AN ACT

relating to the provision of Internet services, including the use of TexasOnline and the establishment of an education Internet portal.

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

SECTION 1. Subsection (e), Section 2054.111, Government Code, is amended to read as follows:

(e) A state agency or local government that uses the project may charge a fee if:

(1) the fee is necessary to recover the actual costs directly and reasonably incurred by the agency or local government because of the project for:

(A) the use of electronic payment methods; or

(B) interfacing with other information technology systems;

(2) the fee does not include an amount to recover state agency or local government employee costs;

(3) the state agency or local government approves the amount of the fee using the state agency's or local government's standard approval process for fee increases;

(4) the chief financial officer for the state agency or local government certifies that the amount of the fee is necessary to recover the actual costs incurred because of the project; and
(5) [42] the authority approves the amount of the fee.

SECTION 2. Subchapter F, Chapter 2054, Government Code, is amended by adding Section 2054.1115 to read as follows:

Sec. 2054.1115. ELECTRONIC PAYMENTS ON TEXASONLINE. (a) A state agency or local government that uses TexasOnline may use electronic payment methods, including the acceptance of credit and debit cards, for point-of-sale, telephone, or mail transactions.

(b) The state agency or local government may charge a reasonable fee, as provided by Section 2054.111, to recover costs incurred through electronic payment methods used under this section.

SECTION 3. Section 2054.113, Government Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) A state agency may not duplicate an infrastructure component of TexasOnline unless the program management office approves the duplication. In this subsection, "infrastructure" does not include the development of applications, and the supporting platform, for electronic government projects.

(c) Before a state agency may contract with a third party for Internet application development that duplicates a TexasOnline function, the state agency must notify the TexasOnline Authority of its intent to bid for such services at the same time that others have the opportunity to bid. The program management office may exempt a state agency from this section if it determines the agency has fully complied with Section 2054.111.
SECTION 4. Section 2054.125, Government Code, is amended by adding Subsection (d) to read as follows:

(d) Each state agency that maintains a generally accessible Internet site shall include a link to TexasOnline on the front page of the Internet site.

SECTION 5. Subdivision (5), Section 2054.251, Government Code, as added by Chapter 342, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

(5) "Occupational license" means a license, certificate, registration, permit, or other form of authorization, including a renewal of the authorization, that:

(A) a person must obtain to practice or engage in a particular business, occupation, or profession; or

(B) a facility must obtain before a particular business, occupation, or profession is practiced or engaged in within the facility.

SECTION 6. Section 2054.251, Government Code, as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

Sec. 2054.251. DEFINITIONS. In this subchapter, "authority," "licensing entity," and "occupational" 

[(1)] "Licensing authority" means a department, commission, board, office, or other agency of the state or a political subdivision of the state that issues an occupational license.

[(2)] "Occupational license" have the meanings assigned those terms by Section 2054.251, as added by Chapter 342,
Acts of the 77th Legislature, Regular Session, 2001 [means a license, certificate, registration, or other form of authorization that a person must obtain to practice or engage in a particular business, occupation, or profession].

SECTION 7. Section 2054.252, Government Code, as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

Sec. 2054.252. APPLICABILITY. (a) The following licensing entities [authorities] shall participate in the system established under Section 2054.253, as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001:

(1) State Board of Barber Examiners;
(2) Texas Board of Chiropractic Examiners;
(3) Texas Cosmetology Commission;
(4) Court Reporters Certification Board;
(5) State Board of Dental Examiners;
(6) Texas Funeral Service Commission;
(7) Texas Board of Professional Land Surveying;
(8) Texas State Board of Medical Examiners;
(9) Board of Nurse Examiners;
(10) Board of Vocational Nurse Examiners;
(11) Texas Optometry Board;
(12) Texas Structural Pest Control Board;
(13) Texas State Board of Pharmacy;
(14) Executive Council of Physical Therapy and Occupational Therapy Examiners;
(15) Texas State Board of Plumbing Examiners;
(16) Texas State Board of Podiatric Medical Examiners;
(17) Board of Tax Professional Examiners;
(18) Polygraph Examiners Board;
(19) Texas State Board of Examiners of Psychologists;
(20) State Board of Veterinary Medical Examiners;
(21) Texas Real Estate Commission;
(22) Texas Appraiser Licensing and Certification Board; [and]
(23) Texas Department of Licensing and Regulation;
(24) Texas State Board of Public Accountancy;
(25) State Board for Educator Certification;
(26) Texas Board of Professional Engineers;
(27) Texas Department of Health;
(28) Texas Board of Architectural Examiners;
(29) Texas Racing Commission;
(30) Commission on Law Enforcement Officer Standards and Education; and
(31) Texas Commission on Private Security.

(b) The authority [comptroller] may add additional agencies as system capabilities are developed.

(c) A licensing entity [authority] other than an entity [authority] listed by Subsection (a) may participate in the system established under Section 2054.253, as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001, subject to the approval of the authority [department].

SECTION 8. Subsection (a), Section 2054.253, Government Code, as added by Chapter 342, Acts of the 77th Legislature, Regular
Session, 2001, is amended to read as follows:

(a) The authority consists of the comptroller, who serves ex officio, or the designee of the comptroller, and a board member who serves at the pleasure of the governor, and 15 members appointed by the governor, as follows:

(1) [a representative of each of the following state officers or agencies appointed by the state officer or the governing body of the agency:

(A) the comptroller, and

(B) the department,

(2)] three representatives of local governments appointed by the governor, including one representative from a junior college district;

(2) [three representatives of businesses that are regulated by a state agency or local government, appointed by the governor, including one representative from a rural area;

(3) [four representatives of state agencies, including an institution of higher education other than a junior college district, appointed by the governor, including one representative from a rural area; and

(4) five [three] public members appointed by the governor, including one representative from a rural area.

SECTION 9. Section 2054.253, Government Code, as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

Sec. 2054.253. ELECTRONIC SYSTEM FOR OCCUPATIONAL LICENSING TRANSACTIONS. (a) The authority [department] shall
administer a common electronic system using the Internet through which a licensing entity [authority] can electronically:

(1) send occupational licenses and other documents to persons regulated by the authority and to the public;

(2) receive applications for occupational licenses and other documents for filing from persons regulated by the authority and from the public, including documents that can be electronically signed if necessary; and

(3) receive required payments from persons regulated by the authority and from the public.

(b) The authority [department] may implement this section in phases. Each licensing entity [authority] that participates in the system established under this section shall comply with the schedule established by the authority [department].

(c) The authority [department] may use any Internet portal established under a demonstration project administered by the authority [department].

(d) The authority may exempt a licensing entity from participating in the system established by this section if the authority determines that:

(1) the licensing entity has established an Internet portal that allows the performance of the functions described by Subsection (a); or

(2) online license renewal for the licensing entity would not be cost-effective or in the best interest of the project [The department may contract with a private vendor to implement this section. A contract under this subsection is payable only from]
fees collected under Subsection (c)).

[(e) The department shall charge fees in amounts sufficient to cover the cost of implementing this section. The department may charge:

[(1) a transaction fee for each transaction performed on the system; and

[(2) a subscription fee to be paid by each licensing authority that participates in the system.]

SECTION 10. Subsections (a), (b), and (c), Section 2054.254, Government Code, as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001, are amended to read as follows:

(a) The steering committee for electronic occupational licensing transactions consists of a representative of each of the following, appointed by its governing body:

(1) each licensing entity [authority] listed by Section 2054.252(a), as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001; and

(2) the department.

(b) The governing body of a licensing entity [authority] described by Section 2054.252(c), as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001, may appoint a representative to the committee.

(c) A member of the committee serves at the will of the entity [authority] that appointed the member.

SECTION 11. Section 2054.255, Government Code, is amended to read as follows:

Sec. 2054.255. PRESIDING OFFICER. The governor shall
designate [member of the authority representing the department is] the presiding officer of the authority to serve at the pleasure of the governor.

SECTION 12. Section 2054.256, Government Code, is amended to read as follows:

Sec. 2054.256. MEETINGS. (a) The authority shall meet at least quarterly.

(b) The authority may hold an open or closed meeting by telephone conference subject to the requirements of Sections 551.125(c)-(f).

SECTION 13. Section 2054.259, Government Code, is amended to read as follows:

Sec. 2054.259. GENERAL POWERS AND DUTIES OF TEXASONLINE AUTHORITY. The authority shall:

(1) develop policies related to operation of the project;

(2) approve or disapprove [consider] services to be provided by the project;

(3) operate and promote the project;

(4) oversee [manage] contract performance for the project;

(5) comply with department financial requirements;

(6) oversee money generated for the operation and expansion of the project;

(7) develop project pricing policies, including policies regarding any fees that a state agency or local government may charge for a transaction that uses the project;
(8) evaluate participation in the project to determine if performance efficiencies or other benefits and opportunities are gained through project implementation;

(9) advise the department about the project; and

(10) coordinate with the department to receive periodic security audits of the operational facilities of the project.

SECTION 14. Subchapter I, Chapter 2054, Government Code, as added by Chapter 342, Acts of the 77th Legislature, Regular Session, 2001, is amended by adding Sections 2054.268 through 2054.271 to read as follows:

Sec. 2054.268. CONTRACTS; CONFLICT OF INTEREST. A contract entered into between the authority and another state agency or a local government is not void for the sole reason that a member of the authority also serves on the governing body of the state agency or local government with which the contract was entered.

Sec. 2054.269. INTELLECTUAL PROPERTY RIGHTS. The department may exercise all intellectual property rights regarding the project, including prevention of other persons from using names or designs similar to those used by the project to market products.

Sec. 2054.270. MOTOR VEHICLE REGISTRATIONS. For purposes of this chapter, the renewal of a motor vehicle registration is a state service.

Sec. 2054.271. AUTHENTICATION OF INDIVIDUAL IDENTITIES AND SIGNATURES; RULES. (a) The authority or another state agency or local government that uses TexasOnline may use the Department of Public Safety's or another state agency's database, as appropriate,
to authenticate an individual's identity on TexasOnline.

(b) The authentication allowed by this section may be used by the state agency or local government as an alternative to requiring a notarized document, a document signed by a third party, or an original signature on a document.

(c) The authority shall propose rules, which the board may adopt, regarding the use of a standardized database for authentication under this section.

SECTION 15. Subsections (d), (e), and (g), Section 2054.252, Government Code, as added by Chapter 342, Acts of the 77th Legislature, Regular Session, 2001, are amended to read as follows:

(d) The department [authority] may contract with a private vendor to implement this section.

(e) The authority shall charge fees to licensing entities in amounts sufficient to cover the cost of implementing this section with respect to licensing entities. The authority shall charge a subscription fee to be paid by each licensing entity. If the authority determines that the transaction costs exceed the maximum increase in occupational license issuance or renewal fees allowed under Subsection (g), the authority may also charge a reasonable convenience fee to be recovered from a license holder who uses the project for online issuance or renewal of a license.

(g) Each licensing entity shall increase the occupational license issuance or renewal fees imposed by the licensing entity by an amount sufficient to cover the cost of the subscription fee imposed on the licensing entity under Subsection (e) but not to exceed:
(1) $5 for an annual occupational license [that is required to be renewed annually]; [or]

(2) $10 for a biennial [an] occupational license; or

(3) the amount necessary to cover the cost of the subscription fee imposed on the licensing entity under Subsection (e) for permits or facilities licenses [that is required to be renewed biennially].

SECTION 16. Chapter 32, Education Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. EDUCATION INTERNET PORTAL

Sec. 32.151. DEFINITION. In this subchapter, "portal" means the education Internet portal required by this subchapter.

Sec. 32.152. EDUCATION INTERNET PORTAL; GENERAL PURPOSES.

(a) The agency, with assistance from the Department of Information Resources and with participation by the Texas Higher Education Coordinating Board, interested school districts, and interested persons in the private sector, shall establish and maintain an education Internet portal for use by school districts, teachers, parents, and students.

(b) The portal must serve as a single point of access to educational resources. In addition to any other purpose specified by this subchapter or any other educational purpose, the portal may be used to:

(1) alleviate inequities in access to educational resources by providing access to on-line courses;

(2) improve student academic performance by providing access to tutorial materials, instructional materials that have
been shown to improve academic performance, and other interactive materials, including materials that assess an individual student's knowledge and prepare the student for the administration of a standardized assessment instrument, including an assessment instrument administered under Section 39.023;

(3) provide school districts with access to administrative software and other electronic tools designed to promote administrative efficiency and intra-district communication;

(4) provide secure access to student assessment data;

or

(5) provide links to appropriate educational resources and experts available through the Internet.

Sec. 32.153. ADMINISTRATION. (a) The agency has responsibility for general administration and oversight of the portal and for approving the content of all information made available through the portal.

(b) The Department of Information Resources shall:

(1) host the portal through the project known as TexasOnline;

(2) organize the portal in a manner that simplifies portal use and administration;

(3) provide any necessary technical advice to the agency, including advice relating to equipment required in connection with the portal;

(4) provide a method for maintaining the information made available through the portal; and
(5) cooperate with the agency in linking the agency's Internet site to the portal.

(c) The Department of Information Resources may assist the agency with technical advice regarding contracting with vendors for services in connection with the portal.

(d) The joint advisory committee established under Section 61.077, or any successor to that committee with advisory responsibility for coordination between secondary and postsecondary education, shall serve in an advisory capacity to the agency and the Department of Information Resources in connection with functions relating to the portal.

Sec. 32.154. ON-LINE COURSES. (a) The agency may coordinate the identification and development of on-line courses made available through the portal. A course may not be made available through the portal unless the course is reviewed by the agency and approved by the commissioner.

(b) In coordinating, developing, and reviewing courses to be made available through the portal, the agency shall give priority to any course that is not readily available to students throughout the state and for which there is a critical need.

(c) A course made available through the portal must be aligned with state curriculum requirements under Section 28.002 and the essential knowledge and skills identified under that section.

(d) The agency may develop quality assurance criteria to be used by the agency in developing and reviewing courses made available through the portal. The criteria must include components relating to:
(1) course content;
(2) instructor qualifications;
(3) validity of assessment procedures;
(4) security features; and
(5) degree of interactivity.

Sec. 32.155. ON-LINE COURSE SCHOLARSHIPS. (a) Using funds available for that purpose, the agency may award a scholarship for the costs of an on-line course to a student who demonstrates that:

(1) the student has inequitable access to the course; and

(2) access to the course would improve the likelihood of the student's academic success.

(b) The commissioner may adopt criteria to be used in awarding scholarships under this section. The criteria must limit the availability of scholarships to students who:

(1) are enrolled in a public school on a full-time basis; or

(2) were enrolled in a public school on a full-time basis for at least three months during the preceding school year and indicate an intent to enroll in a public school on a full-time basis for at least three months during the school year for which the scholarship is offered.

Sec. 32.156. ON-LINE TEXTBOOKS. (a) The agency may develop and adopt strategies for making textbooks available through the portal or through other means in an electronic format as an alternative or supplement to traditional textbooks.

(b) In developing and adopting strategies under this
section, the agency shall seek to achieve a system under which a
student may, in addition to a traditional textbook, be provided
with secure Internet access to each textbook used by the student.

Sec. 32.157. SCHOOL DISTRICT ADMINISTRATIVE SOFTWARE AND
ELECTRONIC TOOLS. (a) The agency may:

(1) identify effective Internet-based administrative
software and other electronic tools that may be used by school
districts to improve district administrative functions; and

(2) pursue efforts to make that software and other
electronic tools available through the portal for use by school
districts on a voluntary basis.

(b) The agency may assist school districts in identifying
sources of funding that may be used by districts to pay any costs
associated with using administrative software and other electronic
tools available through the portal. To the extent that funds are
available to the agency, the agency may provide administrative
software and other electronic tools through the portal at no cost to
specific school districts selected by the agency based on
demonstrated need.

Sec. 32.158. STUDENT ASSESSMENT DATA. (a) The agency may
establish a secure, interoperable system to be implemented through
the portal under which school districts can readily access student
assessment data for use in developing strategies for improving
student performance.

(b) In establishing the system required by this section, the
agency shall seek to further the goal of providing school districts
with access to student performance information at the classroom
level.

Sec. 32.159. FEES. (a) The agency may charge school districts, teachers, parents, students, and other persons a reasonable fee for services or information provided through the portal.

(b) The total amount of fees charged under this section may not exceed the amount necessary to pay costs associated with the development, administration, and maintenance of the portal.

(c) An individual fee charged to a person under this section for a service or information may not exceed the amount that the person would be required to pay to obtain the service or information from a commercial source or through another means of access other than the portal.

(d) To the extent possible, the agency shall make services and information available through the portal at no cost to school districts, teachers, parents, students, and other persons.

Sec. 32.160. VENDOR PARTICIPATION. (a) The agency may seek proposals from private vendors for providing on-line courses or other materials or services through the portal in accordance with this subchapter. A vendor may not provide an on-line course or other material or service through the portal without approval by the agency.

(b) The agency may require a vendor, as a condition of approval of the vendor's proposal, to:

(1) pay:

(A) all or part of the costs of providing the on-line course or other material or service;
(B) an access fee to be used by the agency in paying the general costs of maintaining the portal; or

(C) both the amounts described by Paragraphs (A) and (B); and

(2) if applicable, provide on-line course scholarships to students in accordance with criteria adopted by the commissioner.

Sec. 32.161. FUNDING. (a) The agency may not use general revenue funds to pay the costs of developing, administering, and maintaining the portal. The agency may use amounts available to the agency from:

(1) gifts, grants, or donations;

(2) vendor payments described by Section 32.160(b); or

(3) arrangements with nonprofit or private entities approved by the agency.

(b) To the extent possible considering other statutory requirements, the commissioner and agency shall encourage the use of textbook funds and technology allotment funds under Section 31.021(b)(2) in a manner that facilitates the development and use of the portal.

Sec. 32.162. STATEWIDE LICENSING AND CONTRACTING. As appropriate to promote the availability through the portal of services and information specified by this subchapter at no cost to users or at a reasonable cost, the agency may negotiate statewide licenses or discounts with software vendors and other persons offering applications that are suitable for use through the portal.

Sec. 32.163. OUTREACH AND TRAINING. (a) The agency may
conduct outreach activities to provide information regarding the portal to school districts, teachers, parents, and students.

(b) The agency may provide training to school districts and teachers in use of the portal. Training in use of the portal may be made available to parents and students by the agency or school districts, as determined by commissioner rule.

SECTION 17. Section 2054.2645, Government Code, is repealed.

SECTION 18. (a) Not later than November 1, 2003, the governor shall appoint the additional public members to serve on the TexasOnline Authority, as required by Subsection (a), Section 2054.253, Government Code, as added by Chapter 342, Acts of the 77th Legislature, Regular Session, 2001, and as amended by this Act. One public member's term shall expire on February 1, 2005, and the other public member's term shall expire on February 1, 2007.

(b) Not later than November 1, 2003, the governor shall appoint a member of the governing board of the Department of Information Resources to serve on the TexasOnline Authority, as required by Subsection (a), Section 2054.253, Government Code, as added by Chapter 342, Acts of the 77th Legislature, Regular Session, 2001, and as amended by this Act. The member's term shall expire on February 1, 2009.

SECTION 19. The Department of Information Resources shall, in cooperation with the secretary of state, study the feasibility of providing notary public services on the Internet. If the department and the secretary of state determine the feasibility to be sound, the department shall make recommendations not later than
January 1, 2005, to the 79th Legislature regarding legislation to implement notary public services on the Internet.

SECTION 20. Not later than January 1, 2005, the Texas Education Agency shall submit a report to the legislature that contains recommendations for maximizing the benefits of providing access to textbooks or other educational materials through the Internet using the education Internet portal required by Subchapter D, Chapter 32, Education Code, as added by this Act.

SECTION 21. The Texas Education Agency and the Department of Information Resources shall coordinate agency and department activities in implementing Subchapter D, Chapter 32, Education Code, as added by this Act, with relevant ongoing activities relating to modification of the Public Education Information Management System (PEIMS) and other systems necessary to conform state educational reporting processes with educational reporting requirements imposed by federal law.

SECTION 22. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.
David Dewhurst  
President of the Senate

Jim Craddick  
Speaker of the House

I hereby certify that S.B. No. 1152 passed the Senate on May 1, 2003, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 31, 2003, by the following vote: Yeas 30, Nays 0.

Nate Mond  
Secretary of the Senate

I hereby certify that S.B. No. 1152 passed the House, with amendments, on May 28, 2003, by the following vote: Yeas 142, Nays 0, two present not voting.

Robert Haney  
Chief Clerk of the House

Approved:

20 JUN 03  
Date

Rick Perry  
Governor

Filed in the office of the Secretary of State
8:30 a.m., O'Clock

June 20, 2003  
Secretary of State