under Subsection
7 (a) if the commissioner determines that:

8 (1) a board member has failed to comply with filing and
9 recusal requirements applicable to the member under Chapter 171,
10 Local Government Code;

11 (2) the district financial accounting practices are
12 not adequate to safeguard state and district funds; or

13 (3) the district has not met a standard set by the
14 commissioner in the financial accountability rating system.

15 (a-4) The commissioner may require filing financial
16 statements under Subsection (a-3) covering not more than three
17 fiscal years and beginning on January 1 of the second year following
18 the date of the commissioner's order. A member of a board of
19 trustees subject to an order issued under Subsection (a-3) is not
20 required to include, in a financial disclosure statement subject to
21 this section, financial activity occurring before January 1 of the
22 year following the year in which the order is issued. The
23 commissioner may renew the requirement if the commissioner
24 determines that a condition described by Subsection (c) continues
25 to exist.

26 (c) A trustee serving in a school district that has adopted
27 a resolution under Subsection (a) or that is subject to an order

1 issued under Subsection (a-3) [~~subject to this section~~] commits an
2 offense if the trustee fails to file the statement required by the
3 resolution or order [~~this section~~]. An offense under this section
4 is a Class B misdemeanor.

5 SECTION 30.02. Section 6.08, Chapter 249, Acts of the 78th
6 Legislature, Regular Session, 2003, is repealed.

7 SECTION 30.03. This article takes effect immediately if
8 this Act receives a vote of two-thirds of all the members elected to
9 each house, as provided by Section 39, Article III, Texas
10 Constitution. If this Act does not receive the vote necessary for
11 immediate effect, this article takes effect on the 91st day after
12 the last day of the legislative session.

13 ARTICLE 31. AIRCRAFT POOLING BOARD

14 SECTION 31.01. (a) The Texas Department of Transportation
15 may enter into an interagency contract with the State Aircraft
16 Pooling Board. The existing interagency contract, as amended on
17 September 30, 2003, remains in effect until the governor, the
18 lieutenant governor, and the speaker of the house of
19 representatives have all approved a new interagency contract
20 entered into under this subsection.

21 (b) A new interagency contract entered into under this
22 section:

23 (1) must be for a term remaining in the biennium; and

24 (2) may only be terminated if:

25 (A) all parties have received at least 30 days'
26 notice of the proposed termination; and

27 (B) the governor, the lieutenant governor, and

1 the speaker of the house of representatives all consent to the
2 termination.

3 (c) The Texas Department of Transportation shall operate
4 under the interagency contract on a full cost recovery basis and may
5 not allow differential rates for any reason.

6 ARTICLE 32. JUDICIAL DISTRICTS

7 SECTION 32.01. Section 10, Chapter 1306, Acts of the 78th
8 Legislature, Regular Session, 2003, is amended by amending
9 Subsection (c) and adding Subsection (d) to read as follows:

10 (c) The [~~414th~~] 415th, [~~419th~~] 420th, 421st, and 422nd
11 judicial districts are created January 15, 2004 [~~September 1,~~
12 ~~2005~~].

13 (d) The 414th and 419th judicial districts are created
14 September 1, 2005.

15 SECTION 32.02. Section 11, Chapter 1306, Acts of the 78th
16 Legislature, Regular Session, 2003, is amended by amending
17 Subsection (c) and adding Subsection (d) to read as follows:

18 (c) Sections [~~2~~] 3, [~~6~~] 7, 8, and 9 of this Act take effect
19 January 15, 2004 [~~September 1, 2005~~].

20 (d) Sections 2 and 6 of this Act take effect September 1,
21 2005.

22 ARTICLE 33. SALE OR LEASE OF CERTAIN VACANT PUBLIC LAND

23 SECTION 33.01. Section 51.178(a), Natural Resources Code,
24 is amended to read as follows:

25 (a) A person may apply for good-faith-claimant status not
26 later than the 90th day after:

27 (1) the date of a final order by the commissioner

1 finding that a vacancy exists [~~at the time an application is filed~~
2 ~~under Section 51.176~~]; or

3 (2) the date of final judgment by a court that a
4 vacancy exists, if the commissioner does not find that a vacancy
5 exists [~~not later than the 60th day after the date notice of~~
6 ~~acceptance is published as required under Section 51.179(d)~~].

7 SECTION 33.02. The changes in law made by this article apply
8 only to a vacancy application existing or made on or after the
9 effective date of this Act.

10 ARTICLE 34. EFFECTIVE DATE

11 SECTION 34.01. Except as otherwise provided by this Act,
12 this Act takes effect on the 91st day after the last day of the
13 legislative session.

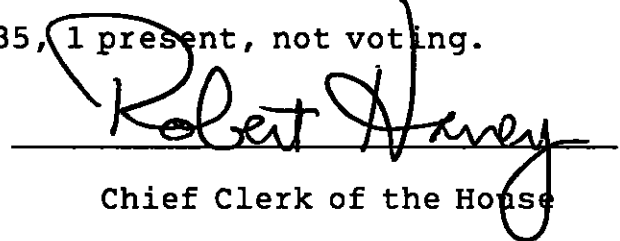


President of the Senate



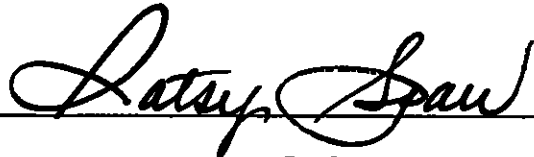
Speaker of the House

I certify that H.B. No. 7 was passed by the House on September 17, 2003, by a non-record vote; that the House refused to concur in Senate amendments to H.B. No. 7 on September 29, 2003, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 7 on October 12, 2003, by the following vote: Yeas 79, Nays 35, 1 present, not voting.



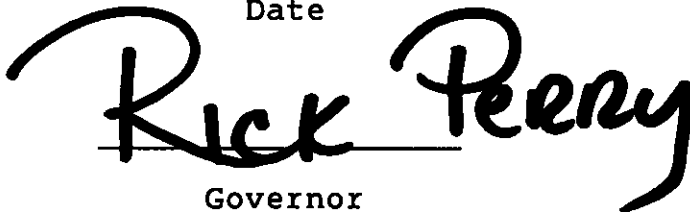
Chief Clerk of the House

I certify that H.B. No. 7 was passed by the Senate, with amendments, on September 25, 2003, by the following vote: Yeas 21, Nays 8; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 7 on October 10, 2003, by the following vote: Yeas 21, Nays 10.


Secretary of the Senate

APPROVED: 13 OCT 03

Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:55 pm O'CLOCK

OCT 13 2003

Secretary of State