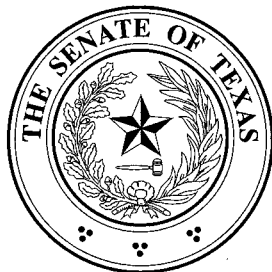


JOURNAL
OF THE
SENATE

REGULAR SESSION
OF THE
EIGHTY-THIRD LEGISLATURE
OF THE
STATE OF TEXAS

Convened January 8, 2013

Adjourned May 27, 2013



VOLUME III

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Lourdes L. Guerra, Assistant

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Cathy Criss
Bonnie Michelle Hill
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SENATE JOURNAL

EIGHTY-THIRD LEGISLATURE — REGULAR SESSION

AUSTIN, TEXAS

PROCEEDINGS

SIXTY-FIRST DAY
(Friday, May 17, 2013)

The Senate met at 10:07 a.m. pursuant to adjournment and was called to order by Senator Eltife.

The roll was called and the following Senators were present: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

The Presiding Officer announced that a quorum of the Senate was present.

Pastor Mark Denison, First Baptist Church, Conroe, was introduced by Senator Williams and offered the invocation as follows:

Our loving and generous Father, we step into Your presence today with a sense of awe and reverence. We know that You care uniquely about the affairs of our world, country, and state. We pray for Your divine inspiration and leadership for those in national office. But today we especially lift up our state government and this great body in particular. For our State Senators, we pray for an unusual endowment of insight and wisdom as they wrestle with difficult issues in difficult times. May they seek You in every decision. Give to them a fresh vision and unity of purpose. Forgive us for the mistakes of the past, and may Your light guide our steps of tomorrow. Now, may Your richest blessings fall upon the great State of Texas, her leaders, and her citizens. Thank You for the opportunities of this day to lead, inspire, work together, and to follow Your will. We offer this prayer in the name of Christ, our savior and lord. Amen.

Senator Whitmire moved that the reading of the Journal of the proceedings of the previous day be dispensed with and the Journal be approved as printed.

The motion prevailed without objection.

PHYSICIAN OF THE DAY

Senator Zaffirini was recognized and presented Dr. Vip Mangalick of San Marcos as the Physician of the Day.

The Senate welcomed Dr. Mangalick and thanked him for his participation in the Physician of the Day program sponsored by the Texas Academy of Family Physicians.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Friday, May 17, 2013 - 1

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

SB 112 Lucio Sponsor: Smithee
Relating to a requirement for and the contents of a declarations page required for certain standard insurance policy forms for residential property insurance.
(Committee Substitute)

SB 123 Rodríguez Sponsor: Márquez
Relating to the authority of the commissioner of education to issue subpoenas and conduct accreditation investigations.
(Amended)

SB 215 Birdwell Sponsor: Anchia
Relating to the continuation and functions of the Texas Higher Education Coordinating Board, including related changes to the status and functions of the Texas Guaranteed Student Loan Corporation.
(Committee Substitute/Amended)

SB 270 Seliger Sponsor: Herrero
Relating to a limited exception to the prohibition on releasing personal information about a juror collected during the jury selection process in certain cases.
(Amended)

SB 357 Hinojosa Sponsor: Anchia
Relating to the issuance of protective orders for certain sexual, stalking, and trafficking offenses.
(Amended)

SB 462 Huffman Sponsor: Lewis
Relating to specialty court programs in this state.
(Committee Substitute)

SB 673 Carona Sponsor: Smith
Relating to the requirements for elevators, escalators, and related equipment; providing penalties.
(Committee Substitute/Amended)

- SB 700** Hegar Sponsor: Kacal
Relating to energy and water management planning and reporting by state agencies and institutions of higher education.
(Committee Substitute/Amended)
- SB 734** Carona Sponsor: Smithee
Relating to the licensing of captive insurance companies; authorizing fees and authorizing and imposing taxes.
(Committee Substitute/Amended)
- SB 1367** Duncan Sponsor: Smithee
Relating to abolishing the Texas Health Insurance Pool.
(Committee Substitute)
- SB 1372** Hinojosa Sponsor: King, Phil
Relating to timeshare owners' associations.
(Amended)

Respectfully,
/s/Robert Haney, Chief Clerk
House of Representatives

MESSAGE FROM THE HOUSE

HOUSE CHAMBER
Austin, Texas
Friday, May 17, 2013 - 2

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

- HCR 120** Smithee
Honoring Conquer Chiari for its efforts in behalf of those with Chiari Malformation.
- HCR 121** Gutierrez
Declaring May 15, 2013, as Ramon Ayala Day at the State Capitol.
- HCR 122** Zerwas
Designating September 23, 2013, as Restless Legs Syndrome–Willis-Ekbom Disease Awareness Day in Texas.
- HCR 125** Martinez Fischer
Congratulating the Honorable Charlie Gonzalez on his retirement from the United States House of Representatives.
- HCR 126** Márquez
Paying tribute to the life of World War II veteran Juan C. Marquez of El Paso and commemorating the posthumous presentation of his military awards.

- HCR 129** Menéndez
In memory of U.S. Army Sergeant Joshua C. Michael of Converse.
- HCR 130** Menéndez
In memory of United States Navy Seaman Benjamin D. Rast.
- HCR 131** Menéndez
In memory of Robert Mitchell Wilson of Arlington.
- HCR 132** Menéndez
In memory of U.S. Army Private First Class Genaro Bedoy of Amarillo.
- HCR 133** Menéndez
In memory of U.S. Marine Corps Major Nathan W. Anderson of Amarillo.
- HCR 134** Menéndez
In memory of U.S. Navy Petty Officer Third Class Clayton R. Beauchamp of Weatherford.
- HCR 135** Menéndez
In memory of U.S. Army Staff Sergeant Nicholas P. Bellard of El Paso.
- HCR 136** Menéndez
In memory of U.S. Army Sergeant Robert John Billings of Amarillo.
- HCR 137** Menéndez
In memory of U.S. Army Staff Sergeant Scott H. Burgess of Franklin.
- HCR 138** Menéndez
In memory of U.S. Army Sergeant John P. Castro of Andrews.
- HCR 139** Menéndez
In memory of U.S. Marine Corps Lance Corporal John F. Farias of New Braunfels.
- HCR 140** Menéndez
In memory of U.S. Army Chief Warrant Officer Bradley J. Gaudet of Gladewater.
- HCR 141** Menéndez
In memory of U.S. Marine Corps Lance Corporal Mark R. Goyet of Sinton.
- HCR 142** Menéndez
In memory of U.S. Army Specialist Alex Hernandez III of Round Rock.
- HCR 143** Menéndez
In memory of U.S. Marine Corps Private First Class Josue Ibarra of Midland.
- HCR 144** Menéndez
In memory of U.S. Army Sergeant Adam Huckstep-La Porte of Round Rock.
- HCR 145** Menéndez
In memory of U.S. Army Sergeant Tanner S. Higgins of Yantis.
- HCR 146** Menéndez
In memory of U.S. Army Specialist Kurt W. Kern of McAllen.

- HCR 147** Menéndez
In memory of U.S. Army Private Andrew M. Krippner of Garland.
- HCR 148** Menéndez
In memory of U.S. Army Staff Sergeant Roberto Loeza of El Paso.
- HCR 149** Menéndez
In memory of U.S. Army Staff Sergeant Mecolus C. McDaniel of Fort Hood.
- HCR 150** Menéndez
In memory of U.S. Army Sergeant Enrique Mondragon of The Colony.
- HCR 151** Menéndez
In memory of U.S. Army Sergeant James M. Darrough of Austin.
- HCR 152** Menéndez
In memory of U.S. Air Force Captain Nathan J. Nylander of Hockley.
- HCR 153** Menéndez
In memory of U.S. Army Lieutenant Colonel David E. Cabrera of Abilene.
- HCR 154** Menéndez
In memory of U.S. Army Sergeant Joshua D. Powell of Quitman.
- HCR 155** Menéndez
In memory of U.S. Army Master Sergeant Charles L. Price III of Milam.
- HCR 156** Menéndez
In memory of U.S. Army Private First Class Joel A. Ramirez of Waxahachie.
- HCR 157** Menéndez
In memory of U.S. Army Chief Warrant Officer 2 Thalia S. Ramirez of San Antonio.
- HCR 158** Menéndez
In memory of U.S. Army Second Lieutenant Clovis T. Ray of San Antonio.
- HCR 159** Menéndez
In memory of U.S. Army Sergeant Paul A. Rivera of Round Rock.
- HCR 160** Menéndez
In memory of U.S. Army Sergeant Rodolfo Rodriguez, Jr., of Pharr.
- HCR 161** Menéndez
In memory of U.S. Marine Corps Lance Corporal Benjamin W. Schmidt of San Antonio.
- HCR 162** Menéndez
In memory of U.S. Marine Corps Staff Sergeant Jeremy D. Smith of Arlington.
- HCR 163** Menéndez
In memory of U.S. Army Master Sergeant Benjamin A. Stevenson of Canyon Lake.
- HCR 164** Menéndez
In memory of U.S. Army Sergeant Steven L. Talamantez of Laredo.

- HCR 165** Menéndez
In memory of U.S. Army First Lieutenant Robert F. Welch III of Denton.
- HCR 166** Menéndez
In memory of U.S. Marine Corps Sergeant Wade D. Wilson of Normangee.
- HCR 167** Menéndez
In memory of U.S. Army First Lieutenant Andres Zermeno of San Antonio.
- HCR 168** Menéndez
In memory of U.S. Army Staff Sergeant Estevan Altamirano of Edcouch.
- HCR 169** Menéndez
In memory of U.S. Army First Sergeant Russell R. Bell of Tyler.
- HCR 170** Menéndez
In memory of U.S. Army Staff Sergeant Jeremie S. Border of Mesquite.
- HCR 171** Menéndez
In memory of U.S. Navy Culinary Specialist Second Class Milton W. Brown of Dallas.
- HCR 172** Menéndez
In memory of U.S. Army Specialist Charles J. Wren of Beeville.
- HCR 173** Menéndez
In memory of U.S. Army First Lieutenant Dustin D. Vincent of Mesquite.
- HCR 174** Menéndez
In memory of U.S. Navy Petty Officer Second Class Jorge Luis Velasquez of Houston.
- HCR 175** Menéndez
In memory of U.S. Army Staff Sergeant Houston M. Taylor of Hurst.
- HCR 176** Menéndez
In memory of U.S. Army Sergeant First Class Riley G. Stephens of Tolar.
- HCR 177** Menéndez
In memory of U.S. Army Specialist Riley S. Spaulding of Sheridan.
- HCR 178** Menéndez
In memory of U.S. Army Sergeant Glenn M. Sewell of Live Oak.
- HCR 179** Menéndez
In memory of U.S. Army Specialist Philip C. S. Schiller of The Colony.
- HCR 180** Menéndez
In memory of U.S. Army Specialist Michael C. Roberts of Watauga.
- HCR 181** Menéndez
In memory of U.S. Army Corporal Juan Pantoja Navarro of Austin.
- HCR 182** Menéndez
In memory of U.S. Army Private First Class Anthony M. Nunn of Burnet.

- HCR 183** Menéndez
In memory of U.S. Army Private First Class Cody R. Norris of Houston.
- HCR 184** Menéndez
In memory of U.S. Army Staff Sergeant Nelson D. Trent of Austin.
- HCR 185** Menéndez
In memory of U.S. Army Chief Warrant Officer 2 Jose L. Montenegro, Jr., of Houston.
- HCR 186** Menéndez
In memory of U.S. Army Sergeant Jacob Molina of Houston.
- HCR 187** Menéndez
In memory of U.S. Navy Special Warfare Operator Chief Petty Officer Stephen Matthew Mills of Fort Worth.
- HCR 188** Menéndez
In memory of U.S. Army Staff Sergeant Kashif M. Memon of Houston.
- HCR 189** Menéndez
In memory of U.S. Navy Petty Officer Brian K. Lundy of Austin.
- HCR 190** Menéndez
In memory of U.S. Marine Corps Corporal Joseph D. Logan of Willis.
- HCR 191** Menéndez
In memory of U.S. Army Private First Class Payton A. Jones of Marble Falls.
- HCR 192** Menéndez
In memory of U.S. Army Sergeant John E. Hansen of Austin.
- HCR 193** Menéndez
In memory of U.S. Marine Corps Staff Sergeant Joseph H. Fankhauser of Mason.
- HCR 194** Menéndez
In memory of U.S. Army Specialist Krystal M. Fitts of Houston.
- HCR 195** Menéndez
In memory of U.S. Army Private First Class Jesse W. Dietrich of Venus.
- HCR 196** Menéndez
In memory of U.S. Army Private First Class David A. Drake of Lumberton.
- SB 109** West Sponsor: Dutton
Relating to a housing plan developed and certain housing information collected and reported by the Texas Department of Housing and Community Affairs.
- SB 152** Nelson Sponsor: Kolkhorst
Relating to the protection and care of persons who are elderly or disabled or who are children.
- SB 222** Watson Sponsor: Dukes
Relating to the venue for prosecution of certain computer crimes.

- SB 246** West Sponsor: Harper-Brown
Relating to the electronic submission of a request for an attorney general opinion.
- SB 286** Hinojosa Sponsor: Bonnen, Greg
Relating to a home loan program operated by the Texas State Affordable Housing Corporation.
- SB 344** Whitmire Sponsor: Turner, Sylvester
Relating to the procedure for an application for a writ of habeas corpus based on relevant scientific evidence.
- SB 394** West Sponsor: Herrero
Relating to restricting access to records of children convicted of or receiving deferred disposition for certain fine-only misdemeanors.
- SB 395** West Sponsor: Herrero
Relating to fines and court costs imposed on a child in a criminal case.
- SJR 18** Carona Sponsor: Villarreal
Proposing a constitutional amendment to authorize the making of a reverse mortgage loan for the purchase of homestead property and to amend certain requirements in connection with a reverse mortgage loan.
- SJR 42** Huffman Sponsor: Dutton
Proposing a constitutional amendment relating to expanding the types of sanctions that may be assessed against a judge or justice following a formal proceeding instituted by the State Commission on Judicial Conduct.

THE HOUSE HAS CONCURRED IN THE SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

- HB 15** (137 Yeas, 0 Nays, 2 Present, not voting)
- HB 86** (144 Yeas, 0 Nays, 2 Present, not voting)
- HB 243** (142 Yeas, 0 Nays, 2 Present, not voting)
- HB 248** (132 Yeas, 5 Nays, 3 Present, not voting)
- HB 617** (93 Yeas, 48 Nays, 3 Present, not voting)
- HB 798** (140 Yeas, 0 Nays, 2 Present, not voting)
- HB 857** (139 Yeas, 4 Nays, 2 Present, not voting)
- HB 915** (140 Yeas, 0 Nays, 2 Present, not voting)
- HB 944** (140 Yeas, 2 Nays, 2 Present, not voting)
- HB 1272** (143 Yeas, 0 Nays, 2 Present, not voting)
- HB 1711** (141 Yeas, 0 Nays, 2 Present, not voting)
- HB 1762** (141 Yeas, 0 Nays, 2 Present, not voting)
- HB 1818** (143 Yeas, 0 Nays, 2 Present, not voting)
- HB 1917** (133 Yeas, 8 Nays, 3 Present, not voting)
- HB 2302** (141 Yeas, 0 Nays, 2 Present, not voting)
- HB 2462** (139 Yeas, 2 Nays, 2 Present, not voting)

HB 2683 (142 Yeas, 0 Nays, 2 Present, not voting)

HB 3559 (142 Yeas, 0 Nays, 2 Present, not voting)

THE HOUSE HAS REFUSED TO CONCUR IN THE SENATE AMENDMENTS TO THE FOLLOWING MEASURES AND REQUESTS THE APPOINTMENT OF A CONFERENCE COMMITTEE TO ADJUST THE DIFFERENCES BETWEEN THE TWO HOUSES:

HB 1160 (non-record vote)

House Conferees: Geren - Chair/Frullo/Kuempel/Paddie/Schaefer

HB 1768 (non-record vote)

House Conferees: Canales - Chair/Larson/Lucio III/Nevárez/Rodriguez, Justin

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

SENATE RESOLUTION 973

Senator Whitmire, on behalf of Senator Eltife, offered the following resolution:

WHEREAS, The Texas Senate is honored to pay tribute to one of its most distinguished members, Judith Zaffirini, on the grand occasion of her 50,000th consecutive vote in the Senate; and

WHEREAS, Senator Zaffirini's many attributes have long been appreciated by her colleagues, and today is an occasion to recognize one quality that has consistently stood out during her lengthy and exceptional service in the legislature—her extraordinary work ethic; and

WHEREAS, A member of the Texas Senate since 1987, Senator Zaffirini is the longest-serving woman in the Senate and the second-highest-ranking senator; she is noted for her impeccable attendance and voting records; throughout her years of service, she has worked diligently to alleviate the problems of persons with mental illness and of senior citizens, and as an experienced educator, she has brought her considerable knowledge to bear on countless educational issues; and

WHEREAS, The first Hispanic woman to serve in the Texas Senate, she has represented District 21 with distinction; she is the senior senator for South Texas, Central Texas, and the border region, and she has skillfully represented a constituency of diverse citizenry and multifaceted needs; in 2012, she was reelected in an eighth landslide victory; and

WHEREAS, During her tenure in the Senate, she has served as President Pro Tempore and has been honored as Governor for a Day; she has served as chair of the Committee on Health and Human Services and of the Committee on Higher Education, and she is currently chair of the Committee on Government Organization; and

WHEREAS, Over the course of her career, Senator Zaffirini has sponsored and passed more than 700 bills and was cosponsor of several hundred additional bills; to help others, particularly freshman senators, to master the complexities of the Senate, she writes a Presiding Guide handbook each session that memorializes the procedures

and language for passing bills and for presiding over Senate committees; she attributes much of her success in the Texas Senate to lessons learned from the Ursuline nuns, particularly her punctuality and reverence for decorum; and

WHEREAS, She has received more than 670 awards and honors for her legislative, public service, and professional work; she has been named Legislator of the Year by numerous organizations and has four times been named one of the 10 Best Legislators by *Texas Monthly*; she is a Distinguished Alumna of The University of Texas at Austin, where she earned her bachelor's, master's, and doctoral degrees; she is also an award-winning communications specialist, a public servant who is deeply devoted to her family and to helping the families of Texas, and one of the 100 Most Influential Hispanics listed by *Hispanic Business* magazine; and

WHEREAS, A senator whose unquestionable loyalty to the Senate body has earned her the highest regard of those with whom she serves, she is also noted for performing her duties with the utmost faithfulness and trustworthiness on behalf of her constituents, and she has long held not only her constituents' enduring respect but also the esteem of citizens across the state; and

WHEREAS, Senator Zaffirini's 50,000th vote is a milestone in an illustrious career distinguished by exemplary decision-making and statesmanship; her earnest support of causes for the betterment of our state and her highly effective work as a lawmaker are testaments to her high standards, her strong leadership, and her dedication to public service; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 83rd Legislature, hereby pay tribute to Senator Judith Zaffirini for her outstanding career and her exceptional accomplishments on behalf of the citizens of this state and extend to her sincere appreciation for her loyal service in the Senate and congratulations on the casting of her 50,000th consecutive vote in the Senate; and, be it further

RESOLVED, That a copy of this Resolution be prepared in honor of Senator Zaffirini and as an expression of highest esteem from her colleagues in the Texas Senate.

SR 973 was read and was adopted without objection. . .

GAVEL PRESENTED

Senator Whitmire was recognized and presented Senator Zaffirini with the gavel used when she cast consecutive vote number 50,000.

REMARKS ORDERED PRINTED

On motion of Senator Whitmire and by unanimous consent, the remarks regarding **SR 973** were ordered reduced to writing and printed in the *Senate Journal* as follows:

Senator Whitmire: Thank you, Mr. President and Members. I would like to, unless Senator Schwertner would like to do this for me, actually, I would not allow anyone to have this opportunity because I want it, on behalf of this body. We're pleased today, Members, to present Senate Resolution 973 honoring our colleague, Senator Judith Zaffirini, on reaching a monumental milestone, a record 50,000 consecutive record votes in the Texas Senate. Whether you've been here as long as I have been, or if you're a freshman, you realize how difficult and practically impossible to do this,

unless you're Senator Zaffirini, because it is a milestone and it's an accomplishment unheard of in legislative institutions. Fifty thousand record votes, and we've all seen firsthand Senator Zaffirini's dedication to the Texas Senate and those that she represents. We all know that she is usually the first to arrive at the Capitol each morning so she can prepare for the day ahead and review legislation that will come on the floor and in committees. I am honored to serve with Senator Zaffirini, having watched her arrive in 1987, knew of her in Democratic circles, civic leadership positions across this state. But for her to become the first female Hispanic State Senator in 1987 and have the commitment and dedication to never ever be off the floor or attending to other duties, always recording her vote, I've been here, I know how difficult it is for anyone to accomplish this. But only through her dedication and commitment to her district and the State of Texas allows you to accomplish such a huge accomplishment. With us today is her past and present staff, the kind of commitment, and she would be the first to acknowledge that it's our staffs that also allows that accomplishment. Also with us today is her pride and joy and very accomplished young man, Carlos, her son. I could speak many, many more words about her legislative accomplishments, the subject matters, the leadership roles, but it's well-documented. And I'm just proud on behalf of this body, and I would also suggest previous Lieutenant Governors. I know Bob Bullock, if he was here he would be so proud because he was such a dedicated public servant in his own right. Bill Hobby, who was Lieutenant Governor for 20 years, Bill Ratliff, Senator Ellis, Rick Perry, David Dewhurst, the leadership of this body knows that if you really want to get something accomplished during the session, you can do it so much more effectively if you have Senator Zaffirini working on that issue. Senator Zaffirini, as Dean of the Senate and as someone that has such a respect for public service, and for someone who knows experience counts, I salute you today as a colleague, as a Hispanic State Senator, and someone that epitomizes what public service should be. Your integrity is beyond reproach, your hard work, your early arrival, your late leaving, so, as you know, I don't always agree, as none of us do, but I never have to wonder where you're coming from and that your word is your bond. And you're a tribute to the State of Texas and, particularly, this legislative body. For that, Mr. President, I yield to my colleagues to join me in this celebration.

Senator Duncan: Thank you, Mr. President and Members and Senator Zaffirini. Congratulations on this occasion, it is unique and probably will never be done again, unless you get to 60. I think we'll do it then. But you are, and Senator Whitmire stated it very well, but you have been a mentor to a lot of us on how to do this right. No one is more organized. No one runs a better committee. No one does the things that you do in order to be prepared every day. When you start asking questions in Finance, I know exactly where you're going because you are consistent in the way you do it, and that consistency yields a lot of results for you and for the Senate. So, I want to recognize this and congratulate you on this honor and also on the respect that you have earned in this body from your, not only your abilities as a legislator but also for your abilities on the public policy issues and the guidance you give to all of us. So, congratulations to you today, and we'll do this again in another five or, well, I don't know how long it takes to get to 60, but we'll see.

Senator Ellis: Thank you, Mr. President. I, too, rise to salute the great Judith Zaffirini on her 50,000 votes. Members, I think it's important to note that not only did she cast 50,000 votes but she cast the right votes 50,000 times. May be a couple of times that I voted the wrong way, and I'm so sorry for that, Senator Zaffirini. Dean, you really have said it all. I can only add to it by saying that when I think of Senator Zaffirini and her life's work, the attention to detail, printing out the motions, not some sessions but every session, updating them for us, even if they haven't changed, she updates that card she gives out every session so that it has the right year on it and the right session. It is that attention to detail, Senator Zaffirini, that I think has made you a success throughout your life, even before you were here. And it's made you a good teacher. Anytime I'm giving a speech, I really dread having you in the audience. You always do it in such a pleasant, polite, motherly way, but you do tell me if I split a verb or two or if I delayed too long in the enunciation or if I mispronounced a name or if I forgot a name. But when you do it, I know it's from the heart. It is not to be critical just for the sake of being critical, but to help me and help all of us to be the very best that we can be. And, Senator, that is what you have been in this body and throughout your life, the very best that Judith Zaffirini can be. And for that, we thank you.

Senator Van de Putte: Mr. President and Members, I also rise to salute my dear friend, Judith Zaffirini, on this tremendous occasion of casting your 50,000th consecutive vote. What an accomplishment. In looking back at records that any organization has, whether it's the National Conference of State Legislatures or any legislative body, we found that this record is unique and unmatched. And in fact, most legislatures don't keep the type of records because they don't ever expect the Members to cast that many consecutive votes. And so, we salute you today. So much has been said about your work ethic. I think those Ursuline nuns really did a lot, but it's got to have come from your parents and the love of your husband, Carlos, and the understanding of your son, Carlos, and that's what I'd like to touch upon at this particular time. Members, we are all here and you know that our families serve with us. They understand when we can't get away to go back home for an anniversary or a birthday or to go to your son's first baseball game or your daughter's first piano recital, the countless things that we miss here because we're doing our job. I know that my friend, Judith Zaffirini, could not have accomplished this without the support of her husband and her son. And to tell you how strong that bond is, how great a treasure it is to witness the graduation of one of your children from college, did you know that Senator Zaffirini left her son's graduation to return to the Senate floor because we were casting votes? She was there at the beginning, and we urged her to stay. We said, it's all right. But it was her son who said, Mom, you have to go back, it's your record. The love of your husband and your son, to be with you and understand that this is so important and to say, it's okay, we can manage this at home. I remember the time very vividly that you were given a very difficult task. On the Friday before Mother's Day several sessions back, we were given the task of having a tuition revenue bond bill, and everyone thought we could not accomplish this because we had to have it done by Mother's Day, and so they gave the task to Judith Zaffirini on a Friday. Her niece's wedding was that weekend, in which Senator Zaffirini and her family were throwing the rehearsal dinner. She stayed throughout the weekend

working on the tuition revenue bonds with many of us, but actually, as we left, she would call every Senator and say, what do you want for your university? She worked through Mother's Day, and if you remember, Senators that were here, we came back at two o'clock on that Mother's Day. Nobody expected that bill to be ready. It was her dedication and her work ethic and her family's understanding that they were going to miss the wedding, they were going to miss Mother's Day, but that bill was ready and we got to cast votes on it. So, I am in awe of your record, as is most of us here and legislators across the country. I tried to find something that would signify that—and I know that Senator Zaffirini has also become a Spurs fan, she's a Spurs fan, by the way, you know there was a victory last night. Go Spurs Go. And I know that a basketball star, Bill Bradley, also became a U.S. Senator—and I found this quote which just is all about Judith Zaffirini. It says, Ambition is the path to success, persistence is the vehicle you arrive in. Yep, that's you. That's the persistence. And another famous minister, Roy L. Smith, said, Discipline is the refining fire by which talent becomes ability. It's your discipline, it's your persistence, it's your adherence to that oath of office that we all took. Nobody can match it, Judy. Congratulations on your 50,000th vote, and congratulations and special love to your family, who's allowed you to do the work to make this great record.

Senator Schwertner: Thank you, Mr. Chairman. It was a true honor to serve with you as your Vice-chair in Government Organization. Through your leadership you have taught me much about the mechanics of running a committee and the mechanics of how to get through a difficult issue, or the process. But more importantly, through the way you conduct yourself and the way you hold yourself as a person, through your regal air, you've taught me how to be more of a true Texas Senator. Because when I think about Texas Senators, I think about you first, the way you handle yourself, and so, I thank you for that. I thank you for allowing me to serve as your Vice-chair. The Texas Senate is a better place because you are here, but the State of Texas is blessed because you have been a Texas Senator. Thank you.

Senator Davis: Thank you, Mr. President. I, too, rise to congratulate our Senate colleague, Senator Judy Zaffirini, on her 50,000th consecutive vote, and it's an honor to stand and recognize you for that achievement. As others have risen today, we've all talked about something in common that we admire about you, whether it's the way you've mentored us and made sure—the freshmen can particularly appreciate, and I know I did when I was a freshman, those cards that you put together for us so that we would lay out a bill properly here on the Senate floor. Others have talked about your incredible work ethic, and I don't think there's a person on the floor that would argue that you have the strongest among us. I know I particularly admired watching you when you rise to give a speech on behalf of someone here in this body, how beautifully prepared you are, how articulate you are. I'm not sure others know or have paid attention to the fact that when you rise to do so, you do so from memory. And I saw you give the most beautiful speech for Senator Van de Putte at her Governor of the Day that was delivered from your heart, that was delivered from your incredible intellect, that was incredibly moving, and that you had committed to heart because it was that important to you as you delivered it. We would all say we recognize you for those things, but I want to recognize you for something that's been uniquely meaningful to me. You are a person of such incredible integrity, and I think that it is

probably commonplace in legislatures throughout the country, certainly in our nation's capital, that people find themselves compromising their values here and there along the way, sometimes for personal advancement, sometimes simply not to rock the boat. But you, Senator Zaffirini, are the person on this floor that I find most to admire in your capacity to be true, to have incredible integrity regardless of the consequence, and I have personally seen you show incredible courage and stamina and discipline and, all the while, hold a smile on your face and a dignity in your air, as Senator Schwertner said. It is a rare, precious, incredible quality, and we are so fortunate to serve with you, and I am so pleased to join and rise with my colleagues in congratulating you on your 50,000th consecutive vote.

Senator Deuell: Thank you, Mr. President and Members. Congratulations, Senator. You certainly have set an example for us in so many ways, and we all value your friendship. I know I certainly do. And I just want to comment as a physician and sitting across from you in Health and Human Services that I have been more than impressed with your knowledge of health care. But your compassion and your true desire to see that every Texan receives adequate health care, and some of the bills that you come up, I practiced medicine for 27 years, and some of the bills that you come up with, gee, why didn't I think of that? And, obviously, you represent some of the girls that sat next to me in school that always had their homework done and were always more prepared than me and always acted a lot better than I did, but I have learned that that's actually good behavior and should be emulated. So, congratulations, and we're all very, very proud of you, and I know the whole state is proud of you. Thank you, Mr. President.

Senator Lucio: Thank you, Mr. President and Members. I, too, rise to congratulate our colleague and our beloved friend who has shown us all what it takes to be a State Senator, a great State Senator. We arrived at the Capitol together back in January 1987. She checked in here; I checked in the lower chamber. But I kept an eye on certain Senators, and one was a great Senator from Laredo. I appreciate the staff being here, Senator Zaffirini, and also our colleagues and those that have served with you in the House, outstanding State Representatives, Representative Raymond, Representative Guillen, who worked closely with you in partnership, not only with you but also with everyone to make Texas better. As I followed your career, obviously, the word exemplary stands out all the time, and somebody said organized a while ago. Let me add, very organized, and that, obviously, challenges us all to be the same. I want to agree with Senator Ellis, before I send out a memorandum, a letter, or an e-mail, I check all my grammar and punctuation, because I don't want it coming back with a bunch of red marks on it. I think one of the things that I was thinking of a little while ago was the fact that 50,000 votes, a lot of votes, and I know they can't all be just for your district. So, what that means to me is that the very majority of those 50,000 went to and impacted every corner of the state. It made a difference to so many people, millions of people who were able to have a better quality of life because of your votes on Finance. And by the way, Finance is where you and I really work the closest together, and we certainly appreciate all that you have done. I know that you were instrumental in South Texas, Border higher education, and health care initiatives of the 1990s. You championed higher education. You have really done so much. And I want to be the first to call you Vice-dean Zaffirini. And the other thing I wanted to

share with you, that's the only other thing you've got to accomplish now. And I'm not going to say anything along those lines, because I know that Dean Whitmire's got a lot of energy left. So, you're going to have to run a few more laps before you get to that level. But I want to say this, that I really thought, after hearing everyone speak, and especially Senator Davis, who so eloquently addressed how we should describe Senator Zaffirini, I think you're really the Tiger Woods of the Texas Senate, so I might just call you Tigress Zaffirini from now on. You know, he's broken a lot of records, records that will never be broken, and I think you're in that same category. Last thing I want to say is that you have done a wonderful job no matter what senatorial district you wind up in. You know, you're a winner and you get the job done, and people obviously look at your background, appreciate your accomplishments, and certainly support your effort in continuing your job as a State Senator from the district that you finally have received over the years. We've gone through about three or four redistrictings, and I think we're on our way to another one, but I want to thank you, Judy, personally, for all you've done for me and for those of us that have served with you. For me, I've served directly with you 22 years here, and it's been a joy and an honor to have that opportunity. God bless you.

Senator Nichols: Thank you, Mr. President. I wanted to stand also to congratulate you on your 50,000 votes but also salute you for the work and effort you put in every one of them. I don't think there's anyone on this floor that doubts that you studied very meticulously the details in each one of those votes and that you cast those votes with the sole purpose to make the state and your district a better place to live. So, I look at those 50,000 votes and know that the State of Texas is a better place because of those and for your effort. So, that's why I wanted to stand and salute you. I appreciate all the help you've given me over the years. I've worked with you now for 16 years in different capacities. I first worked with you in your district, where we know you are well thought of, well respected, and have accomplished a lot there. So, thank you very much for being here.

Senator West: Thank you very much, Mr. President and Members. Senator, only thing I can say is ditto. I mean, the reality is I don't know what else there is to be said. All of us feel pretty much the same way. You know, you have consulted with us about our grammar. You have, each session, provided us a procedure manual before the 60th day and after the 60th day. You were there to consult with us. You start earlier than anyone else in the building. You have hearings that start at 6:30 in the morning, or was it 5:30 in the morning? Well, the point I'm making is this, I want to say, ditto. Thank you for your friendship, thank you for your counsel, and thank you for your professionalism here on the floor of the State Senate. You truly embody the tradition of what's good about this body.

Senator Watson: Thank you, Mr. President. Madam Chair, I can't add to what's been said, other than to say that I feel it important to rise and to say congratulations to you and thank you and God bless you for the role that you play in our state's history in your lifetime of service.

Senator Rodríguez: Thank you, Mr. President. I, too, rise to congratulate you, Senator Zaffirini, and to thank you for also being a mentor for me, as others have expressed here. Your guidance and your support has been invaluable to me in trying to

navigate through the legislative process. And just this very morning, as a matter of fact, Members, and for the young people up on the gallery, when we talk about the attention to detail and the preparation and all the rest that Senator Zaffirini embodies in the legislative process, I was laying out a bill for one of my colleagues, and there was a substitute bill which I couldn't find in the file. And, you know, so I'm kind of moving the papers around, and the next thing I know, Senator Zaffirini is saying it's on section such and such, page such and such, line such and such. And so, quickly, I was able to get to that, as Senator Schwertner will attest. So, that is the kind of attention to detail and guidance that some of us get from Senator Zaffirini on a daily basis. I knew about your work long before I came to the Senate, especially, it's been mentioned your work on health and mental health, your work on higher education, on finance issues. But, I know that you have also done a lot of work for our Border communities. You've done a lot of work to address colonia issues, to provide water and sewer and other services for those individuals that have, frankly, lived in third world conditions for a long time. And you have been very instrumental in the drive in this state to let those citizens become a part of the state and appreciate all of the wonderful things that the state has to offer. So, your votes, I'm sure, all 50,000 of them have all been votes that have advanced the quality of life and the future of our citizens, especially our children and our disadvantaged, our infirmed in this state. And so, I wanted to thank you for that and also to let you know that I appreciate your guidance and support for all of us here in the Senate. Thank you very much.

Senator Campbell: Thank you, Mr. President. You know, they say that imitation is the greatest form of flattery. And I may have played you on stage last night, but I have a long way to go to reach the legislative success that you have achieved. I want to thank you for the support you've shown me and the instruction you've given me. I think you demonstrate great grace and poise as a woman. Thank you. Congratulations.

Senator Estes: Thank you, Mr. President. Senator, congratulations on this amazing accomplishment. And I think a lot of, most everything's been said. I remember 12 years ago when we first met, we had a breakfast at the DoubleTree, you just happened to bring a complete list of every bill you've ever passed for me to review. I think it was 478 at the time. And, we had a wonderful time and I thought, frankly, it was the only meeting as a freshman I had with the senior Members of the Senate that I was nervous about before I came. Because, obviously, your reputation precedes you. One thing that has not been mentioned is your steady, stealth campaign to influence us by delivering to our offices wonderful fresh tamales, homemade tortillas, cashew nuts, oatmeal cookies, the list goes on. I wish I'd kept the list of all the things that you have done like that, kind of random acts of kindness. And also, I remember one time, I was a little perturbed at you my freshman year because I thought you were wrong on an issue, and I was venting with Senator Armbrister. And he looked at me very sternly and said, Craig, you can learn a lot from her, she's a heck of a Senator. And he was right. And I've learned to have great affection for you and friendship. And I want to say also that, in my mind, you are always a lady, and thank you for being you.

Senator Uresti: Thank you, Mr. President and Members. Good morning, Senator Zaffirini. I, too, rise to join my colleagues to honor you and congratulate you. It was an honor this morning when we did the Local and Uncontested Calendar to watch

Senator Eltife gavel in that 50,000th vote on your behalf. And I see you brought all your 50,000 bills as well, this morning, and on your desk. But, seriously, it's been an honor to serve with you. As you know, I sat where Senator Schwertner sat for three sessions, and I always felt like you had my back. And I've learned from your wisdom and your experience, and I thought it was time to let another colleague learn from that same wisdom and experience. Congratulations.

Senator Hinojosa: Thank you, Mr. President and Members. I'm too, am very honored to have as my deskmate Senator Zaffirini, Madam Chair, and also my *madrina*. And I have a lot of respect for your work ethic, I have a lot of respect for your honesty, and she doesn't hesitate to tell you what she thinks and, again, she always votes her district and votes her conscience. And many times we may disagree, but I know of no one in this Chamber doubts your commitment, doubts that what you say is what you mean. And for us, when we work with you, you're very detailed, always very, very well prepared. I always try to look over her notebook so I can learn how to prepare my presentations. But, *madrina*, I really appreciate, from the bottom of my heart, your advice, your counsel, even *cuando me regañas*, because I misbehave. But, thank you so much for representing the State of Texas, for the work you've done, not only for higher education but health care, all across the board. Your knowledge is best, and you know the process, and thank you so much for your 50,000 votes. Congratulations.

Presiding Officer: Thank you, Senator Hinojosa. If I might add, Senator Zaffirini, it's an honor to serve with you. Dean Whitmire to close on the resolution.

Senator Whitmire: Thank you, Mr. President. I would like to close by saying, Senator Zaffirini, we are individually better Senators and certainly the body is a better body because we have the opportunity to serve with you. I know John Whitmire has become a better Senator because you're my colleague. And I know I echo those feelings of all the Members.

RECESS

On motion of Senator Whitmire, the Senate at 11:11 a.m. recessed until 12:30 p.m. today.

AFTER RECESS

The Senate met at 12:44 p.m. and was called to order by Senator Eltife.

SENATE RULE 11.13 SUSPENDED (Consideration of Bills in Committees) (Motion In Writing)

Senator Williams submitted the following Motion In Writing:

Mr. President:

I move to suspend Senate Rule 11.13 to permit the conference committee on S.B. 1 to meet while the Senate is in session today.

WILLIAMS

The Motion In Writing prevailed without objection.

SENATE RULE 5.14(a) SUSPENDED
(Intent Calendar)
(Motion In Writing)

Senator Whitmire submitted the following Motion In Writing:

Mr. President:

I move suspension of Senate Rule 5.14 so that we may move the Intent Calendar deadline to 5:00 p.m. today.

WHITMIRE

The Motion In Writing prevailed without objection.

SENATE RULES SUSPENDED
(Posting Rules)
(Motion In Writing)

Senator Eltife submitted the following Motion In Writing:

Mr. President and Members,

I move to suspend the 24-hour posting rule, in accordance with Senate Rules 11.10 and 11.18, in order for the Senate Committee on Administration to take up and consider HB 677 immediately upon adjournment today, May 17, 2013, at my desk.

ELTIFE

The Motion In Writing prevailed without objection.

SENATE RULE 11.18(a) SUSPENDED
(Public Hearings)

On motion of Senator Estes and by unanimous consent, Senate Rule 11.18(a) was suspended in order that the Committee on Agriculture, Rural Affairs and Homeland Security might consider **HB 2153** today.

SENATE RULE 11.18(a) SUSPENDED
(Public Hearings)

On motion of Senator Deuell and by unanimous consent, Senate Rule 11.18(a) was suspended in order that the Committee on Economic Development might consider the following bills today: **HB 983**, **HB 3643**.

SENATE RULE 11.18(a) SUSPENDED
(Public Hearings)

On motion of Senator Patrick and by unanimous consent, Senate Rule 11.18(a) was suspended in order that the Committee on Education might consider the following bills today: **HB 462**, **HB 1009**.

SENATE RULE 11.10(a) SUSPENDED
(Public Notice of Committee Meetings)

On motion of Senator Van de Putte and by unanimous consent, Senate Rule 11.10(a) was suspended in order that the Committee on Veteran Affairs and Military Installations might meet today.

**SENATE RULE 11.10(a) SUSPENDED
(Public Notice of Committee Meetings)**

On motion of Senator Whitmire and by unanimous consent, Senate Rule 11.10(a) was suspended in order that the Committee on Criminal Justice might meet today.

**SENATE RULE 11.10(a) SUSPENDED
(Public Notice of Committee Meetings)**

On motion of Senator Hinojosa and by unanimous consent, Senate Rule 11.10(a) was suspended in order that the Committee on Intergovernmental Relations might meet today.

**SENATE RULE 11.10(a) SUSPENDED
(Public Notice of Committee Meetings)**

On motion of Senator West and by unanimous consent, Senate Rule 11.10(a) was suspended in order that the Committee on Jurisprudence might meet today.

**SENATE RULE 11.18(a) SUSPENDED
(Public Hearings)**

On motion of Senator Hegar and by unanimous consent, Senate Rule 11.18(a) was suspended in order that the Committee on Finance might consider the following bills today:

HB 6, HB 7, HB 1025, HB 3188, HB 213, HB 500, HB 800, HB 1133, HB 1223, HB 2100, HB 2148, HB 2202.

**SENATE RULE 11.18(a) SUSPENDED
(Public Hearings)**

On motion of Senator Hegar and by unanimous consent, Senate Rule 11.18(a) was suspended in order that the Committee on Finance Subcommittee on Fiscal Matters might consider the following bills today: **HB 315, HB 697.**

**SENATE RULE 11.18(a) SUSPENDED
(Public Hearings)**

On motion of Senator Ellis and by unanimous consent, Senate Rule 11.18(a) was suspended in order that the Committee on Open Government might consider the following bills today: **HB 16, HB 628, HB 2676, HB 2668.**

**SENATE RULES SUSPENDED
(Posting Rules)**

On motion of Senator Duncan and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on State Affairs might meet and consider **HB 3276** today.

RECESS

On motion of Senator Whitmire, the Senate at 12:52 p.m. recessed until 2:30 p.m. today.

AFTER RECESS

The Senate met at 2:51 p.m. and was called to order by Senator Eltife.

GUESTS PRESENTED

Senator Birdwell was recognized and introduced to the Senate students from Meridian Elementary School.

The Senate welcomed its guests.

INTRODUCTION OF BILLS AND RESOLUTIONS POSTPONED

The Presiding Officer announced that the introduction of bills and resolutions on first reading would be postponed until the end of today's session.

There was no objection.

CONCLUSION OF MORNING CALL

The Presiding Officer at 2:52 p.m. announced the conclusion of morning call.

COMMITTEE SUBSTITUTE HOUSE BILL 2197 ON SECOND READING

Senator Huffman moved to suspend the regular order of business to take up for consideration **CSHB 2197** at this time on its second reading:

CSHB 2197, Relating to the continuation and functions of the Texas Lottery Commission; providing penalties; imposing and changing fees.

The motion prevailed.

Senators Campbell and Deuell asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Campbell, Deuell.

COMMITTEE SUBSTITUTE HOUSE BILL 2197 ON THIRD READING

Senator Huffman moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2197** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Carona, Davis, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Deuell.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2. (Same as previous roll call)

HOUSE BILL 2760 ON SECOND READING

On motion of Senator Birdwell and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2760** at this time on its second reading:

HB 2760, Relating to partnerships between the Texas State Technical College System and public junior colleges.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2760 ON THIRD READING

Senator Birdwell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2760** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2015 ON SECOND READING

Senator Watson moved to suspend the regular order of business to take up for consideration **HB 2015** at this time on its second reading:

HB 2015, Relating to the proper classification of workers performing services in connection with governmental contracts; providing a penalty.

The motion prevailed.

Senators Campbell and Nichols asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Campbell, Nichols.

HOUSE BILL 2015 ON THIRD READING

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2015** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Nichols.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2. (Same as previous roll call)

HOUSE BILL 1348 ON SECOND READING

Senator Uresti moved to suspend the regular order of business to take up for consideration **HB 1348** at this time on its second reading:

HB 1348, Relating to the taxation of certain tangible personal property located inside a defense base development authority.

The motion prevailed.

Senators Birdwell and Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Patrick.

HOUSE BILL 1348 ON THIRD READING

Senator Uresti moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1348** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Patrick.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 753 ON SECOND READING

On motion of Senator Zaffirini and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 753** at this time on its second reading:

CSHB 753, Relating to certain information to be provided by school districts to parents concerning supplemental educational services and to Texas Education Agency approval and investigation of supplemental educational services providers.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 753 ON THIRD READING**

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 753** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2006 ON SECOND READING

On motion of Senator Hancock and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2006** at this time on its second reading:

HB 2006, Relating to eligibility for appointment as a central counting station manager.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2006 ON THIRD READING

Senator Hancock moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2006** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 424 ON SECOND READING

Senator Deuell moved to suspend the regular order of business to take up for consideration **HB 424** at this time on its second reading:

HB 424, Relating to the sex offender status of a person who becomes a resident of certain group home facilities.

The motion prevailed.

Senators Garcia and Zaffirini asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Garcia, Zaffirini.

HOUSE BILL 424 ON THIRD READING

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 424** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams.

Nays: Garcia, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2. (Same as previous roll call)

LEAVE OF ABSENCE

On motion of Senator Whitmire, Senator Williams was granted leave of absence for the remainder of the day on account of important business.

HOUSE BILL 1772 ON SECOND READING

Senator Davis moved to suspend the regular order of business to take up for consideration **HB 1772** at this time on its second reading:

HB 1772, Relating to the disconnection of electric or gas utility service.

The motion prevailed.

Senator Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Patrick.

Absent-excused: Williams.

HOUSE BILL 1772 ON THIRD READING

Senator Davis moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1772** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 1.

Nays: Patrick.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 1. (Same as previous roll call)

HOUSE BILL 912 ON SECOND READING

Senator Estes moved to suspend the regular order of business to take up for consideration **HB 912** at this time on its second reading:

HB 912, Relating to images captured by unmanned vehicles and unmanned aircraft; providing penalties.

The motion prevailed.

Senators Lucio and Garcia asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 912** (Senate Committee Printing) in SECTION 2 of the bill as follows:

(1) In the heading to added Chapter 423, Government Code (page 1, line 22), strike "UNMANNED VEHICLES AND".

(2) In added Section 423.002, Government Code (page 1, line 30), strike "unmanned vehicle or".

(3) In added Section 423.002(5), Government Code (page 1, lines 48-49), strike "unmanned vehicle or".

(4) In added Section 423.002(5), Government Code (page 1, line 50), after "research of", strike "the vehicle or".

(5) In the heading to added Section 423.003, Government Code (page 2, line 6), strike "UNMANNED VEHICLES OR".

(6) In added Section 423.003(a), Government Code (page 2, line 8), strike "unmanned vehicle or".

(7) In added Section 423.003(e), Government Code (page 3, line 35), strike "unmanned vehicle or".

(8) In added Section 423.005(a), Government Code (page 3, line 65), strike "unmanned vehicle or".

(9) In added Section 423.007, Government Code (page 4, line 42), strike "unmanned vehicle or".

The amendment to **HB 912** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Absent-excused: Williams.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 2

Amend **HB 912** (Senate Committee Printing) in SECTION 2 of the bill as follows:

(1) In added Section 423.002, Government Code (page 1, lines 29-30), strike "of real property or an individual on real property located in this state".

(3) In added Section 423.002(6), Government Code (page 1, line 55), following the underlined semicolon, strike "or".

(4) In added Section 423.002(7)(D), Government Code (page 2, line 5), between "service" and the underlined period, insert the following:

;

(8) with the consent of the individual captured in the image and the individual who owns or lawfully occupies the real property captured in the image;

(9) pursuant to a valid search or arrest warrant;

(10) by a law enforcement authority or a person who is under contract with or otherwise acting under the direction or on behalf of a law enforcement authority:

(A) in immediate pursuit of a person law enforcement officers have reasonable suspicion or probable cause to suspect has committed an offense;

(B) for the purpose of documenting a crime scene where an offense has been committed;

(C) for the purpose of investigating the scene of:

(i) a human fatality;

(ii) a motor vehicle accident causing death or serious bodily injury

to a person; or

(iii) any motor vehicle accident on a state highway or federal interstate or highway;

(D) in connection with the search for a missing person; or

(E) for the purpose of conducting a high-risk tactical operation that poses a threat to human life;

(11) by state or local law enforcement authorities, or a person who is under contract with or otherwise acting under the direction or on behalf of state authorities, for the purpose of:

(A) surveying the scene of a catastrophe or other damage to determine whether a state of emergency should be declared;

(B) preserving public safety, protecting property, or surveying damage or contamination during a lawfully declared state of emergency; or

(C) conducting routine air quality sampling and monitoring;

(12) at the scene of a spill, or a suspected spill, of hazardous materials;

(13) for the purpose of fire suppression;

(14) for the purpose of rescuing a person whose life or well-being is in imminent danger;

(15) by a Texas licensed real estate broker in connection with the marketing, sale, or financing of real property, provided that no individual is identifiable in the image;

(16) of real property or a person on real property that is within 25 miles of the United States border;

(17) from a height no more than eight feet above ground level in a public place, if the image was captured without using any electronic, mechanical, or other means to amplify the image beyond normal human perception;

(18) of public real property or a person on that property;

(19) by an electric or telecommunications utility provider regulated by the Public Utility Commission of Texas;

(A) for the purpose of performing and reporting the results of the annual inspection of transmission lines and other facilities as required by the commission, if the image is captured without the intent to conduct surveillance on an individual or real property located in this state; or

(B) for the purpose of maintaining or repairing transmission lines or other facilities, if the image is captured without the intent to conduct surveillance on an individual or real property located in this state;

(20) by the owner or operator of an oil, gas, water, or other pipeline for the purpose of inspecting, maintaining, or repairing pipelines or other related facilities, if the image is captured without the intent to conduct surveillance on an individual or real property located in this state;

(21) in connection with oil pipeline safety and rig protection;

(22) in connection with port authority surveillance and security;

(23) in connection with cattle ranching or agriculture and wildlife management;

(24) in connection with oil and gas exploration;

(25) for the purpose of water supply safety;

(26) for the purpose of surveying land;

(27) for the purpose of agriculture and farming safety;

(28) in connection with an air show or related event;

(29) for the purpose of producing a film or other artistic work incorporating a visual or aural image, if:

(A) any identifiable person captured in the image was not in a place where that person had a reasonable expectation of privacy, the image or recording was made in accordance with a permit issued by a state or federal agency, and the vehicle capturing the image or recording is at least 10 feet in length and affixed with lights or reflective markings indicating the vehicle's owner; or

(B) the image was recorded at an altitude of at least 400 feet;

(30) by a radio or television station licensed by the Federal Communications Commission, a newspaper of general circulation published in Texas, or another bona fide news organization if:

(A) the image was captured for news-gathering purposes, any identifiable person captured in the image was not in a place where that person had a reasonable expectation of privacy, and the vehicle capturing the image is at least 10 feet in length and affixed with lights or reflective markings indicating the vehicle's owner; or

(B) the image was recorded at an altitude of at least 400 feet; or

(31) in connection with the manufacture, assembly, distribution, or sale of an unmanned vehicle or unmanned aircraft

(5) Strike added Sections 423.003(c) and (e), Government Code (page 2, line 18 through page 3, line 27, and page 3, lines 34 through 36), and reletter the remaining subsections of that section accordingly.

The amendment to **HB 912** was read.

Senator Estes offered the following amendment to Floor Amendment No. 2:

Floor Amendment No. 3

Amend Floor Amendment No. 2 by Estes to **HB 912** (Senate Committee Printing), in Item (4) that amends added Section 423.002, Government Code, as follows:

(1) At the end of added Section 423.002(10)(D), Government Code (page 2, line 8), following the underlined semicolon, strike "or".

(2) Following the underlined semicolon at the end of added Section 423.002(10)(E), Government Code (page 2, line 10), insert the following:

or

(F) of private property that is generally open to the public and for which law enforcement has public safety responsibilities;

(3) In added Section 423.002(29)(A), Government Code (page 4, line 9), between "and the" and "capturing", strike "vehicle" and substitute "unmanned aircraft".

(4) In added Section 423.002(29)(A), Government Code (page 4, line 11), before "owner", strike "vehicle's" and substitute "aircraft's".

(5) In added Section 423.002(30)(A), Government Code (page 4, line 21), between "and the" and "capturing", strike "vehicle" and substitute "unmanned aircraft".

(6) In added Section 423.002(30)(A), Government Code (page 4, line 23), before "owner", strike "vehicle's" and substitute "aircraft's".

(7) In added Section 423.002(31), Government Code (page 4, line 27), strike "unmanned vehicle or".

The amendment to Floor Amendment No. 2 to **HB 912** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 3 except as follows:

Absent-excused: Williams.

Question recurring on the adoption of Floor Amendment No. 2 to **HB 912**, the amendment as amended was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2 as amended except as follows:

Absent-excused: Williams.

Senator Estes moved to temporarily postpone further consideration of the bill.

The motion prevailed.

Question—Shall **HB 912** as amended be passed to third reading?

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Friday, May 17, 2013 - 3

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

- SB 2** Patrick Sponsor: Aycock
Relating to certain charter schools.
(Committee Substitute/Amended)
- SB 12** Huffman Sponsor: Riddle
Relating to the admissibility of evidence of other similar offenses in the prosecution of certain sexual offenses.
- SB 63** Nelson Sponsor: Sheffield, J. D.
Relating to consent to the immunization of certain children.
- SB 209** Huffman Sponsor: Dutton
Relating to the functions and operation of the State Commission on Judicial Conduct.
(Amended)
- SB 356** Carona Sponsor: Ratliff
Relating to the audit of court registry funds in certain counties.
- SB 358** Hinojosa Sponsor: Muñoz, Jr.
Relating to the use of a polygraph statement as evidence that a defendant or releasee from the Texas Department of Criminal Justice has violated a condition of release.
(Amended)
- SB 427** Nelson Sponsor: Raymond
Relating to the regulation of certain child-care facilities and administrators of those facilities.
(Amended)
- SB 495** Huffman Sponsor: Walle
Relating to the creation of a task force to study maternal mortality and severe maternal morbidity.
(Amended)
- SB 772** Uresti Sponsor: Springer
Relating to the elimination of obsolete and redundant reporting requirements for the Department of Agriculture.
- SB 819** Duncan Sponsor: King, Susan
Relating to the disposal of demolition waste from abandoned or nuisance buildings by certain local governments.
- SB 894** Whitmire Sponsor: Bonnen, Dennis
Relating to real property within the Capitol complex.
(Committee Substitute/Amended)
- SB 944** Nelson Sponsor: Kolkhorst
Relating to criminal history record checks for certain employees of facilities licensed by the Department of State Health Services.
- SB 983** Ellis Sponsor: Harper-Brown
Relating to in camera review and filing of the information at issue in a suit filed under the public information law.

- SB 1120** West Sponsor: Anchia
Relating to a residential tenant's lease obligation after the loss of the leased premises resulting from a natural disaster.
- SB 1167** Hegar Sponsor: Coleman
Relating to the creation of a county assistance district.
- SB 1238** Hinojosa Sponsor: Pickett
Relating to the composition and duties of and investigations conducted by the Texas Forensic Science Commission, the administrative attachment of the Texas Forensic Science Commission to Sam Houston State University, the accreditation of criminal laboratories by the Department of Public Safety of the State of Texas, and the status of certain local government corporations as criminal justice agencies for the purpose of engaging in criminal identification activities, including forensic analysis.
(Committee Substitute)
- SB 1365** Duncan Sponsor: Villarreal
Relating to the provision of credit by examination for public school students.
(Committee Substitute/Amended)
- SB 1451** Hinojosa Sponsor: Sheets
Relating to the prosecution of the offense of money laundering and to the forfeiture of certain contraband.
(Amended)
- SB 1556** Seliger Sponsor: Davis, John
Relating to the establishment of a school safety certification program and the School Safety Task Force.
(Committee Substitute/Amended)
- SB 1665** Carona Sponsor: Smithee
Relating to the deposit of assessments and fees collected for examination expenses.
- SB 1719** Rodriguez Sponsor: Moody
Relating to the construction, remodeling, or rehabilitation of certain hotel projects.
- SB 1756** Uresti Sponsor: Villalba
Relating to the expedited processing of certain applications for permits under the Clean Air Act; authorizing a surcharge.
(Amended)
- SB 1803** Huffman Sponsor: Kolkhorst
Relating to investigations of and payment holds relating to allegations of fraud or abuse and investigations of and hearings on overpayments and other amounts owed by providers in connection with the Medicaid program or other health and human services programs.
(Committee Substitute/Amended)

THE HOUSE HAS CONCURRED IN THE SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

HB 252 (140 Yeas, 0 Nays, 3 Present, not voting)

THE HOUSE HAS REFUSED TO CONCUR IN THE SENATE AMENDMENTS TO THE FOLLOWING MEASURES AND REQUESTS THE APPOINTMENT OF A CONFERENCE COMMITTEE TO ADJUST THE DIFFERENCES BETWEEN THE TWO HOUSES:

HB 630 (non-record vote)

House Conferees: Larson - Chair/Klick/Miller, Rick/Paddie/Springer

HB 1534 (non-record vote)

House Conferees: Leach - Chair/Laubenberg/Sanford/Taylor, Van/Turner, Scott

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

HOUSE BILL 2127 ON SECOND READING

Senator Watson moved to suspend the regular order of business to take up for consideration **HB 2127** at this time on its second reading:

HB 2127, Relating to the eligibility of certain employees of public institutions of higher education to participate in a state group benefits program.

The motion prevailed.

Senators Birdwell, Campbell, Hancock, Nelson, Nichols, Patrick, and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Hancock, Nelson, Nichols, Patrick, Schwertner.

Absent-excused: Williams.

HOUSE BILL 2127 ON THIRD READING

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2127** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 24, Nays 6.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Nelson, Nichols, Patrick, Schwertner.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 23, Nays 7.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Nelson, Nichols, Patrick, Schwertner.

Absent-excused: Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 719 ON SECOND READING**

Senator Hegar moved to suspend the regular order of business to take up for consideration **CSHB 719** at this time on its second reading:

CSHB 719, Relating to the operation of a golf cart or utility vehicle on a public highway in certain counties; authorizing a fee.

The motion prevailed.

Senators Patrick and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Patrick, Schwertner.

Absent-excused: Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 719 ON THIRD READING**

Senator Hegar moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 719** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Patrick, Schwertner.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 2. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 2741 ON SECOND READING**

Senator Nichols moved to suspend the regular order of business to take up for consideration **CSHB 2741** at this time on its second reading:

CSHB 2741, Relating to the regulation of motor vehicles by counties and the Texas Department of Motor Vehicles; authorizing a fee; creating an offense.

The motion prevailed.

Senator Campbell asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Nichols offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2741** (senate committee printing) as follows:

(1) In SECTION 103 of the bill, in amended Section 623.011(b), Transportation Code (page 21, line 40), strike "\$90" and substitute "\$180 [~~\$90~~"]".

(2) In SECTION 133 of the bill (page 27, line 50), between "SECTION 133." and "The changes", insert "(a)".

(3) Immediately following SECTION 133 of the bill (page 27, between lines 57 and 58), add the following:

(b) The changes in law made by this Act to Section 623.011, Transportation Code, apply only to an application for a permit that is filed on or after the effective date of this Act.

(4) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Subsection (a), Section 621.353, Transportation Code, is amended to read as follows:

(a) The comptroller shall send \$140 [~~\$50~~] of each base fee collected under Section 623.011 for an excess weight permit to the counties of the state, with each county receiving an amount determined according to the ratio of the total number of miles of county roads maintained by the county to the total number of miles of county roads maintained by all of the counties of this state. The comptroller shall deposit \$40 of each base fee, plus each fee collected under Section 623.0112, to the credit of the state highway fund. Money deposited to the credit of that fund under this subsection may be appropriated only to the department to administer this section and Sections 623.011, 623.0111, and 623.0112.

SECTION _____. Subsections (a) and (c), Section 623.0111, Transportation Code, are amended to read as follows:

(a) When a person applies for a permit under Section 623.011, the person must:

(1) designate in the application each county in which the vehicle will be operated; and

(2) pay in addition to other fees an annual fee in an amount determined according to the following table:

Number of Counties Designated	Fee
1-5	<u>\$250</u> [\$175]
6-20	<u>\$400</u> [\$250]
21-40	<u>\$690</u> [\$450]
41-60	<u>\$1,130</u> [\$625]
61-80	<u>\$1,570</u> [\$800]

81-100	\$1,800	[\$900]
<u>101-150</u> [101-254]	<u>\$2,400</u>	[\$1,000]
151-200	\$2,700	
<u>201-254</u>	<u>\$3,000</u>	

(c) Of the fees collected under Subsection (a) the following amounts shall be deposited to the general revenue fund and the remainder shall be deposited to the credit of the state highway fund:

Number of Counties Designated	Amount Allocated to General Revenue Fund
1-5	\$125
6-20	<u>\$200</u> [\$125]
21-40	<u>\$345</u>
41-60	\$565
61-80	\$785
81-100	\$900
<u>101-150</u> [101-254]	<u>\$1,200</u> [\$1,000]
151-200	<u>\$1,350</u>
<u>201-254</u>	<u>\$1,500</u>

The amendment to **CSHB 2741** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Absent-excused: Williams.

Senator Nichols offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 2741** (senate committee printing) as follows:

(1) In SECTION 132 of the bill, in Subdivision (2) (page 27, lines 45-46), between "520.0092," and "623.0711(k)", insert "623.019(d)".

(2) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION ____ . Section 621.502, Transportation Code, is amended by adding Subsections (e), (f), and (g) to read as follows:

(e) Intent to operate a vehicle at a weight that is heavier than the weight authorized by a permit issued under Chapter 623, except for a permit issued under Section 623.011, is presumed if:

(1) the vehicle is operated at a weight that is seven percent heavier than the applicable weight allowed under Chapter 623; and

(2) a permit to operate at that weight has not been issued for the vehicle.

(f) A person commits an offense if:

(1) the person operates a vehicle at a weight for which a permit is required by Chapter 623, other than a permit issued under Section 623.011, plus a tolerance allowance equal to seven percent of that weight; and

(2) the person has failed to obtain the permit.

(g) An offense under Subsection (f) is punishable by a fine of \$5,000. Half of the amount of each fine collected under this subsection shall be deposited to the credit of the state highway fund. The remaining portion of the fine may be retained by the county in which the violation occurred to be used solely for the purposes of road maintenance on county roads and enforcement of traffic laws in the county.

SECTION ____ . Section 621.503, Transportation Code, is amended by amending Subsections (a) and (b) and adding Subsection (d) to read as follows:

(a) A person may not load, or cause to be loaded, a vehicle for operation on a public highway of this state that exceeds the weight limitations for operation of that vehicle provided by Section 621.101 or Chapter 623.

(b) Intent to violate a limitation is presumed if the weight of the loaded vehicle is heavier than the applicable axle or gross weight limit by seven ~~[+5]~~ percent or more.

(d) A violation of this section is subject to administrative enforcement under Subchapter N, Chapter 623, except that administrative enforcement may not be imposed on a shipper of crude oil, natural gas liquids, gasoline, diesel fuel, or aviation fuel, as those terms are defined by Section 162.001, Tax Code, for a violation of this section.

SECTION ____ . Section 621.506, Transportation Code, is amended by amending Subsections (a) and (b) and adding Subsections (b-1), (b-2), and (i) to read as follows:

(a) A person commits an offense if the person:

(1) operates a vehicle or combination of vehicles in violation of Section 621.101, ~~[622.012,]~~ 622.031, 622.041, 622.0435, 622.051, 622.061, 622.133, 622.953, or 623.162; or

(2) loads a vehicle or causes a vehicle to be loaded in violation of Section 621.503.

(b) An offense under this section is a misdemeanor punishable:

(1) by a fine of not less than \$500 ~~[\$100]~~ and not more than \$1,250 ~~[\$150]~~;

(2) on conviction of an offense involving:

(A) a Class 1 weight violation, by a fine of not less than \$2,500 or more than \$4,500;

(B) a Class 2 weight violation, by a fine of not less than \$4,500 or more than \$8,000; or

(C) a Class 3 weight violation, by a fine of not less than \$9,250 or more than \$18,000 [a vehicle having a single axle weight, tandem axle weight, or gross weight that is more than 5,000 but not more than 10,000 pounds heavier than the vehicle's allowable weight, by a fine of not less than \$300 or more than \$500]; and

(3) [on conviction of an offense involving a vehicle having a single axle weight, tandem axle weight, or gross weight that is more than 10,000 pounds heavier than the vehicle's allowable weight, by a fine of not less than \$500 or more than \$1,000; or

[~~(4)~~] on conviction, before the first anniversary of the date of a previous conviction under this section, of a third offense under this section involving:

(A) a Class 1 weight violation, by a fine of not less than \$4,000 or more than \$5,500;

(B) a Class 2 weight violation, by a fine of not less than \$6,000 or more than \$9,000; or

(C) a Class 3 weight violation, by a fine of not less than \$12,500 or more than \$22,000 [by a fine in an amount that is twice the amount specified by Subdivision (1), (2), or (3)].

(b-1) For purposes of Subsection (b)(2), (3), or (4), a previous offense under this section includes any offense under this section, regardless of whether the offense involved a weight class violation or the same weight class violation.

(b-2) In this section:

(1) a vehicle having a single axle weight or tandem axle weight that is more than the vehicle's allowable weight is a Class 1 weight violation, if the excess weight is more than 5,000 pounds; and

(2) a vehicle having a gross weight that is more than the vehicle's allowable weight is:

(A) a Class 1 weight violation, if the excess weight is more than 5,000 pounds but not more than 10,000 pounds;

(B) a Class 2 weight violation, if the excess weight is more than 10,000 pounds but not more than 20,000 pounds; and

(C) a Class 3 weight violation, if the excess weight is more than 20,000 pounds.

(i) A violation of this section is subject to administrative enforcement under Subchapter N, Chapter 623.

SECTION ____. Subchapter G, Chapter 621, Transportation Code, is amended by adding Section 621.5061 to read as follows:

Sec. 621.5061. OFFENSE OF OPERATING OVERWEIGHT READY-MIXED CONCRETE TRUCK; PENALTY; DEFENSE. (a) In this section, "ready-mixed concrete truck" has the meaning assigned by Section 622.011.

(b) A person commits an offense if the person operates a ready-mixed concrete truck in violation of Section 622.012.

(c) An offense under this section is a misdemeanor punishable:

(1) by a fine of not less than \$100 and not more than \$150;

(2) on conviction of an offense involving a vehicle having a single axle weight, tandem axle weight, or gross weight that is more than 5,000 pounds but not more than 10,000 pounds heavier than the vehicle's allowable weight, by a fine of not less than \$300 or more than \$500;

(3) on conviction of an offense involving a vehicle having a single axle weight, tandem axle weight, or gross weight that is more than 10,000 pounds heavier than the vehicle's allowable weight, by a fine of not less than \$500 or more than \$1,000; or

(4) on conviction before the first anniversary of the date of a previous conviction under this section, by a fine in an amount that is twice the amount specified by Subdivision (1), (2), or (3).

(d) On conviction of a violation of an axle weight limitation, the court may assess a fine less than the applicable minimum amount prescribed by Subsection (c) if the court finds that when the violation occurred:

(1) the vehicle was registered to carry the maximum gross weight authorized for that vehicle under Section 622.012; and

(2) the gross weight of the vehicle did not exceed that maximum gross weight.

(e) A judge or justice shall promptly report to the Department of Public Safety each conviction obtained in the judge's or the justice's court under this section. The Department of Public Safety shall keep a record of each conviction reported to it under this subsection.

(f) If a corporation fails to pay the fine assessed on conviction of an offense under this section, the district or county attorney in the county in which the conviction occurs may file suit against the corporation to collect the fine.

(g) A justice or municipal court has jurisdiction of an offense under this section.

(h) Except as provided by Subsection (i), a governmental entity that collects a fine under this section for an offense involving a vehicle having a single axle weight, tandem axle weight, or gross weight that is more than 5,000 pounds heavier than the vehicle's allowable weight shall send an amount equal to 50 percent of the fine to the comptroller in the manner provided by Subchapter B, Chapter 133, Local Government Code.

(i) If the offense described by Subsection (h) occurred within 20 miles of an international border, the entire amount of the fine shall be deposited for the purposes of road maintenance in:

(1) the municipal treasury, if the fine was imposed by a municipal court; or

(2) the county treasury, if the fine was imposed by a justice court.

SECTION _____. Section 621.507(b), Transportation Code, is amended to read as follows:

(b) An offense under this section is a misdemeanor punishable:

(1) by a fine of:

(A) not less than \$500 and not more than \$1,250; or

(B) \$5,000, if the convicted person is a corporation [not to exceed \$200];

(2) on conviction before the first anniversary of the date of a previous conviction under this section:

(A) by a fine of not less than \$1,500 and not more than \$3,000 [to exceed \$500], by confinement in a county jail for not more than 60 days, or by both the fine and confinement; or

(B) if the convicted person is a corporation, by a fine of \$8,000 [not to exceed \$1,000]; or

(3) on a conviction after ~~[before]~~ the first anniversary of the date of a previous conviction under this section that was punishable under Subdivision (1) ~~[(2) or this subdivision]:~~

(A) by a fine of not less than \$750 and not more than \$1,500 [to exceed \$1,000], by confinement in the county jail for not more than 30 days [six months], or by both the fine and confinement; or

(B) if the convicted person is a corporation, by a fine not to exceed \$6,500 [\$2,000].

SECTION _____. Section 623.019, Transportation Code, is amended by amending Subsections (b), (c), (e), and (f) and adding Subsections (b-1) and (b-2) to read as follows:

(b) ~~An [Except as provided by Subsections (e) and (d), an] offense under Subsection (a) is a misdemeanor punishable:~~

~~(1) by a fine of not less than \$500 [~~\$100~~] or more than \$1,250;~~

~~(2) on conviction of an offense involving:~~

~~(A) a Class 1 weight violation, by a fine of not less than \$2,500 or more than \$4,500;~~

~~(B) a Class 2 weight violation, by a fine of not less than \$4,500 or more than \$8,000; or~~

~~(C) a Class 3 weight violation, by a fine of not less than \$9,250 or more than \$18,000; and~~

~~(3) on conviction, before the first anniversary of the date of a previous conviction under this section, of a third offense under this section involving:~~

~~(A) a Class 1 weight violation, by a fine of not less than \$4,000 or more than \$5,500;~~

~~(B) a Class 2 weight violation, by a fine of not less than \$6,000 or more than \$9,000; or~~

~~(C) a Class 3 weight violation, by a fine of not less than \$12,500 or more than \$22,000 [~~\$150~~].~~

~~(b-1) For purposes of Subsection (b)(2), (3), or (4), a previous offense under this section includes any offense under this section, regardless of whether the offense involved a weight class violation or the same weight class violation.~~

~~(b-2) In this section:~~

~~(1) a vehicle having a single axle weight or tandem axle weight that is more than the vehicle's allowable weight is a Class 1 weight violation, if the excess weight is more than 5,000 pounds; and~~

~~(2) a vehicle having a gross weight that is more than the vehicle's allowable weight is:~~

~~(A) a Class 1 weight violation, if the excess weight is more than 5,000 pounds but not more than 10,000 pounds;~~

~~(B) a Class 2 weight violation, if the excess weight is more than 10,000 pounds but not more than 20,000 pounds; and~~

~~(C) a Class 3 weight violation, if the excess weight is more than 20,000 pounds.~~

~~(c) A violation of this section is subject to administrative enforcement under Subchapter N, Chapter 623. [An offense under Subsection (a) is a misdemeanor and, except as provided by Subsection (d), is punishable by a fine of:~~

~~[(1) not less than \$300 or more than \$500 if the offense involves a vehicle having a gross weight that is heavier than 5,000 but not heavier than 10,000 pounds over the vehicle's allowable gross weight; or~~

~~[(2) not less than \$500 or more than \$1,000 if the offense involves a vehicle having a gross weight that is at least 10,000 pounds heavier than the vehicle's allowable gross weight.]~~

(e) A governmental entity collecting a fine under this section ~~[Subsection (e)]~~ shall send an amount equal to 50 percent of the fine to the comptroller.

(f) A justice of the peace has jurisdiction of any offense under this section. A municipal court has jurisdiction of an offense under this section in which the fine does not exceed \$10,000 ~~[\$500]~~. A county or district court has jurisdiction of an offense under this section in which the fine exceeds \$10,000.

SECTION _____. Section 623.082(b), Transportation Code, is amended to read as follows:

(b) Except as provided by Subsection (c), an offense under this section is a misdemeanor punishable:

- (1) by a fine of not more than \$1,500 ~~[\$200]~~;
- (2) on conviction before the first anniversary of ~~[within one year after]~~ the date of a previous ~~[prior]~~ conviction under this section ~~[that was punishable under Subdivision (1)]~~, by a fine of not more than \$2,500 ~~[\$500]~~, by confinement in the county jail for not more than 60 days, or by both the fine and the confinement; ~~[or]~~
- (3) on conviction of a third offense before the first anniversary of the date of a previous conviction under Subdivision (1), by a fine of not more than \$3,500; or
- (4) on conviction of an offense after the first anniversary of ~~[within one year after]~~ the date of a previous ~~[prior]~~ conviction under this section that was punishable under Subdivision (1) ~~(2) or this subdivision~~, by a fine of not less ~~[more]~~ than \$2,000 ~~[\$1,000]~~, by confinement in the county jail for not more than 30 days ~~[six months]~~, or by both the fine and the confinement.

SECTION _____. Section 623.271, Transportation Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) Except as provided by Subsection (a-1), the ~~[The]~~ department may investigate and, except as provided by Subsection (f), may impose an administrative penalty or revoke an oversize or overweight permit issued under this chapter if the person or the holder of the permit, as applicable:

- (1) provides false information on the permit application or another form required by the department for the issuance of an oversize or overweight permit;
- (2) violates this chapter, Chapter 621, or Chapter 622;
- (3) violates a rule or order adopted under this chapter, Chapter 621, or Chapter 622; or
- (4) fails to obtain an oversize or overweight permit if a permit is required.

(a-1) The department may not revoke an oversize or overweight permit issued under Subchapter D for a violation of Section 623.082 unless the holder of the permit is convicted before the first anniversary of the date of a previous conviction under Section 623.082(b)(1) of three or more offenses under that section.

SECTION _____. Section 623.272, Transportation Code, is amended by adding Subsection (d) to read as follows:

(d) If the department imposes an administrative penalty on a shipper under this section, the department shall assess, in addition to the penalty, a law enforcement fee in the amount of \$5,000 against the shipper. A fee collected under this subsection shall be remitted to the comptroller for deposit in a special account in the general revenue fund and may be appropriated only to the Department of Public Safety for

commercial vehicle enforcement. This subsection does not apply to an administrative penalty imposed on a shipper of crude oil, natural gas liquids, gasoline, diesel fuel, or aviation fuel, as those terms are defined by Section 162.001, Tax Code.

The amendment to **CSHB 2741** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2 except as follows:

Absent-excused: Williams.

Senator Davis offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 2741** by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS accordingly:

SECTION _____. Section 504.660(b), Transportation Code, as added by Chapter 1381 (S.B. 1616), Acts of the 81st Legislature, Regular Session, 2009, is repealed.

The amendment to **CSHB 2741** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 3 except as follows:

Absent-excused: Williams.

On motion of Senator Nichols and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 2741 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Campbell.

Absent-excused: Williams.

COMMITTEE SUBSTITUTE HOUSE BILL 2741 ON THIRD READING

Senator Nichols moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2741** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 1.

Nays: Campbell.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 1. (Same as previous roll call)

HOUSE BILL 912 ON SECOND READING

The Presiding Officer, Senator Eltife in Chair, laid before the Senate **HB 912** by Senator Estes on its second reading. The bill had been read second time, amended, and further consideration temporarily postponed:

HB 912, Relating to images captured by unmanned vehicles and unmanned aircraft; providing penalties.

Question — Shall **HB 912** as amended be passed to third reading?

Senator Ellis offered the following amendment to the bill:

Floor Amendment No. 4

Amend **HB 912** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Title 5, Civil Practice and Remedies Code, is amended by adding Chapter 112 to read as follows:

CHAPTER 112. LIABILITY OF GOVERNMENTAL UNIT FOR CERTAIN UNSUCCESSFUL PROSECUTIONS

Sec. 112.001. DEFINITION. In this chapter, "governmental unit" has the meaning assigned by Section 101.001.

Sec. 112.002. LIABILITY FOR CERTAIN RETALIATORY PROSECUTIONS. A person who is prosecuted for an offense under Section 22.01(a)(1) or 38.15(a)(1), Penal Code, or Section 542.501(a)(1), Transportation Code, and is acquitted of the offense may recover in a civil action against the governmental unit that employed any peace officer who accused the person of the offense of which the person was acquitted if the person shows by a preponderance of the evidence that:

(1) the person was filming, recording, photographing, documenting, or observing the peace officer; and

(2) the peace officer's accusation was made in retaliation for the person's act of filming, recording, photographing, documenting, or observing the peace officer.

Sec. 112.003. REMEDIES. A person who prevails in a suit against a governmental unit under Section 112.002 is entitled to recover only:

(1) the person's reasonable attorney's fees incurred in connection with the retaliatory prosecution; and

(2) the amount of any actual damages incurred by the person arising from damage by a peace officer to any recording equipment used in connection with the conduct that resulted in the retaliatory prosecution.

Sec. 112.004. SOVEREIGN IMMUNITY WAIVED. Sovereign immunity to suit and liability is waived and abolished to the extent of liability created by this chapter.

SECTION _____. Section 38.15(c), Penal Code, is amended to read as follows:

(c) It is a defense to prosecution under Subsection (a)(1) that the conduct engaged in by the defendant:

(1) was intended to warn a person operating a motor vehicle of the presence of a peace officer who was enforcing Subtitle C, Title 7, Transportation Code; or

(2) consisted only of filming, recording, photographing, documenting, or observing a peace officer.

SECTION _____. Section 542.501, Transportation Code, is amended to read as follows:

Sec. 542.501. OBEDIENCE REQUIRED TO POLICE OFFICERS AND TO SCHOOL CROSSING GUARDS. (a) A person may not wilfully fail or refuse to comply with a lawful order or direction of:

- (1) a police officer; or
- (2) a school crossing guard who:

(A) is performing crossing guard duties in a school crosswalk to stop and yield to a pedestrian; or

(B) has been trained under Section 600.004 and is directing traffic in a school crossing zone.

(b) Subsection (a)(1) does not apply to an order or direction to cease filming, recording, photographing, documenting, or observing a police officer while the officer is engaged in the performance of official duties.

SECTION _____. Chapter 112, Civil Practice and Remedies Code, as added by this Act, applies only with respect to a prosecution of an offense committed on or after the effective date of this Act.

SECTION _____. (a) Except as provided by Subsection (b) of this section, Section 38.15, Penal Code, and Section 542.501, Transportation Code, as amended by this Act, apply to the prosecution of an offense under one of those sections commenced before, on, or after the effective date of this Act.

(b) A final conviction for an offense under Section 38.15, Penal Code, or Section 542.501, Transportation Code, that exists on the effective date of this Act is unaffected by this Act.

The amendment to **HB 912** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 4 except as follows:

Absent-excused: Williams.

On motion of Senator Estes and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 912 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Garcia.

Absent-excused: Williams.

HOUSE BILL 912 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 912** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 1.

Nays: Garcia.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 1. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 343 ON SECOND READING**

On motion of Senator Rodríguez and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 343** at this time on its second reading:

CSHB 343, Relating to the filing of financial disclosure statements by trustees of certain independent school districts; providing criminal and civil penalties.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 343 ON THIRD READING**

Senator Rodríguez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 343** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

HOUSE BILL 52 ON SECOND READING

Senator Carona moved to suspend the regular order of business to take up for consideration **HB 52** at this time on its second reading:

HB 52, Relating to the sale of a cemetery plot; providing penalties; authorizing a fee.

The motion prevailed by the following vote: Yeas 20, Nays 10.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Estes, Garcia, Hancock, Hegar, Hinojosa, Lucio, Nelson, Paxton, Rodríguez, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Eltife, Fraser, Huffman, Nichols, Patrick, Schwertner, Seliger, Taylor.

Absent-excused: Williams.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Eltife, Fraser, Huffman, Nichols, Patrick, Schwertner, Seliger, Taylor.

Absent-excused: Williams.

HOUSE BILL 52 ON THIRD READING

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 52** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 24, Nays 6.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodríguez, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Patrick, Schwertner, Seliger, Taylor.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 20, Nays 10.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Estes, Garcia, Hancock, Hegar, Hinojosa, Lucio, Nelson, Paxton, Rodríguez, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Eltife, Fraser, Huffman, Nichols, Patrick, Schwertner, Seliger, Taylor.

Absent-excused: Williams.

HOUSE BILL 885 ON SECOND READING

Senator Patrick moved to suspend the regular order of business to take up for consideration **HB 885** at this time on its second reading:

HB 885, Relating to the guarantee of refinanced open-enrollment charter school bonds by the permanent school fund.

The motion prevailed.

Senator Garcia asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Garcia.

Absent-excused: Williams.

HOUSE BILL 885 ON THIRD READING

Senator Patrick moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 885** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 1.

Nays: Garcia.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 1. (Same as previous roll call)

HOUSE BILL 642 ON SECOND READING

On motion of Senator Lucio and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 642** at this time on its second reading:

HB 642, Relating to continuing education requirements for certain educators.

The bill was read second time.

Senator Lucio offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **HB 642** (engrossed version) as follows:

(1) In SECTION 1 of the bill, adding Section 21.054(d)(3), Education Code (page 1, line 15), following the semicolon, insert "and".

(2) In SECTION 1 of the bill, adding Section 21.054(d)(4)(D), Education Code (page 1, lines 22-23), strike "; and" and substitute "."

(3) In SECTION 1 of the bill, strike added Section 21.054(d)(5), Education Code (page 1, line 24, through page 2, line 1).

(4) In SECTION 1 of the bill, adding Section 21.054(e)(3), Education Code (page 2, line 13), following the semicolon, insert "and".

(5) In SECTION 1 of the bill, adding Section 21.054(e)(4)(D), Education Code (page 2, lines 20-21), strike "; and" and substitute "."

(6) In SECTION 1 of the bill, strike added Section 21.054(e)(5), Education Code (page 2, line 22, through page 3, line 1).

The amendment to **HB 642** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Committee Amendment No. 1 except as follows:

Absent-excused: Williams.

On motion of Senator Lucio and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 642 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 642 ON THIRD READING

Senator Lucio moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 642** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

HOUSE BILL 2380 ON SECOND READING

On motion of Senator Taylor and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2380** at this time on its second reading:

HB 2380, Relating to a provision in a will or trust that would cause a forfeiture of or void an interest for bringing any court action, including contesting the will or trust.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 2380 ON THIRD READING

Senator Taylor moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2380** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

REMARKS ORDERED PRINTED

On motion of Senator Taylor and by unanimous consent, his remarks regarding **HB 2380** were ordered reduced to writing and printed in the *Senate Journal* as follows:

House Bill 2380 seeks to clear up the law on forfeiture clauses, which are frequently used provisions in wills and trusts. Legislation that passed in 2009 sought to clear up the inconsistent application of forfeiture clauses by recognizing that a forfeiture clause is invalid if the challenge to a will or

trust is brought in good faith and with probable cause. However, questions remain in which party has this burden of proof. House Bill 2380 continues to recognize the good faith and just cause exceptions to the enforcement of forfeiture clauses but clarifies that the burden of proof is on the party seeking to avoid enforcement of the forfeiture clause. House Bill 2380 is not intended to and does not repeal Texas law, recognizing that forfeiture clauses generally will not be construed to prevent a beneficiary from seeking to compel a fiduciary to perform his duties, to seek redress against a fiduciary for breaches of his duties, or to seek a judicial construction of a will or trust.

**MOTION TO PLACE
COMMITTEE SUBSTITUTE
HOUSE BILL 928 ON SECOND READING**

Senator Estes moved to suspend the regular order of business to take up for consideration **CSHB 928** at this time on its second reading:

CSHB 928, Relating to the enforcement of certain federal laws regulating firearms, firearm accessories, and firearm ammunition within the State of Texas.

Senator Estes withdrew the motion to suspend the regular order of business.

HOUSE BILL 2025 ON SECOND READING

On motion of Senator Hancock and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2025** at this time on its second reading:

HB 2025, Relating to the concurrent jurisdiction of the municipal courts of certain neighboring municipalities to hear criminal cases.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 2025 ON THIRD READING

Senator Hancock moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2025** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

HOUSE BILL 2929 ON SECOND READING

Senator Deuell moved to suspend the regular order of business to take up for consideration **HB 2929** at this time on its second reading:

HB 2929, Relating to health benefit plan coverage for brain injury.

The motion prevailed by the following vote: Yeas 22, Nays 8.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Paxton, Rodríguez, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Nelson, Nichols, Patrick, Schwertner, Taylor.

Absent-excused: Williams.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Hancock, Nelson, Nichols, Patrick, Schwertner, Taylor.

Absent-excused: Williams.

HOUSE BILL 2929 ON THIRD READING

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2929** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 24, Nays 6.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Paxton, Rodríguez, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Hancock, Nelson, Nichols, Patrick, Schwertner, Taylor.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 22, Nays 8.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Paxton, Rodríguez, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Nelson, Nichols, Patrick, Schwertner, Taylor.

Absent-excused: Williams.

HOUSE BILL 1996 ON SECOND READING

Senator Fraser moved to suspend the regular order of business to take up for consideration **HB 1996** at this time on its second reading:

HB 1996, Relating to certain political party officials visiting a primary election polling place for administrative purposes.

The motion prevailed.

Senator Uresti asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Uresti.

Absent-excused: Williams.

HOUSE BILL 1996 ON THIRD READING

Senator Fraser moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1996** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 1.

Nays: Uresti.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 1. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 2840 ON SECOND READING

Senator West moved to suspend the regular order of business to take up for consideration **CSHB 2840** at this time on its second reading:

CSHB 2840, Relating to the urban land bank demonstration program in certain municipalities.

The motion prevailed.

Senators Nelson and Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Nelson, Patrick.

Absent-excused: Williams.

COMMITTEE SUBSTITUTE HOUSE BILL 2840 ON THIRD READING

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2840** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nichols, Paxton, Rodriguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Nelson, Patrick.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 2. (Same as previous roll call)

**CONFERENCE COMMITTEE ON HOUSE BILL 1160
(Motion In Writing)**

Senator Nelson submitted a Motion In Writing to call from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 1160** and moved that the request be granted.

The Motion In Writing prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 1160** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Nelson, Chair; Eltife, Nichols, Deuell, and Watson.

**COMMITTEE SUBSTITUTE
HOUSE BILL 978 ON SECOND READING**

On motion of Senator Zaffirini and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 978** at this time on its second reading:

CSHB 978, Relating to the transportation of certain patients to a mental health facility.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 978 ON THIRD READING**

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 978** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

HOUSE BILL 2482 ON SECOND READING

On motion of Senator Taylor and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2482** at this time on its second reading:

HB 2482, Relating to a study to determine the reasons major manufacturers have chosen to invest in other states after considering development in this state.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 2482 ON THIRD READING

Senator Taylor moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2482** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

HOUSE BILL 2394 ON SECOND READING

Senator Hancock moved to suspend the regular order of business to take up for consideration **HB 2394** at this time on its second reading:

HB 2394, Relating to a study on the feasibility of requiring title for all trailers, semitrailers, and travel trailers not considered manufactured housing.

The motion prevailed.

Senator Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Schwertner.

Absent-excused: Williams.

HOUSE BILL 2394 ON THIRD READING

Senator Hancock moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2394** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 1.

Nays: Schwertner.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 1. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 2725 ON SECOND READING**

On motion of Senator Van de Putte and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2725** at this time on its second reading:

CSHB 2725, Relating to the confidentiality of certain records maintained by a victims of trafficking shelter center and the creation of minimum standards for certain facilities that provide services to victims of trafficking.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2725 ON THIRD READING**

Senator Van de Putte moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2725** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 3361 ON SECOND READING**

Senator Birdwell moved to suspend the regular order of business to take up for consideration **CSHB 3361** at this time on its second reading:

CSHB 3361, Relating to the continuation and functions of the Texas Department of Housing and Community Affairs; authorizing and otherwise affecting the application of certain fees.

The motion prevailed.

Senator Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Birdwell offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3361** (senate committee report), in SECTION 2.02 of the bill, in added Section 2306.67071(c)(4), Government Code (page 3, line 24), by striking "the filing of".

The amendment to **CSHB 3361** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Absent-excused: Williams.

Senator Taylor offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 3361** (senate committee report) as follows:

(1) In SECTION 2.03 of the bill, strike amended Section 2306.6710(b)(1)(F), Government Code (page 3, lines 62-65), and substitute the following:

(F) the level of community support for the application, evaluated on the basis of written statements from the state representative who [~~or the state senator that~~] represents the district containing the proposed development site;

(2) In SECTION 2.03 of the bill, in amended Section 2306.6710(b)(1), Government Code (page 3, line 66), strike "~~(G)~~" and substitute "(G)".

(3) In SECTION 2.03 of the bill, in amended Section 2306.6710(b)(1), Government Code (page 3, line 67), strike "~~(G)~~ [~~H~~]" and substitute "(H)".

(4) In SECTION 2.03 of the bill, in amended Section 2306.6710(b)(1), Government Code (page 3, line 69), strike "~~(H)~~ [~~I~~]" and substitute "(I)".

(5) In SECTION 2.03 of the bill, in amended Section 2306.6710(b)(1), Government Code (page 4, line 2), strike "~~(I)~~ [~~J~~]" and substitute "(J)".

(6) In SECTION 2.03 of the bill, in amended Section 2306.6710(b)(1), Government Code (page 4, line 7), strike "~~(J)~~" and substitute "~~(K)~~".

(7) In SECTION 5.01 of the bill, in the repealer, on page 9, strike lines 66-68 and substitute the following:

(1) Section 2306.255(h); and

(2) Section 2306.560(d).

The amendment to **CSHB 3361** was read.

Senator Taylor withdrew Floor Amendment No. 2.

On motion of Senator Birdwell and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 3361 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Schwertner.

Absent-excused: Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3361 ON THIRD READING**

Senator Birdwell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3361** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 1.

Nays: Schwertner.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 1. (Same as previous roll call)

HOUSE BILL 3729 ON SECOND READING

On motion of Senator Van de Putte and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3729** at this time on its second reading:

HB 3729, Relating to licensing requirements for newly constructed assisted living facilities.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 3729 ON THIRD READING

Senator Van de Putte moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3729** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

HOUSE BILL 3568 ON SECOND READING

On motion of Senator Watson and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3568** at this time on its second reading:

HB 3568, Relating to the designation of the structure on Loop 150 in the city of Bastrop connecting the east and west banks of the Colorado River as the Chief Petty Officer (SOC) Stephen "Matt" Mills Bridge.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 3568 ON THIRD READING

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3568** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

HOUSE BILL 2300 ON SECOND READING

On motion of Senator Uresti and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2300** at this time on its second reading:

HB 2300, Relating to funding and donations for county transportation projects, including projects of county energy transportation reinvestment zones.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 2300 ON THIRD READING

Senator Uresti moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2300** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

HOUSE BILL 1487 ON SECOND READING

On motion of Senator Rodríguez and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1487** at this time on its second reading:

HB 1487, Relating to the searchable state expenditure database maintained by the comptroller.

The bill was read second time.

Senator Rodríguez offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1487** (senate committee printing) by striking SECTION 1 of the bill and substituting the following:

SECTION 1. Subchapter B, Chapter 403, Government Code, is amended by adding Section 403.0245 to read as follows:

Sec. 403.0245. AVAILABILITY ON INTERNET OF CERTAIN INFORMATION ON STATE GRANTS. (a) In this section, "state agency" has the meaning assigned by Section 403.013.

(b) A state agency that awards a state grant in an amount greater than \$25,000 shall make available to the public on the agency's generally accessible Internet website the purposes for which the grant was awarded. The agency shall provide to the comptroller a link to the information in order for the comptroller to maintain the information on the comptroller's Internet website through a central Internet portal.

The amendment to **HB 1487** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Absent-excused: Williams.

On motion of Senator Rodríguez and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 1487 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 1487 ON THIRD READING

Senator Rodríguez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1487** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

**SENATE RULE 5.14(a) SUSPENDED
(Intent Calendar)**

On motion of Senator Watson and by unanimous consent, Senate Rule 5.14(a), requiring bills to be posted on the Intent Calendar by 3:00 p.m., was suspended and the time was extended to 6:00 p.m. today.

HOUSE BILL 3256 ON SECOND READING

On motion of Senator Uresti and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3256** at this time on its second reading:

HB 3256, Relating to the eligibility of certain vehicles to be operated as farm vehicles on a road or highway in this state.

The bill was read second time.

Senator Uresti offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3256** (senate committee printing) in SECTION 3 of the bill, at the end of added Section 502.434(a-1), Transportation Code (page 1, line 46), by inserting the following:

This subsection does not apply to a permit issued to a retail dealer of tools or equipment that is transporting the tools or equipment from the place of purchase or storage to the customer's farm or ranch.

The amendment to **HB 3256** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Absent-excused: Williams.

On motion of Senator Uresti and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3256 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 3256 ON THIRD READING

Senator Uresti moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3256** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

HOUSE BILL 3068 ON SECOND READING

Senator Carona moved to suspend the regular order of business to take up for consideration **HB 3068** at this time on its second reading:

HB 3068, Relating to debit card or stored value card surcharges.

The motion prevailed.

Senators Birdwell, Campbell, Estes, Hancock, and Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Estes, Hancock, Patrick.

Absent-excused: Williams.

HOUSE BILL 3068 ON THIRD READING

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3068** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 5.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Estes, Hancock, Patrick.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 5. (Same as previous roll call)

HOUSE BILL 3152 ON SECOND READING

On motion of Senator Fraser and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3152** at this time on its second reading:

HB 3152, Relating to the payment of and contracts with health care providers by certain entities under contract with a certified workers' compensation network.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 3152 ON THIRD READING

Senator Fraser moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3152** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

HOUSE BILL 1191 ON SECOND READING

On motion of Senator Zaffirini and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1191** at this time on its second reading:

HB 1191, Relating to certain information about housing for persons with mental illness provided through the Texas Information and Referral Network Internet site.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 1191 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1191** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

HOUSE BILL 1448 ON SECOND READING

Senator Campbell moved to suspend the regular order of business to take up for consideration **HB 1448** at this time on its second reading:

HB 1448, Relating to the use of money deposited to a justice court technology fund in certain counties.

The motion prevailed.

Senator Hancock asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hancock.

Absent-excused: Williams.

HOUSE BILL 1448 ON THIRD READING

Senator Campbell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1448** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 1.

Nays: Hancock.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 1. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 2020 ON SECOND READING**

Senator Deuell moved to suspend the regular order of business to take up for consideration **CSHB 2020** at this time on its second reading:

CSHB 2020, Relating to the adoption of wellness policies and programs by state agencies.

The motion prevailed.

Senators Birdwell, Campbell, Hancock, Patrick, and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Deuell offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2020** in SECTION 2 of the bill (senate committee report page 1, line 47) between "incentives" and "for" by inserting ", notwithstanding Section 2113.201,".

The amendment to **CSHB 2020** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Absent-excused: Williams.

On motion of Senator Deuell and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 2020 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Hancock, Patrick, Schwertner.

Absent-excused: Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2020 ON THIRD READING**

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2020** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 5.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Patrick, Schwertner.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 5. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 2772 ON SECOND READING**

Senator Duncan moved to suspend the regular order of business to take up for consideration **CSHB 2772** at this time on its second reading:

CSHB 2772, Relating to an interim study regarding the method by which certain judicial officers are selected.

The motion prevailed by the following vote: Yeas 24, Nays 6.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Nelson, Nichols, Patrick, Schwertner.

Absent-excused: Williams.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Hegar, Nelson, Nichols, Patrick, Schwertner.

Absent-excused: Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2772 ON THIRD READING**

Senator Duncan moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2772** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 24, Nays 6.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Paxton, Rodriguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Nelson, Nichols, Patrick, Schwertner.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 23, Nays 7.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hinojosa, Huffman, Lucio, Paxton, Rodriguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Hegar, Nelson, Nichols, Patrick, Schwertner.

Absent-excused: Williams.

LEAVE OF ABSENCE

On motion of Senator Whitmire, Senator Duncan was granted leave of absence for the remainder of the day on account of important business.

HOUSE BILL 308 ON SECOND READING

On motion of Senator Nichols and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 308** at this time on its second reading:

HB 308, Relating to a school district's recognition of and education regarding traditional winter celebrations.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Duncan, Williams.

HOUSE BILL 308 ON THIRD READING

Senator Nichols moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 308** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Duncan, Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0. (Same as previous roll call)

HOUSE JOINT RESOLUTION 147 ON SECOND READING

On motion of Senator Hinojosa and by unanimous consent, the regular order of business was suspended to take up for consideration **HJR 147** at this time on its second reading:

HJR 147, Proposing a constitutional amendment repealing the constitutional provision authorizing the creation of a hospital district in Hidalgo County.

The resolution was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Duncan, Williams.

HOUSE JOINT RESOLUTION 147 ON THIRD READING

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HJR 147** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Duncan, Williams.

The resolution was read third time and was passed by the following vote: Yeas 29, Nays 0. (Same as previous roll call)

HOUSE BILL 154 ON SECOND READING

On motion of Senator West and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 154** at this time on its second reading:

HB 154, Relating to the termination of the parent-child relationship and the duty to pay child support in circumstances involving mistaken paternity.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Duncan, Williams.

HOUSE BILL 154 ON THIRD READING

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 154** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Duncan, Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 1297 ON SECOND READING

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 1297** at this time on its second reading:

CSHB 1297, Relating to the review of certain skills development fund workforce training programs.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Duncan, Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1297 ON THIRD READING**

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1297** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Duncan, Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 1494 ON SECOND READING**

Senator Hinojosa moved to suspend the regular order of business to take up for consideration **CSHB 1494** at this time on its second reading:

CSHB 1494, Relating to certain regulatory programs administered by the Department of Agriculture; providing penalties; imposing fees.

The motion prevailed.

Senator Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Hinojosa offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 1494** (senate committee report) by adding the following appropriately numbered article to the bill and renumbering the articles of the bill accordingly:

ARTICLE __. REGULATION OF CITRUS PEST AND DISEASE MANAGEMENT

SECTION __.01. Section 80.003(6), Agriculture Code, is amended to read as follows:

(6) "Citrus producer" means a person who grows citrus and receives or intends to receive income from the sale of citrus. The term includes an individual who as owner, landlord, tenant, or sharecropper is entitled to share in the citrus grown and available for marketing from a farm or to share in the proceeds from the sale of the citrus from the farm. The term includes a person who owns land that is primarily used to grow citrus and that is appraised based on agricultural use under Chapter 23,

Tax Code, regardless of whether the person receives income from the sale of citrus, and there is an irrebuttable presumption that the person intends to receive income from the sale of citrus.

SECTION __.02. Section 80.015(b), Agriculture Code, is amended to read as follows:

(b) The commissioner shall propose in a referendum the:

- (1) maximum assessment to be paid by citrus producers [~~having production~~] in the pest management zone; and
- (2) time for which the assessment will be made.

SECTION __.03. Section 80.016(d), Agriculture Code, is amended to read as follows:

(d) A citrus producer [~~having citrus production~~] in a proposed or established pest management zone is entitled to:

- (1) vote in a referendum concerning the pest management zone; and
- (2) elect board members to represent the pest management zone.

SECTION __.04. The changes in law made by this article to Sections 80.015(b) and 80.016(d), Agriculture Code, apply only to an election ordered on or after the effective date of this Act. An election ordered before the effective date of this Act is governed by the law in effect when the election was ordered, and the former law is continued in effect for that purpose.

The amendment to **CSHB 1494** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Absent-excused: Duncan, Williams.

On motion of Senator Hinojosa and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 1494 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Patrick.

Absent-excused: Duncan, Williams.

COMMITTEE SUBSTITUTE HOUSE BILL 1494 ON THIRD READING

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1494** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 1.

Nays: Patrick.

Absent-excused: Duncan, Williams.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 1. (Same as previous roll call)

HOUSE BILL 693 ON SECOND READING

On motion of Senator Deuell and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 693** at this time on its second reading:

HB 693, Relating to the authority of a water and sewer utility to collect voluntary contributions on behalf of a local library.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Duncan, Williams.

HOUSE BILL 693 ON THIRD READING

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 693** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Duncan, Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0. (Same as previous roll call)

HOUSE BILL 1318 ON SECOND READING

On motion of Senator Whitmire and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1318** at this time on its second reading:

HB 1318, Relating to the appointment of counsel to represent certain youths and indigent defendants.

The bill was read second time.

Senator Ellis offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1318** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Effective September 1, 2014, Article 26.04(j), Code of Criminal Procedure, is amended to read as follows:

(j) An attorney appointed under this article shall:

(1) make every reasonable effort to contact the defendant not later than the end of the first working day after the date on which the attorney is appointed and to interview the defendant as soon as practicable after the attorney is appointed;

(2) represent the defendant until charges are dismissed, the defendant is acquitted, appeals are exhausted, or the attorney is permitted or ordered by the court to withdraw as counsel for the defendant after a finding of good cause is entered on the record; [~~and~~]

(3) with respect to a defendant not represented by other counsel, before withdrawing as counsel for the defendant after a trial or the entry of a plea of guilty:

(A) advise the defendant of the defendant's right to file a motion for new trial and a notice of appeal;

(B) if the defendant wishes to pursue either or both remedies described by Paragraph (A), assist the defendant in requesting the prompt appointment of replacement counsel; and

(C) if replacement counsel is not appointed promptly and the defendant wishes to pursue an appeal, file a timely notice of appeal; and

(4) not later than October 15 of each year and on a form prescribed by the Texas Indigent Defense Commission, submit to the county information, for the preceding fiscal year, that describes the percentage of the attorney's practice time that was dedicated to work based on appointments accepted in the county under this article and Title 3, Family Code.

(b) The change in law made by this section to Article 26.04(j), Code of Criminal Procedure, applies only to a criminal proceeding that commences on or after September 1, 2014. A criminal proceeding that commences before September 1, 2014, is governed by the law in effect when the proceeding commenced, and the former law is continued in effect for that purpose.

SECTION _____. Effective September 1, 2013, Section 79.036(a), Government Code, is amended to read as follows:

(a) Not ~~In each county, not~~ later than November 1 of each odd-numbered year and in the form and manner prescribed by the commission, each county ~~[the following information]~~ shall prepare ~~[be prepared]~~ and provide ~~[provided]~~ to the commission:

(1) a copy of all formal and informal rules and forms that describe the procedures used in the county to provide indigent defendants with counsel in accordance with the Code of Criminal Procedure, including the schedule of fees required under Article 26.05 of that code;

(2) any plan or proposal submitted to the commissioners court under Article 26.044, Code of Criminal Procedure;

(3) any plan of operation submitted to the commissioners court under Article 26.047, Code of Criminal Procedure;

(4) any contract for indigent defense services required under rules adopted by the commission relating to a contract defender program;

(5) ~~(2)~~ any revisions to rules, ~~[or]~~ forms, plans, proposals, or contracts previously submitted under this section; or

(6) ~~(3)~~ verification that rules, ~~[and]~~ forms, plans, proposals, or contracts previously submitted under this section still remain in effect.

SECTION _____. Effective September 1, 2014, Section 79.036, Government Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) Not later than November 1 of each year and in the form and manner prescribed by the commission, each county shall prepare and provide to the commission information that describes for the preceding fiscal year the number of appointments under Article 26.04, Code of Criminal Procedure, and Title 3, Family Code, made to each attorney accepting appointments in the county, and information provided to the county by those attorneys under Article 26.04(j)(4), Code of Criminal Procedure.

SECTION _____. (a) This section takes effect September 1, 2013.

(b) Not later than January 1, 2015, the Texas Indigent Defense Commission shall conduct and publish a study for the purpose of determining guidelines for establishing a maximum allowable caseload for a criminal defense attorney that, when the attorney's total caseload, including appointments made under Article 26.04, Code of Criminal Procedure, appointments made under Title 3, Family Code, and other work, is considered, allows the attorney to give each indigent defendant the time and effort necessary to ensure effective representation. The study must be based on relevant policies, performance guidelines, and best practices.

(c) In conducting the study under Subsection (b) of this section, the commission shall consult with criminal defense attorneys, criminal defense attorney associations, the judiciary, and any other organization engaged in the development of criminal indigent defense policy that the commission considers appropriate.

The amendment to **HB 1318** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Absent-excused: Duncan, Williams.

On motion of Senator Whitmire and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 1318 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Duncan, Williams.

HOUSE BILL 1318 ON THIRD READING

Senator Whitmire moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1318** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Duncan, Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0. (Same as previous roll call)

HOUSE BILL 367 ON SECOND READING

On motion of Senator Davis and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 367** at this time on its second reading:

HB 367, Relating to the disclosure by a member of the legislature or the lieutenant governor of certain information concerning a resident of this state to a governmental body.

The bill was read second time.

Senator Davis offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 367** (senate committee report) as follows:

(1) In the recital (page 1, line 20), strike "Subsection (c)" and substitute "Subsections (c) and (d)".

(2) In SECTION 1 of the bill, in amended Section 306.003, Government Code, (immediately following page 1, line 34), immediately following Subsection (c), insert the following:

(d) If the department or governmental unit that is a "covered entity" under Section 181.001(b), Health and Safety Code, receives a request for public information under Chapter 552, and information subject to the request is information described by Subsection (c), the department or governmental unit shall promptly notify, in writing or by electronic means, the member of the legislature or the lieutenant governor, as applicable, that the department or governmental entity received the request. The notification must specify the type of information that is requested and include a copy of the request.

(3) In SECTION 2 of the bill, in the recital (page 1, line 36), strike "Subsection (d)" and substitute "Subsections (d) and (e)".

(4) In SECTION 2 of the bill, in amended Section 306.004, Government Code, (immediately following page 1, line 50), immediately following Subsection (d), insert the following:

(e) If the department or governmental unit that is a "covered entity" under Section 181.001(b), Health and Safety Code, receives a request for public information under Chapter 552, and information subject to the request is information described by Subsection (d), the department or governmental unit shall promptly notify, in writing or by electronic means, the member of the legislature or the lieutenant governor, as applicable, that the department or governmental entity received the request. The notification must specify the type of information that is requested and include a copy of the request.

The amendment to **HB 367** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Absent-excused: Duncan, Williams.

On motion of Senator Davis and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 367 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Duncan, Williams.

HOUSE BILL 367 ON THIRD READING

Senator Davis moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 367** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Duncan, Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0. (Same as previous roll call)

HOUSE BILL 3211 ON SECOND READING

Senator Zaffirini moved to suspend the regular order of business to take up for consideration **HB 3211** at this time on its second reading:

HB 3211, Relating to the Hispanic Heritage Center of Texas.

The motion prevailed.

Senators Birdwell and Hegar asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Hegar.

Absent-excused: Duncan, Williams.

HOUSE BILL 3211 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3211** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 2.

Yeas: Campbell, Carona, Davis, Deuell, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Hegar.

Absent-excused: Duncan, Williams.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 2. (Same as previous roll call)

HOUSE BILL 485 ON SECOND READING

On motion of Senator Whitmire and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 485** at this time on its second reading:

HB 485, Relating to the amount of the fees paid by certain peace officers, correctional officers, members of the state military forces, and veterans of the armed forces for a license to carry a concealed handgun and to the issuance of such a license to certain peace officers and members of the state military forces; authorizing a fee.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Duncan, Williams.

HOUSE BILL 485 ON THIRD READING

Senator Whitmire moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 485** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Duncan, Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0. (Same as previous roll call)

HOUSE BILL 62 ON SECOND READING

On motion of Senator West and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 62** at this time on its second reading:

HB 62, Relating to a justice or judge having an interest in a business entity that owns, manages, or operates a private correctional or rehabilitation facility.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Duncan, Williams.

HOUSE BILL 62 ON THIRD READING

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 62** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Absent-excused: Duncan, Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0. (Same as previous roll call)

SENATOR ANNOUNCED PRESENT

Senator Duncan, who had previously been recorded as "Absent-excused," was announced "Present."

**COMMITTEE SUBSTITUTE
HOUSE BILL 1752 ON SECOND READING**

Senator Watson moved to suspend the regular order of business to take up for consideration **CSHB 1752** at this time on its second reading:

CSHB 1752, Relating to creating the Texas Teacher Residency Program.

The motion prevailed.

Senators Hegar and Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hegar, Patrick.

Absent-excused: Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1752 ON THIRD READING**

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1752** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Hegar, Patrick.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 2. (Same as previous roll call)

HOUSE BILL 2290 ON SECOND READING

Senator Estes moved to suspend the regular order of business to take up for consideration **HB 2290** at this time on its second reading:

HB 2290, Relating to the use for administrative costs of a portion of money received by certain entities to implement a supplemental environmental project.

The motion prevailed.

Senator Seliger asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Seliger.

Absent-excused: Williams.

HOUSE BILL 2290 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2290** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 1.

Nays: Seliger.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 1. (Same as previous roll call)

SENATOR ANNOUNCED PRESENT

Senator Williams, who had previously been recorded as "Absent-excused," was announced "Present."

MOTION TO PLACE

HOUSE BILL 1314 ON SECOND READING

Senator Patrick moved to suspend the regular order of business to take up for consideration **HB 1314** at this time on its second reading:

HB 1314, Relating to the unlawful seizure of a firearm by a governmental officer or employee; providing penalties.

Senator Patrick withdrew the motion to suspend the regular order of business.

SENATE RULE 5.14(a) SUSPENDED

(Intent Calendar)

(Motion In Writing)

Senator Uresti submitted the following Motion In Writing:

Mr. President:

I move suspension of Senate Rule 5.14 so that we may move the Intent Calendar deadline to 6:30 p.m. today.

URESTI

The Motion In Writing prevailed without objection.

HOUSE BILL 1967 ON SECOND READING

Senator Williams moved to suspend the regular order of business to take up for consideration **HB 1967** at this time on its second reading:

HB 1967, Relating to use of sales and use tax proceeds by certain economic development corporations for certain job-related skills training.

The motion prevailed.

Senators Birdwell, Campbell, Fraser, Hancock, and Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Fraser, Hancock, Patrick.

HOUSE BILL 1967 ON THIRD READING

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1967** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodriguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Fraser, Hancock, Patrick.

The bill was read third time and was passed by the following vote: Yeas 26, Nays 5. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 2049 ON SECOND READING

On motion of Senator Williams and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2049** at this time on its second reading:

CSHB 2049, Relating to a qualifying cogeneration facility's ability to sell electric energy to multiple purchasers.

The bill was read second time.

Senator Williams offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2049** (Senate committee report) in SECTION 2 of the bill, in added Section 37.0521(b), Utilities Code (page 1, lines 38-41), by striking "A qualifying cogenerator that sells electric energy at retail to more than one purchaser, if not otherwise subject to regulation as an electric utility, is not as a result of the sale subject to regulation as:" and substituting "Selling electric energy at retail to more than one purchaser does not, as a result of that sale, subject a qualifying cogenerator to regulation as:".

The amendment to **CSHB 2049** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Williams and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 2049 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2049 ON THIRD READING**

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2049** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2473 ON SECOND READING**

Senator Williams moved to suspend the regular order of business to take up for consideration **CSHB 2473** at this time on its second reading:

CSHB 2473, Relating to use of sales and use tax proceeds by economic development corporations in connection with housing facilities for certain institutions of higher education.

The motion prevailed.

Senators Birdwell, Campbell, Fraser, Hancock, Nichols, and Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Fraser, Hancock, Nichols, Patrick.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2473 ON THIRD READING**

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2473** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Fraser, Hancock, Nichols, Patrick.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 6. (Same as previous roll call)

HOUSE BILLS ON FIRST READING

The following bills received from the House were read first time and referred to the committees indicated:

HB 1260 to Committee on Administration.

HB 1587 to Committee on Administration.

HB 1588 to Committee on Administration.

HB 2640 to Committee on Administration.

HB 3916 to Committee on Administration.

HB 3945 to Committee on Administration.

HB 3954 to Committee on Administration.

HOUSE BILL 376 ON SECOND READING

Senator Zaffirini moved to suspend the regular order of business to take up for consideration **HB 376** at this time on its second reading:

HB 376, Relating to the regulation of child-care providers by the Texas Workforce Commission and local workforce development boards.

The motion prevailed.

Senators Campbell, Huffman, and Nichols asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Campbell, Huffman, Nichols.

HOUSE BILL 376 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 376** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Lucio, Nelson, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Huffman, Nichols.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 1294 ON SECOND READING**

On motion of Senator Seliger and by unanimous consent, the regular order of

business was suspended to take up for consideration **CSHB 1294** at this time on its second reading:

CSHB 1294, Relating to the dismissal of a charge for the offense of failing to secure a child in a child passenger safety seat system.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1294 ON THIRD READING**

Senator Seliger moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1294** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time.

Senator Seliger offered the following amendment to the bill:

Floor Amendment No. 1 on Third Reading

Amend **CSHB 1294** (senate committee printing) on third reading by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 545.412(b), Transportation Code, is amended to read as follows:

(b) An offense under this section is a misdemeanor punishable by a fine of not less [~~more~~] than \$25 [~~for the first offense~~] and not more than \$250 [~~for a second or subsequent offense~~].

The amendment to **CSHB 1294** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 on Third Reading.

On motion of Senator Seliger and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 1294 as amended was finally passed by the following vote: Yeas 31, Nays 0.

**HOUSE BILL 489 REREFERRED
(Motion In Writing)**

Senator Uresti submitted a Motion In Writing requesting that **HB 489** be withdrawn from the Committee on Health and Human Services and rereferred to the Committee on Veteran Affairs and Military Installations.

The Motion In Writing prevailed without objection.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Friday, May 17, 2013 - 4

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

HB 1260 Creighton

Relating to the creation of the Montgomery County Municipal Utility District No. 132; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.

HB 1587 Creighton

Relating to the creation of the Montgomery County Municipal Utility District No. 134; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

HB 1588 Creighton

Relating to the creation of the Montgomery County Municipal Utility District No. 133; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

HB 2640 Workman

Relating to the creation of the Western Travis County Groundwater Conservation District; providing general law authority to issue bonds and exercise the power of eminent domain; providing general law authority to impose assessments, fees, surcharges, or taxes.

HB 3916 Fallon

Relating to the creation of the Comanche Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments or fees.

HB 3945 King, Phil

Relating to the annexation of certain territory by the Wise County Water Control and Improvement District No. 1.

HB 3954 Stephenson

Relating to the creation of Kendleton Improvement District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

MESSAGE FROM THE HOUSE

HOUSE CHAMBER
Austin, Texas
Friday, May 17, 2013 - 5

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

HB 3942 Parker
Relating to the creation of the Riverwalk Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments or fees.

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

CONFERENCE COMMITTEE ON HOUSE BILL 1768

Senator Hinojosa called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 1768** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 1768** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Hinojosa, Chair; Uresti, Seliger, Deuell, and Whitmire.

**SENATE BILL 64 WITH HOUSE AMENDMENT
(Motion In Writing)**

Senator Nelson submitted a Motion In Writing to call **SB 64** from the President's table for consideration of the House amendment to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 64** (house committee report) as follows:

(1) On page 3, line 2, strike "may" and insert "shall".

The amendment was read.

Senator Nelson moved that the Senate do not concur in the House amendment, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 64** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Nelson, Chair; Huffman, Deuell, Hinojosa, and Van de Putte.

SENATE BILL 971 WITH HOUSE AMENDMENT
(Motion In Writing)

Senator Williams submitted a Motion In Writing to call **SB 971** from the President's table for consideration of the House amendment to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 971** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the purposes, designation, and funding of a transportation reinvestment zone for port projects; providing authority to issue bonds; authorizing an assessment.

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

SECTION 1. Subchapter E, Chapter 222, Transportation Code, is amended by adding Section 222.1075 to read as follows:

Sec. 222.1075. PORT AUTHORITY TRANSPORTATION REINVESTMENT ZONE. (a) In this section:

(1) "Port authority" means a port authority or navigation district created or operating under Section 52, Article III, or Section 59, Article XVI, Texas Constitution.

(2) "Port commission" means the governing body of a port authority or navigation district.

(3) "Port project" means a project that is necessary or convenient for the proper operation of a maritime port or waterway and that will improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade, including dredging, disposal, and other projects.

(b) In this section:

(1) the amount of a port authority's tax increment for a year is the amount of ad valorem taxes levied and collected by the port authority or by the commissioners court on behalf of the port authority for that year on the captured appraised value of real property taxable by the port authority and located in a transportation reinvestment zone under this section;

(2) the captured appraised value of real property taxable by a port authority for a year is the total appraised value of all real property taxable by the port authority and located in a transportation reinvestment zone for that year less the tax increment base of the port authority; and

(3) the tax increment base of a port authority is the total appraised value of all real property taxable by the port authority and located in a transportation reinvestment zone for the year in which the zone was designated under this section.

(c) The port commission of the port authority, after determining that an area is unproductive or underdeveloped and that action under this section would improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade, by order or resolution may designate a contiguous geographic area in the jurisdiction of the port authority to be a transportation reinvestment zone to promote a port project and for the purpose of abating ad valorem taxes or granting other relief from taxes imposed by the county on real property located in the zone.

(d) The port commission must comply with all applicable laws in the application of this chapter.

(e) Not later than the 30th day before the date the port commission proposes to designate an area as a transportation reinvestment zone under this section, the port commission must hold a public hearing on the creation of the zone, its benefits to the port authority and to property in the proposed zone, and the abatement of ad valorem taxes or the grant of other relief from ad valorem taxes imposed by the port authority on real property located in the zone. At the hearing an interested person may speak for or against the designation of the zone, its boundaries, or the abatement of or other relief from port authority taxes on real property in the zone. Not later than the seventh day before the date of the hearing, notice of the hearing and the intent to create a zone must be published in a newspaper having general circulation in the county in which the zone is proposed to be located.

(f) The order or resolution designating an area as a transportation reinvestment zone must:

(1) describe the boundaries of the zone with sufficient definiteness to identify with ordinary and reasonable certainty the territory included in the zone;

(2) provide that the zone takes effect immediately on adoption of the order or resolution and that the base year shall be the year of passage of the order or resolution or some year in the future;

(3) assign a name to the zone for identification, with the first zone designated by a county designated as "Transportation Reinvestment Zone Number One, (name of port authority)," and subsequently designated zones assigned names in the same form numbered consecutively in the order of their designation;

(4) designate the base year for purposes of establishing the tax increment base of the port authority;

(5) establish an ad valorem tax increment account for the zone; and

(6) contain findings that promotion of a port project will improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade.

(g) Compliance with the requirements of this section constitutes designation of an area as a transportation reinvestment zone without further hearings or other procedural requirements.

(h) The port commission may:

(1) from taxes collected on property in a zone, including maintenance and operation taxes, pay into a tax increment account for the zone an amount equal to the tax increment produced by the port authority less any amounts allocated under previous agreements, including agreements under Chapter 312, Tax Code;

(2) from a tax increment account for the zone, repay any loan or other debt incurred to finance a port project under this section;

(3) by order or resolution enter into an agreement with the owner of any real property located in the transportation reinvestment zone to abate all or a portion of the ad valorem taxes or to grant other relief from the taxes imposed by the port authority on the owner's property in an amount not to exceed the amount calculated under Subsection (b)(1) for that year;

(4) by order or resolution elect to abate all or a portion of the ad valorem taxes imposed by the port authority on all real property in a zone; or

(5) grant other relief from ad valorem taxes on property in a zone.

(i) All abatements or other relief granted by the port commission in a transportation reinvestment zone must be equal in rate. In any ad valorem tax year, the total amount of the taxes abated or the total amount of other relief granted under this section may not exceed the amount calculated under Subsection (b)(1) for that year, less any amounts allocated under previous agreements, including agreements under Chapter 312, Tax Code.

(j) To further the development of the port project for which the transportation reinvestment zone was designated, a port authority may assess all or part of the cost of the port project against property within the zone. The assessment against each property in the zone may be levied and payable in installments in the same manner as provided for municipal and county public improvement districts under Sections 372.016-372.018, Local Government Code, provided that the installments do not exceed the total amount of the tax abatement or other relief granted under Subsection (h). The port authority has the powers provided to municipalities and counties under Sections 372.015-372.020 and 372.023, Local Government Code, for the assessment of costs and Sections 372.024-372.030, Local Government Code, for the issuance of bonds by the port authority to pay the cost of a port project. The port commission of the port authority may contract with a public or private entity to develop, redevelop, or improve a port project in the transportation reinvestment zone, including aesthetic improvements, and may pledge and assign to that entity all or a specified amount of the revenue the port authority receives from installment payments of the assessments for the payment of the costs of that port project. After a pledge or assignment is made, if the entity that received the pledge or assignment has itself pledged or assigned that amount to secure bonds or other obligations issued to obtain funding for the port project, the port commission of the port authority may not rescind its pledge or assignment until the bonds or other obligations secured by the pledge or

assignment have been paid or discharged. Any amount received from installment payments of the assessments not pledged or assigned in connection with the port project may be used for other purposes associated with the port project or in the zone.

(k) To accommodate changes in the limits of the project for which a reinvestment zone was designated, the boundaries of a zone may be amended at any time, except that property may not be removed or excluded from a designated zone if any part of the assessment has been assigned or pledged directly by the port authority or through another entity to secure bonds or other obligations issued to obtain funding of the project, and property may not be added to a designated zone unless the port commission of the port authority complies with Subsections (e) and (f).

(l) Except as provided by Subsection (m), a tax abatement agreement entered into under Subsection (h), or an order or resolution on the abatement of taxes or the grant of other relief from taxes under that subsection, terminates on December 31 of the year in which the port authority completes any contractual requirement that included the pledge or assignment of assessments collected under this section.

(m) A transportation reinvestment zone terminates on December 31 of the 10th year after the year the zone was designated, if before that date the port authority has not used the zone for the purpose for which it was designated.

SECTION 2. Section 201.943(d), Transportation Code, is amended to read as follows:

(d) Obligations may be issued for one or more of the following purposes:

(1) to pay all or part of the costs of constructing, reconstructing, acquiring, and expanding state highways, including any necessary design and acquisition of rights-of-way, in the manner and locations determined by the commission that, according to conclusive findings of the commission, have an expected useful life, without material repair, of not less than 10 years;

(2) to provide participation by the state in the payment of part of the costs of constructing and providing publicly owned toll roads and other public transportation projects, including transportation projects described by Section 222.108(d), that are determined by the commission to be in the best interests of the state in its major goal of improving the mobility of the residents of the state;

(3) to create debt service reserve accounts;

(4) to pay interest on obligations for a period of not longer than two years;

(5) to refund or cancel outstanding obligations; and

(6) to pay the commission's costs of issuance.

SECTION 3. Section 222.108(d), Transportation Code, is amended to read as follows:

(d) In this section, "transportation project" includes:

(1) transportation projects described ~~[has the meaning assigned]~~ by Section 370.003; and

(2) port security, transportation, or facility projects described by Section 55.001(5).

SECTION 4. This Act takes effect September 1, 2013.

The amendment was read.

Senator Williams moved that the Senate do not concur in the House amendment, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 971** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Williams, Chair; Nichols, Taylor, Hinojosa, and Ellis.

SENATE BILL 111 WITH HOUSE AMENDMENT

Senator Lucio called **SB 111** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 111** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the designation of Texas Historical Use Buildings.

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

SECTION 1. Section 442.006, Government Code, is amended by adding Subsection (d-1) to read as follows:

(d-1) The commission shall specially designate as a Texas Historical Use Building that is considered worthy of preservation because of its history, culture, or architecture a building that:

(1) is currently used regularly for a purpose that benefits the community in which the building is located, as determined by the commission; and

(2) has been used regularly for the purpose described by Subdivision (1) for at least 150 years.

SECTION 2. This Act takes effect September 1, 2013.

The amendment was read.

Senator Lucio moved to concur in the House amendment to **SB 111**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 201 WITH HOUSE AMENDMENT

Senator Birdwell called **SB 201** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 201** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the continuation and functions of the State Preservation Board.

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

SECTION 1. Section 443.002, Government Code, is amended to read as follows:

Sec. 443.002. SUNSET PROVISION. The State Preservation Board is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and this chapter expires September 1, 2025 [2013].

SECTION 2. Section 443.003, Government Code, is amended by adding Subsection (e) to read as follows:

(e) The governor, lieutenant governor, and speaker, as a member of the board, may designate a representative to act, including the ability to vote, on behalf of the member during a board meeting.

SECTION 3. Section 443.004(b), Government Code, is amended to read as follows:

(b) The board shall meet at least twice each year and at other times at the call of the governor and as provided by board rules.

SECTION 4. Chapter 443, Government Code, is amended by adding Section 443.0295 to read as follows:

Sec. 443.0295. GOVERNOR'S MANSION RENEWAL TRUST FUND. (a) The Governor's Mansion renewal trust fund is created as a trust fund outside the treasury with the comptroller and shall be administered by the board, as a trustee on behalf of the people of this state, to maintain and preserve the Governor's Mansion. The fund consists of:

(1) money transferred to the fund at the direction of the legislature; and

(2) money donated to the board for the purposes of preserving and maintaining the Governor's Mansion.

(b) Money in the fund may be used only for the purpose of performing major repairs to or preserving the Governor's Mansion, as determined by the board.

(c) The interest received from investment of money in the fund shall be credited to the fund.

SECTION 5. Chapter 445, Government Code, is amended by adding Sections 445.014 and 445.015 to read as follows:

Sec. 445.014. MUSEUM DIRECTOR. The executive director of the State Preservation Board shall employ a museum director to manage and operate the museum.

Sec. 445.015. NAMING OF MUSEUM AREAS. The State Preservation Board shall adopt reasonable policies for naming areas within the museum, including rooms and exhibition halls, in honor of donors or other benefactors, if appropriate.

SECTION 6. This Act takes effect September 1, 2013.

The amendment was read.

Senator Birdwell moved to concur in the House amendment to **SB 201**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 260 WITH HOUSE AMENDMENT

Senator Davis called **SB 260** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 260** (house committee printing) as follows:

- (1) On page 1, lines 9-10, between "parent" and "or", insert ", stepparent,".
- (2) On page 1, line 13, between "parent" and "or", insert ", stepparent,".
- (3) On page 1, line 14, between "parent" and "or", insert ", stepparent,".

The amendment was read.

Senator Davis moved to concur in the House amendment to **SB 260**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 1792 WITH HOUSE AMENDMENTS

Senator Watson called **SB 1792** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 1792** (house committee printing) as follows:

(1) On page 2, lines 26-27, strike "in the same manner as provided by general law for a private litigant".

(2) On page 3, line 22, strike "shall" and substitute "may".

(3) On page 6, strike lines 11-14 and substitute:

(c) A party requesting a hearing shall pay a filing fee of \$100 to the clerk of the justice court. If that party prevails under the justice's finding under Subsection (f), the other party shall reimburse the prevailing party for the amount of the filing fee within 10 days after issuance of the finding.

(4) On page 11, between lines 4 and 5, insert:

(c) For the purposes of Section 2303.155(b)(4), Occupations Code, fees required to be submitted to a governmental entity include an amount for unpaid tolls and fees owed by the registered owner of an impounded vehicle as set out in timely written notice given by the toll project entity to the operator of the vehicle storage facility where the vehicle is impounded. The toll project entity may set out in that notice an amount less than all unpaid tolls and fees owed by the registered owner without releasing the registered owner from liability under any other law for the full amount of unpaid tolls and fees.

(5) On page 12, line 4, strike "five" and substitute "two".

(6) On page 13, line 17, strike "A reasonable fee not to exceed \$100 may be" and substitute "A filing fee of \$100 shall be".

(7) On page 13, lines 18-19, strike "as court costs".

(8) Strike page 13, line 21, and substitute:

SECTION 4. 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, 2013.

Floor Amendment No. 2

Amend **SB 1792** (house committee printing) on page 12, between lines 22 and 23, by inserting:

Sec. 372.116. TEMPORARY GRACE PERIOD FOR REGIONAL TOLLWAY AUTHORITIES. (a) Not later than the 30th day after the effective date of this subchapter, a regional tollway authority shall send to each person the authority determines to be a habitual violator on the effective date of this subchapter the notice required by Section 372.106(b).

(b) The notice under Subsection (a) must also include:

(1) the total amount the person would owe for the events of nonpayment in the notice, not including any otherwise applicable administrative fees or penalties; and

(2) information regarding the terms of the grace period under this section.

(c) Not later than the 90th day after the effective date of this subchapter, a person who receives notice under this section may:

(1) request a hearing under Section 372.107; or

(2) become an electronic toll collection customer of the regional tollway authority and:

(A) pay the amount specified under Subsection (b) plus an administrative fee in an amount not to exceed 10 percent of the amount specified under Subsection (b); or

(B) enter into a contract under Section 372.103 to pay the amount specified under Subsection (b) plus an administrative fee in an amount not to exceed 10 percent of the amount specified under Subsection (b).

(d) A regional tollway authority may not pursue habitual toll violator remedies under this subchapter against a person who becomes an electronic toll collection customer and:

(1) pays the amount specified under Subsection (b) plus an administrative fee in an amount not to exceed 10 percent of the amount specified under Subsection (b); or

(2) enters into a contract under Section 372.103 to pay the amount specified under Subsection (b) plus an administrative fee in an amount not to exceed 10 percent of the amount specified under Subsection (b) and makes the required payments.

(e) This section expires August 31, 2015.

The amendments were read.

Senator Watson moved to concur in the House amendments to **SB 1792**.

The motion prevailed by the following vote: Yeas 30, Nays 0, Present-not voting 1.

Present-not voting: Davis.

REMARKS ORDERED PRINTED

On motion of Senator Watson and by unanimous consent, the remarks by Senators Watson and Nichols regarding **SB 1792** were ordered reduced to writing and printed in the *Senate Journal* as follows:

Senator Watson: Members, this is the bill that provides toll entities additional remedies to discourage habitual toll violators from continuing to use toll roads without paying and encourage their payment of unpaid tolls and fees. The House changes address technical and conforming changes requested by the AG, TxDOT, and toll entities.

Senator Nichols: Senator Watson, language in the new Section 372.107(c) requires the party requesting a hearing before the JP to pay the \$100 court fee in advance, then the loser is ultimately responsible for the fee. Does this require the driver to pay for a hearing on their designation as a habitual violator?

Senator Watson: Just reading this section of the bill, it does appear the vehicle owner is responsible for upfronting the bill. However, our intent is for the toll entity to pay the upfront fee, they would be reimbursed by the driver if the JP agreed with the habitual violation designation. To accomplish this, in new Section 372.106(d) it requires the agency to give the individual notice of their right to a hearing. The person then has 30 days to notify the toll entity of their desire for a hearing. It's then the entity's responsibility to request the hearing and therefore provide the upfront payment to the JP court, which would be governed by the section you mentioned.

Senator Nichols: I understand that Rep. Stickland's amendment was drafted in consultation with NTTA. However, the expiration date of Section 372.116 has created some confusion; can you clarify the intent of the amendment?

Senator Watson: Happy to, as the NTTA system is more mature, they have a substantial number of people that would meet the habitual violator criteria immediately and the ultimate goal of this legislation is to get people to pay up what they owe, not to criminalize folks. So, the amendment was drafted to provide a one-time opportunity to settle-up with NTTA at a discount that expires 90 days after the bill goes into effect. Because this is a temporary provision, the language will also expire. I have a memo from Rep. Stickland's office that I will submit for the record to provide additional clarity should it be needed.

STATEMENT OF LEGISLATIVE INTENT

Senator Watson submitted the following memo to show legislative intent for **SB 1792**:

MEMO

To: Pete Havel, Director of Legislative Affairs, NTTA
Thomas J. Bamonte, General Counsel, NTTA
Frank Stevenson, Partner, Locke Lord

From: Tony McDonald, Chief of Staff, Rep. Jonathan Stickland

Date: May 13, 2013

RE: Stickland Amendment to SB 1792; "Temporary Grace Period" provision

I wish to clarify the legislative intent behind Rep. Stickland's amendment to SB 1792 and remove any confusion which has been raised as to the expiration date of the new code section added by the amendment.

The intent behind the amendment was to afford habitual toll violators who will be newly subjected to the remedies contained in the bill a one-time opportunity to settle-up with the NTTA at a discount that fully expires 90 days after the bill goes into effect. The concern was that toll violators who ran up tolls under existing law would be so far in debt that they would be unable to bring themselves within compliance of the law before the new penalties are exercised. Rep. Stickland and I believed this situation risked criminalizing a substantial class of people who might choose to drive with an unregistered vehicle because of their unwillingness or inability to pay their debts to the toll authority.

The amendment is intended to offer a one-time opportunity for those found to be habitual toll violators on the effective date of the bill to settle-up at a discount and avoid being subjected to the habitual toll violator remedies contained in the bill. If a habitual toll violator pays the tolls and then subsequently becomes a habitual toll violator again, the amendment is not intended to offer that person any protection the second time and he/she is fully subject to the habitual toll violator remedies. The same is true for a habitual toll violator who defaults under a Section 372.103 contract signed during the temporary grace period or, obviously, a habitual toll violator who fails to take advantage of the grace period during its 90-day term.

In addition, I would like to clarify any confusion which has arisen over the expiration date of Section 372.116. Because the section creates only a temporary grace period and is not intended to have any effect after the expiration of the three-month grace period, an expiration date to the section was added so that the dead Section would not be codified when the session laws are eventually codified in the Transportation Code. This is a common legislative practice to ensure clearer codes. The expiration is not intended to have any effect on the length, purpose or application of the temporary grace period. The purpose of Section 372.116 should have long run its course and the grace period long expired by the time the code section expires in August of 2015.

I hope that this memo clarifies the legislative intent of Rep. Stickland's amendment. Please let me know if you have further questions or need anything else clarified. I can be reached in our office at (512) 463-0522 and via my cell phone at (512) 923-6893.

WATSON

SENATE BILL 406 WITH HOUSE AMENDMENT

Senator Nelson called **SB 406** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 406** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the practice of advanced practice registered nurses and physician assistants and the delegation of prescriptive authority by physicians to and the supervision by physicians of certain advanced practice registered nurses and physician assistants.

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

SECTION 1. The heading to Subchapter B, Chapter 157, Occupations Code, is amended to read as follows:

SUBCHAPTER B. DELEGATION TO ADVANCED PRACTICE REGISTERED
NURSES AND PHYSICIAN ASSISTANTS

SECTION 2. Section 157.051, Occupations Code, is amended to read as follows:

Sec. 157.051. DEFINITIONS. In this subchapter:

(1) "Advanced practice registered nurse" has the meaning assigned to that term by Section 301.152. The term includes an advanced nurse practitioner and advanced practice nurse.

~~(2) ["Carrying out or signing a prescription drug order" means completing a prescription drug order presigned by the delegating physician, or the signing of a prescription by a registered nurse or physician assistant.~~

~~[(2-a)]~~ "Controlled substance" has the meaning assigned to that term by Section 481.002, Health and Safety Code.

~~(3) [(2-b)]~~ "Dangerous drug" has the meaning assigned to that term by Section 483.001, Health and Safety Code.

~~(4) "Device" has the meaning assigned by Section 551.003, and includes durable medical equipment.~~

~~(5) "Health professional shortage area" means:~~

~~(A) an urban or rural area of this state that:~~

~~(i) is not required to conform to the geographic boundaries of a political subdivision but is a rational area for the delivery of health services;~~

~~(ii) the secretary of health and human services determines has a health professional shortage; and~~

~~(iii) is not reasonably accessible to an adequately served area;~~

~~(B) a population group that the secretary of health and human services determines has a health professional shortage; or~~

~~(C) a public or nonprofit private medical facility or other facility that the secretary of health and human services determines has a health professional shortage, as described by 42 U.S.C. Section 254e(a)(1).~~

~~(6) "Hospital" means a facility that:~~

~~(A) is:~~

~~(i) a general hospital or a special hospital, as those terms are defined by Section 241.003, Health and Safety Code, including a hospital maintained or operated by the state; or~~

~~(ii) a mental hospital licensed under Chapter 577, Health and Safety Code; and~~

(B) has an organized medical staff.

(7) "Medication order" has the meanings assigned by Section 551.003 of this code and Section 481.002, Health and Safety Code.

(8) "Nonprescription drug" has the meaning assigned by Section 551.003.

(9) ~~(3)~~ "Physician assistant" means a person who holds a license issued under Chapter 204.

(10) "Physician group practice" means an entity through which two or more physicians deliver health care to the public through the practice of medicine on a regular basis and that is:

(A) owned and operated by two or more physicians; or

(B) a freestanding clinic, center, or office of a nonprofit health organization certified by the board under Section 162.001(b) that complies with the requirements of Chapter 162.

(11) "Practice serving a medically underserved population" means:

(A) a practice in a health professional shortage area;

(B) a clinic designated as a rural health clinic under 42 U.S.C. Section 1395x(aa);

(C) a public health clinic or a family planning clinic under contract with the Health and Human Services Commission or the Department of State Health Services;

(D) a clinic designated as a federally qualified health center under 42 U.S.C. Section 1396d(l)(2)(B);

(E) a county, state, or federal correctional facility;

(F) a practice:

(i) that either:

(a) is located in an area in which the Department of State Health Services determines there is an insufficient number of physicians providing services to eligible clients of federally, state, or locally funded health care programs;
or

(b) is a practice that the Department of State Health Services determines serves a disproportionate number of clients eligible to participate in federally, state, or locally funded health care programs; and

(ii) for which the Department of State Health Services publishes notice of the department's determination in the Texas Register and provides an opportunity for public comment in the manner provided for a proposed rule under Chapter 2001, Government Code; or

(G) a practice at which a physician was delegating prescriptive authority to an advanced practice registered nurse or physician assistant on or before March 1, 2013, based on the practice qualifying as a site serving a medically underserved population.

(12) "Prescribe or order a drug or device" means prescribing or ordering a drug or device, including the issuing of a prescription drug order or a medication order.

(13) "Prescription drug" has the meaning assigned by Section 551.003.

(14) "Prescriptive authority agreement" means an agreement entered into by a physician and an advanced practice registered nurse or physician assistant through which the physician delegates to the advanced practice registered nurse or physician assistant the act of prescribing or ordering a drug or device.

SECTION 3. Section 157.0511, Occupations Code, is amended to read as follows:

Sec. 157.0511. DELEGATION OF PRESCRIBING AND ORDERING DRUGS AND DEVICES [~~PRESCRIPTION DRUG ORDERS~~]. (a) A physician's authority to delegate the prescribing or ordering of a drug or device [~~carrying out or signing of a prescription drug order~~] under this subchapter is limited to:

(1) nonprescription drugs;
 (2) dangerous drugs; and
 (3) [~~(2)~~] controlled substances to the extent provided by Subsections [~~Subsection~~] (b) and (b-1).

(b) Except as provided by Subsection (b-1), a [~~A~~] physician may delegate the prescribing or ordering of [~~carrying out or signing of a prescription drug order for~~] a controlled substance only if:

(1) the prescription is for a controlled substance listed in Schedule III, IV, or V as established by the commissioner of the Department of State Health Services [~~public health~~] under Chapter 481, Health and Safety Code;

(2) the prescription, including a refill of the prescription, is for a period not to exceed 90 days;

(3) with regard to the refill of a prescription, the refill is authorized after consultation with the delegating physician and the consultation is noted in the patient's chart; and

(4) with regard to a prescription for a child less than two years of age, the prescription is made after consultation with the delegating physician and the consultation is noted in the patient's chart.

(b-1) A physician may delegate the prescribing or ordering of a controlled substance listed in Schedule II as established by the commissioner of the Department of State Health Services under Chapter 481, Health and Safety Code, only:

(1) in a hospital facility-based practice under Section 157.054, in accordance with policies approved by the hospital's medical staff or a committee of the hospital's medical staff as provided by the hospital bylaws to ensure patient safety, and as part of the care provided to a patient who:

(A) has been admitted to the hospital for an intended length of stay of 24 hours or greater; or

(B) is receiving services in the emergency department of the hospital; or

(2) as part of the plan of care for the treatment of a person who has executed a written certification of a terminal illness, has elected to receive hospice care, and is receiving hospice treatment from a qualified hospice provider.

(b-2) The board shall adopt rules that require a physician who delegates the prescribing or ordering of a drug or device [~~carrying out or signing of a prescription drug order under this subchapter~~] to register with the board the name and license

number of the physician assistant or advanced practice registered nurse to whom a delegation is made. The board may develop and use an electronic online delegation registration process for registration under this subsection.

(c) This subchapter does not modify the authority granted by law for a licensed registered nurse or physician assistant to administer or provide a medication, including a controlled substance listed in Schedule II as established by the commissioner of the Department of State Health Services [~~public health~~] under Chapter 481, Health and Safety Code, that is authorized by a physician under a physician's order, standing medical order, standing delegation order, or protocol.

SECTION 4. Subchapter B, Chapter 157, Occupations Code, is amended by adding Sections 157.0512, 157.0513, and 157.0514 to read as follows:

Sec. 157.0512. PRESCRIPTIVE AUTHORITY AGREEMENT. (a) A physician may delegate to an advanced practice registered nurse or physician assistant, acting under adequate physician supervision, the act of prescribing or ordering a drug or device as authorized through a prescriptive authority agreement between the physician and the advanced practice registered nurse or physician assistant, as applicable.

(b) A physician and an advanced practice registered nurse or physician assistant are eligible to enter into or be parties to a prescriptive authority agreement only if:

(1) if applicable, the Texas Board of Nursing has approved the advanced practice registered nurse's authority to prescribe or order a drug or device as authorized under this subchapter;

(2) the advanced practice registered nurse or physician assistant:

(A) holds an active license to practice in this state as an advanced practice registered nurse or physician assistant, as applicable, and is in good standing in this state; and

(B) is not currently prohibited by the Texas Board of Nursing or the Texas Physician Assistant Board, as applicable, from executing a prescriptive authority agreement; and

(3) before executing the prescriptive authority agreement, the physician and the advanced practice registered nurse or physician assistant disclose to the other prospective party to the agreement any prior disciplinary action by the board, the Texas Board of Nursing, or the Texas Physician Assistant Board, as applicable.

(c) Except as provided by Subsection (d), the combined number of advanced practice registered nurses and physician assistants with whom a physician may enter into a prescriptive authority agreement may not exceed seven advanced practice registered nurses and physician assistants or the full-time equivalent of seven advanced practice registered nurses and physician assistants.

(d) Subsection (c) does not apply to a prescriptive authority agreement if the prescriptive authority is being exercised in:

(1) a practice serving a medically underserved population; or

(2) a facility-based practice in a hospital under Section 157.054.

(e) A prescriptive authority agreement must, at a minimum:

(1) be in writing and signed and dated by the parties to the agreement;

(2) state the name, address, and all professional license numbers of the parties to the agreement;

(3) state the nature of the practice, practice locations, or practice settings;

(4) identify the types or categories of drugs or devices that may be prescribed or the types or categories of drugs or devices that may not be prescribed;

(5) provide a general plan for addressing consultation and referral;

(6) provide a plan for addressing patient emergencies;

(7) state the general process for communication and the sharing of information between the physician and the advanced practice registered nurse or physician assistant to whom the physician has delegated prescriptive authority related to the care and treatment of patients;

(8) if alternate physician supervision is to be utilized, designate one or more alternate physicians who may:

(A) provide appropriate supervision on a temporary basis in accordance with the requirements established by the prescriptive authority agreement and the requirements of this subchapter; and

(B) participate in the prescriptive authority quality assurance and improvement plan meetings required under this section; and

(9) describe a prescriptive authority quality assurance and improvement plan and specify methods for documenting the implementation of the plan that includes the following:

(A) chart review, with the number of charts to be reviewed determined by the physician and advanced practice registered nurse or physician assistant; and

(B) periodic face-to-face meetings between the advanced practice registered nurse or physician assistant and the physician at a location determined by the physician and the advanced practice registered nurse or physician assistant.

(f) The periodic face-to-face meetings described by Subsection (e)(9)(B) must:

(1) include:

(A) the sharing of information relating to patient treatment and care, needed changes in patient care plans, and issues relating to referrals; and

(B) discussion of patient care improvement; and

(2) be documented and occur:

(A) except as provided by Paragraph (B):

(i) at least monthly until the third anniversary of the date the agreement is executed; and

(ii) at least quarterly after the third anniversary of the date the agreement is executed, with monthly meetings held between the quarterly meetings by means of a remote electronic communications system, including videoconferencing technology or the Internet; or

(B) if during the seven years preceding the date the agreement is executed the advanced practice registered nurse or physician assistant for at least five years was in a practice that included the exercise of prescriptive authority with required physician supervision:

(i) at least monthly until the first anniversary of the date the agreement is executed; and

(ii) at least quarterly after the first anniversary of the date the agreement is executed, with monthly meetings held between the quarterly meetings by means of a remote electronic communications system, including videoconferencing technology or the Internet.

(g) The prescriptive authority agreement may include other provisions agreed to by the physician and advanced practice registered nurse or physician assistant.

(h) If the parties to the prescriptive authority agreement practice in a physician group practice, the physician may appoint one or more alternate supervising physicians designated under Subsection (e)(8), if any, to conduct and document the quality assurance meetings in accordance with the requirements of this subchapter.

(i) The prescriptive authority agreement need not describe the exact steps that an advanced practice registered nurse or physician assistant must take with respect to each specific condition, disease, or symptom.

(j) A physician, advanced practice registered nurse, or physician assistant who is a party to a prescriptive authority agreement must retain a copy of the agreement until the second anniversary of the date the agreement is terminated.

(k) A party to a prescriptive authority agreement may not by contract waive, void, or nullify any provision of this section or Section 157.0513.

(l) In the event that a party to a prescriptive authority agreement is notified that the individual has become the subject of an investigation by the board, the Texas Board of Nursing, or the Texas Physician Assistant Board, the individual shall immediately notify the other party to the prescriptive authority agreement.

(m) The prescriptive authority agreement and any amendments must be reviewed at least annually, dated, and signed by the parties to the agreement. The prescriptive authority agreement and any amendments must be made available to the board, the Texas Board of Nursing, or the Texas Physician Assistant Board not later than the third business day after the date of receipt of request, if any.

(n) The prescriptive authority agreement should promote the exercise of professional judgment by the advanced practice registered nurse or physician assistant commensurate with the advanced practice registered nurse's or physician assistant's education and experience and the relationship between the advanced practice registered nurse or physician assistant and the physician.

(o) This section shall be liberally construed to allow the use of prescriptive authority agreements to safely and effectively utilize the skills and services of advanced practice registered nurses and physician assistants.

(p) The board may not adopt rules pertaining to the elements of a prescriptive authority agreement that would impose requirements in addition to the requirements under this section. The board may adopt other rules relating to physician delegation under this chapter.

(q) The board, the Texas Board of Nursing, and the Texas Physician Assistant Board shall jointly develop responses to frequently asked questions relating to prescriptive authority agreements not later than January 1, 2014. This subsection expires January 1, 2015.

Sec. 157.0513. PRESCRIPTIVE AUTHORITY AGREEMENT: INFORMATION. (a) The board, the Texas Board of Nursing, and the Texas Physician Assistant Board shall jointly develop a process:

(1) to exchange information regarding the names, locations, and license numbers of each physician, advanced practice registered nurse, and physician assistant who has entered into a prescriptive authority agreement;

(2) by which each board shall immediately notify the other boards when a license holder of the board becomes the subject of an investigation involving the delegation and supervision of prescriptive authority, as well as the final disposition of any such investigation; and

(3) by which each board shall maintain and share a list of the board's license holders who have been subject to a final adverse disciplinary action for an act involving the delegation and supervision of prescriptive authority.

(b) If the board, the Texas Board of Nursing, or the Texas Physician Assistant Board receives a notice under Subsection (a)(2), the board that received notice may open an investigation against a license holder of the board who is a party to a prescriptive authority agreement with the license holder who is under investigation by the board that provided notice under Subsection (a)(2).

(c) The board shall maintain and make available to the public a searchable online list of physicians, advanced practice registered nurses, and physician assistants who have entered into a prescriptive authority agreement authorized under Section 157.0512 and identify the physician, advanced practice registered nurse, or physician assistant with whom each physician, advanced practice registered nurse, and physician assistant has entered into a prescriptive authority agreement.

(d) The board shall collaborate with the Texas Board of Nursing and the Texas Physician Assistant Board to maintain and make available to the public a list of physicians, advanced practice registered nurses, and physician assistants who are prohibited from entering into or practicing under a prescriptive authority agreement.

Sec. 157.0514. PRESCRIPTIVE AUTHORITY AGREEMENT: INSPECTIONS. If the board receives a notice under Section 157.0513(a)(2), the board or an authorized board representative may enter, with reasonable notice and at a reasonable time, unless the notice would jeopardize an investigation, a site where a party to a prescriptive authority agreement practices to inspect and audit any records or activities relating to the implementation and operation of the agreement. To the extent reasonably possible, the board and the board's authorized representative shall conduct any inspection or audit under this section in a manner that minimizes disruption to the delivery of patient care.

SECTION 5. Section 157.054, Occupations Code, is amended by amending Subsections (a), (b), and (c) and adding Subsections (a-1) and (b-1) to read as follows:

(a) One or more physicians [A physician] licensed by the board may delegate, to one or more physician assistants or advanced practice registered nurses acting under adequate physician supervision whose practice is facility-based at a [licensed] hospital or licensed long-term care facility, the administration or provision of a drug and the prescribing or ordering of a drug or device [carrying out or signing of a prescription drug order] if each of the delegating physicians [physician] is:

(1) the medical director or chief of medical staff of the facility in which the physician assistant or advanced practice registered nurse practices;

(2) the chair of the facility's credentialing committee;

(3) a department chair of a facility department in which the physician assistant or advanced practice registered nurse practices; or

(4) a physician who consents to the request of the medical director or chief of medical staff to delegate the prescribing or ordering of a drug or device ~~[carrying out or signing of a prescription drug order]~~ at the facility in which the physician assistant or advanced practice registered nurse practices.

(a-1) The limits on the number of advanced practice registered nurses or physician assistants to whom a physician may delegate under Section 157.0512 do not apply to a physician under Subsection (a) whose practice is facility-based under this section, provided that the physician is not delegating in a freestanding clinic, center, or practice of the facility.

(b) A physician's authority to delegate under Subsection (a) is limited as follows:

(1) the delegation must be made under a physician's order, standing medical order, standing delegation order, or another order or protocol developed in accordance with policies approved by the facility's medical staff or a committee of the facility's medical staff as provided by the facility bylaws;

(2) the delegation must occur in the facility in which the physician is the medical director, the chief of medical staff, the chair of the credentialing committee, ~~[or]~~ a department chair, or a physician who consents to delegate under Subsection (a)(4);

(3) the delegation may not permit the prescribing or ordering of a drug or device ~~[carrying out or signing of prescription drug orders]~~ for the care or treatment of the patients of any other physician without the prior consent of that physician; and

(4) delegation in a long-term care facility must be by the medical director and is limited to the prescribing or ordering of a drug or device ~~[carrying out and signing of prescription drug orders]~~ to not more than seven ~~[four]~~ advanced practice registered nurses or physician assistants or their full-time equivalents. ~~[; and]~~

(b-1) A facility-based ~~[(5)-a]~~ physician may not delegate at more than one ~~[licensed]~~ hospital or more than two long-term care facilities under this section unless approved by the board. The facility-based physician may not be prohibited from delegating the prescribing or ordering of drugs or devices under Section 157.0512 at other practice locations, including hospitals or long-term care facilities, provided that the delegation at those locations complies with all the requirements of Section 157.0512.

(c) Physician supervision of the prescribing or ordering of a drug or device ~~[carrying out and signing of prescription drug orders]~~ must conform to what a reasonable, prudent physician would find consistent with sound medical judgment but may vary with the education and experience of the particular advanced practice registered nurse or physician assistant. A physician shall provide continuous supervision, but the constant physical presence of the physician is not required.

SECTION 6. Section 157.055, Occupations Code, is amended to read as follows:

Sec. 157.055. ORDERS AND PROTOCOLS. A protocol or other order shall be defined in a manner that promotes the exercise of professional judgment by the advanced practice registered nurse and physician assistant commensurate with the education and experience of that person. Under this section, an order or protocol used by a reasonable and prudent physician exercising sound medical judgment:

(1) is not required to describe the exact steps that an advanced practice registered nurse or a physician assistant must take with respect to each specific condition, disease, or symptom; and

(2) may state the types or categories of medications that may be prescribed or the types or categories of medications that may not be prescribed.

SECTION 7. Section 157.057, Occupations Code, is amended to read as follows:

Sec. 157.057. ADDITIONAL IMPLEMENTATION METHODS. The board may adopt additional methods to implement:

(1) a physician's prescription; or

(2) the delegation of prescriptive authority [~~the signing of a prescription under a physician's order, standing medical order, standing delegation order, or other order or protocol~~].

SECTION 8. Sections 157.059(b), (d), (e), (f), and (j), Occupations Code, are amended to read as follows:

(b) A physician may delegate to a physician assistant offering obstetrical services and certified by the board as specializing in obstetrics or an advanced practice registered nurse recognized by the Texas Board of Nursing as a nurse midwife the act of administering or providing controlled substances to the physician assistant's or nurse midwife's clients during intrapartum and immediate postpartum care.

(d) The delegation of authority to administer or provide controlled substances under Subsection (b) must be under a physician's order, medical order, standing delegation order, prescriptive authority agreement, or protocol that requires adequate and documented availability for access to medical care.

(e) The physician's orders, medical orders, standing delegation orders, prescriptive authority agreements, or protocols must require the reporting of or monitoring of each client's progress, including complications of pregnancy and delivery and the administration and provision of controlled substances by the nurse midwife or physician assistant to the clients of the nurse midwife or physician assistant.

(f) The authority of a physician to delegate under this section is limited to:

(1) seven [~~four~~] nurse midwives or physician assistants or their full-time equivalents; and

(2) the designated facility at which the nurse midwife or physician assistant provides care.

(j) This section does not limit the authority of a physician to delegate the prescribing or ordering of [~~carrying out or signing of a prescription drug order involving~~] a controlled substance under this subchapter.

SECTION 9. Section 157.060, Occupations Code, is amended to read as follows:

Sec. 157.060. PHYSICIAN LIABILITY FOR DELEGATED ACT. Unless the physician has reason to believe the physician assistant or advanced practice registered nurse lacked the competency to perform the act, a physician is not liable for an act of a physician assistant or advanced practice registered nurse solely because the physician signed a standing medical order, a standing delegation order, or another

order or protocol, or entered into a prescriptive authority agreement, authorizing the physician assistant or advanced practice registered nurse to administer, provide, prescribe, or order a drug or device ~~[carry out, or sign a prescription drug order].~~

SECTION 10. Section 156.056, Occupations Code, is amended to read as follows:

Sec. 156.056. CERTAIN VOLUNTEER SERVICES. (a) In this section, "practice ~~[site]~~ serving a medically underserved population" has the meaning assigned by Section 157.051 ~~[157.052].~~

(b) The board by rule shall permit a license holder to complete half of any informal continuing medical education hours required under this subchapter by providing volunteer medical services at a practice ~~[site]~~ serving a medically underserved population other than a site that is a primary practice site of the license holder.

SECTION 11. Subchapter C, Chapter 204, Occupations Code, is amended by adding Section 204.1025 to read as follows:

Sec. 204.1025. DUTIES REGARDING PRESCRIPTIVE AUTHORITY AGREEMENTS. The physician assistant board shall in conjunction with the Texas Medical Board and the Texas Board of Nursing perform the functions and duties relating to prescriptive authority agreements assigned to the physician assistant board in Sections 157.0512 and 157.0513.

SECTION 12. Section 204.1565, Occupations Code, is amended to read as follows:

Sec. 204.1565. INFORMAL CONTINUING MEDICAL EDUCATION. (a) In this section, "practice ~~[site]~~ serving a medically underserved population" has the meaning assigned by Section 157.051 ~~[157.052].~~

(b) The physician assistant board by rule shall permit a license holder to complete half of any informal continuing medical education hours required to renew a license under this chapter by providing volunteer medical services at a practice ~~[site]~~ serving a medically underserved population, other than a site that is a primary practice site of the license holder.

SECTION 13. Section 204.202(b), Occupations Code, is amended to read as follows:

(b) Medical services provided by a physician assistant may include:

- (1) obtaining patient histories and performing physical examinations;
- (2) ordering or performing diagnostic and therapeutic procedures;
- (3) formulating a working diagnosis;
- (4) developing and implementing a treatment plan;
- (5) monitoring the effectiveness of therapeutic interventions;
- (6) assisting at surgery;
- (7) offering counseling and education to meet patient needs;
- (8) requesting, receiving, and signing for the receipt of pharmaceutical

sample prescription medications and distributing the samples to patients in a specific practice setting in which the physician assistant is authorized to prescribe pharmaceutical medications and sign prescription drug orders as provided by Section 157.0512 or ~~[157.052, 157.053,]~~ 157.054~~[, 157.0541, or 157.0542 or as otherwise authorized by physician assistant board rule];~~

(9) prescribing or ordering a drug or device [~~signing or completing a prescription~~] as provided by Subchapter B, Chapter 157; and

(10) making appropriate referrals.

SECTION 14. Section 204.204, Occupations Code, is amended by adding Subsection (c) to read as follows:

(c) The number of physician assistants a physician may supervise in a practice setting may not be less than the number of physician assistants to whom a physician may delegate the authority to prescribe or order a drug or device in that practice setting under Subchapter B, Chapter 157.

SECTION 15. Section 301.002(2), Occupations Code, is amended to read as follows:

(2) "Professional nursing" means the performance of an act that requires substantial specialized judgment and skill, the proper performance of which is based on knowledge and application of the principles of biological, physical, and social science as acquired by a completed course in an approved school of professional nursing. The term does not include acts of medical diagnosis or the prescription of therapeutic or corrective measures. Professional nursing involves:

(A) the observation, assessment, intervention, evaluation, rehabilitation, care and counsel, or health teachings of a person who is ill, injured, infirm, or experiencing a change in normal health processes;

(B) the maintenance of health or prevention of illness;

(C) the administration of a medication or treatment as ordered by a physician, podiatrist, or dentist;

(D) the supervision or teaching of nursing;

(E) the administration, supervision, and evaluation of nursing practices, policies, and procedures;

(F) the requesting, receiving, signing for, and distribution of prescription drug samples to patients at practices at [sites in] which an advanced practice [a] registered nurse is authorized to sign prescription drug orders as provided by Subchapter B, Chapter 157;

(G) the performance of an act delegated by a physician under Section 157.0512 [~~157.052, 157.053~~], 157.054, [~~157.0541, 157.0542~~], 157.058, or 157.059; and

(H) the development of the nursing care plan.

SECTION 16. Section 301.005, Occupations Code, is amended to read as follows:

Sec. 301.005. REFERENCE IN OTHER LAW. (a) A reference in any other law to the former Board of Nurse Examiners means the Texas Board of Nursing.

(b) A reference in any other law to an "advanced nurse practitioner" or "advanced practice nurse" means an advanced practice registered nurse.

SECTION 17. Section 301.152, Occupations Code, is amended to read as follows:

Sec. 301.152. RULES REGARDING SPECIALIZED TRAINING. (a) In this section, "advanced practice registered nurse" means a registered nurse licensed [~~approved~~] by the board to practice as an advanced practice registered nurse on the

basis of completion of an advanced educational program. The term includes a nurse practitioner, nurse midwife, nurse anesthetist, and clinical nurse specialist. The term is synonymous with "advanced nurse practitioner" and "advanced practice nurse."

(b) The board shall adopt rules to:

- (1) license a registered nurse as an advanced practice registered nurse;
- (2) establish:

(A) any specialized education or training, including pharmacology, that an advanced practice ~~[a]~~ registered nurse must have to prescribe or order a drug or device as delegated by a physician ~~[carry out a prescription drug order]~~ under Section 157.0512 or 157.054 ~~[157.052]; and]~~

(B) a system for approving an advanced practice registered nurse to prescribe or order a drug or device as delegated by a physician under Section 157.0512 or 157.054 on the receipt of ~~[assigning an identification number to a registered nurse who provides the board with]~~ evidence of completing the specialized education and training requirement under Paragraph (A) ~~[Subdivision (1)(A)]; and~~

(C) a system for issuing a prescription authorization number to an advanced practice registered nurse approved under Paragraph (B) ~~[(2) approve a registered nurse as an advanced practice nurse]; and~~

(3) concurrently ~~[initially approve and biennially]~~ renew any license or approval granted to an advanced practice registered nurse under this subsection and a license renewed by the advanced practice registered nurse under Section 301.301 ~~[an advanced practice nurse's authority to carry out or sign a prescription drug order under Chapter 157].~~

(c) At a minimum, the rules adopted under Subsection (b)(2) ~~[(b)(3)]~~ must:

(1) require completion of pharmacology and related pathophysiology ~~[pathology]~~ education for initial approval; and

(2) require continuing education in clinical pharmacology and related pathophysiology ~~[pathology]~~ in addition to any continuing education otherwise required under Section 301.303 ~~[-and~~

~~[(3) provide for the issuance of a prescription authorization number to an advanced practice nurse approved under this section].~~

(d) The signature of an advanced practice registered nurse attesting to the provision of a legally authorized service by the advanced practice registered nurse satisfies any documentation requirement for that service established by a state agency.

SECTION 18. Subchapter D, Chapter 301, Occupations Code, is amended by adding Section 301.168 to read as follows:

Sec. 301.168. DUTIES REGARDING PRESCRIPTIVE AUTHORITY AGREEMENTS. The board shall in conjunction with the Texas Medical Board and the Texas Physician Assistant Board perform the functions and duties relating to prescriptive authority agreements assigned to the board in Sections 157.0512 and 157.0513.

SECTION 19. Sections 551.003(34) and (45), Occupations Code, are amended to read as follows:

(34) "Practitioner" means:

(A) a person licensed or registered to prescribe, distribute, administer, or dispense a prescription drug or device in the course of professional practice in this state, including a physician, dentist, podiatrist, or veterinarian but excluding a person licensed under this subtitle;

(B) a person licensed by another state, Canada, or the United Mexican States in a health field in which, under the law of this state, a license holder in this state may legally prescribe a dangerous drug;

(C) a person practicing in another state and licensed by another state as a physician, dentist, veterinarian, or podiatrist, who has a current federal Drug Enforcement Administration registration number and who may legally prescribe a Schedule II, III, IV, or V controlled substance, as specified under Chapter 481, Health and Safety Code, in that other state; or

(D) an advanced practice registered nurse or physician assistant to whom a physician has delegated the authority to prescribe or order a drug or device [~~carry out or sign prescription drug orders~~] under Section 157.0511, 157.0512 [~~157.052, 157.053~~], or 157.054 [~~157.0541, or 157.0542~~].

(45) "Written protocol" means a physician's order, standing medical order, standing delegation order, or other order or protocol as defined by rule of the Texas Medical [State] Board [~~of Medical Examiners~~] under Subtitle B.

SECTION 20. Section 533.005(a), Government Code, is amended to read as follows:

(a) A contract between a managed care organization and the commission for the organization to provide health care services to recipients must contain:

(1) procedures to ensure accountability to the state for the provision of health care services, including procedures for financial reporting, quality assurance, utilization review, and assurance of contract and subcontract compliance;

(2) capitation rates that ensure the cost-effective provision of quality health care;

(3) a requirement that the managed care organization provide ready access to a person who assists recipients in resolving issues relating to enrollment, plan administration, education and training, access to services, and grievance procedures;

(4) a requirement that the managed care organization provide ready access to a person who assists providers in resolving issues relating to payment, plan administration, education and training, and grievance procedures;

(5) a requirement that the managed care organization provide information and referral about the availability of educational, social, and other community services that could benefit a recipient;

(6) procedures for recipient outreach and education;

(7) a requirement that the managed care organization make payment to a physician or provider for health care services rendered to a recipient under a managed care plan not later than the 45th day after the date a claim for payment is received with documentation reasonably necessary for the managed care organization to process the claim, or within a period, not to exceed 60 days, specified by a written agreement between the physician or provider and the managed care organization;

(8) a requirement that the commission, on the date of a recipient's enrollment in a managed care plan issued by the managed care organization, inform the organization of the recipient's Medicaid certification date;

(9) a requirement that the managed care organization comply with Section 533.006 as a condition of contract retention and renewal;

(10) a requirement that the managed care organization provide the information required by Section 533.012 and otherwise comply and cooperate with the commission's office of inspector general and the office of the attorney general;

(11) a requirement that the managed care organization's usages of out-of-network providers or groups of out-of-network providers may not exceed limits for those usages relating to total inpatient admissions, total outpatient services, and emergency room admissions determined by the commission;

(12) if the commission finds that a managed care organization has violated Subdivision (11), a requirement that the managed care organization reimburse an out-of-network provider for health care services at a rate that is equal to the allowable rate for those services, as determined under Sections 32.028 and 32.0281, Human Resources Code;

(13) a requirement that, notwithstanding any other law, including Sections 843.312 and 1301.052, Insurance Code, the organization:

(A) use advanced practice registered nurses and physician assistants in addition to physicians as primary care providers to increase the availability of primary care providers in the organization's provider network; and

(B) treat advanced practice registered nurses and physician assistants in the same manner as primary care physicians with regard to:

(i) selection and assignment as primary care providers;

(ii) inclusion as primary care providers in the organization's provider network; and

(iii) inclusion as primary care providers in any provider network directory maintained by the organization;

(14) a requirement that the managed care organization reimburse a federally qualified health center or rural health clinic for health care services provided to a recipient outside of regular business hours, including on a weekend day or holiday, at a rate that is equal to the allowable rate for those services as determined under Section 32.028, Human Resources Code, if the recipient does not have a referral from the recipient's primary care physician;

(15) a requirement that the managed care organization develop, implement, and maintain a system for tracking and resolving all provider appeals related to claims payment, including a process that will require:

(A) a tracking mechanism to document the status and final disposition of each provider's claims payment appeal;

(B) the contracting with physicians who are not network providers and who are of the same or related specialty as the appealing physician to resolve claims disputes related to denial on the basis of medical necessity that remain unresolved subsequent to a provider appeal; and

(C) the determination of the physician resolving the dispute to be binding on the managed care organization and provider;

(16) a requirement that a medical director who is authorized to make medical necessity determinations is available to the region where the managed care organization provides health care services;

(17) a requirement that the managed care organization ensure that a medical director and patient care coordinators and provider and recipient support services personnel are located in the South Texas service region, if the managed care organization provides a managed care plan in that region;

(18) a requirement that the managed care organization provide special programs and materials for recipients with limited English proficiency or low literacy skills;

(19) a requirement that the managed care organization develop and establish a process for responding to provider appeals in the region where the organization provides health care services;

(20) a requirement that the managed care organization develop and submit to the commission, before the organization begins to provide health care services to recipients, a comprehensive plan that describes how the organization's provider network will provide recipients sufficient access to:

- (A) preventive care;
- (B) primary care;
- (C) specialty care;
- (D) after-hours urgent care; and
- (E) chronic care;

(21) a requirement that the managed care organization demonstrate to the commission, before the organization begins to provide health care services to recipients, that:

(A) the organization's provider network has the capacity to serve the number of recipients expected to enroll in a managed care plan offered by the organization;

(B) the organization's provider network includes:

- (i) a sufficient number of primary care providers;
- (ii) a sufficient variety of provider types; and
- (iii) providers located throughout the region where the organization

will provide health care services; and

(C) health care services will be accessible to recipients through the organization's provider network to a comparable extent that health care services would be available to recipients under a fee-for-service or primary care case management model of Medicaid managed care;

(22) a requirement that the managed care organization develop a monitoring program for measuring the quality of the health care services provided by the organization's provider network that:

(A) incorporates the National Committee for Quality Assurance's Healthcare Effectiveness Data and Information Set (HEDIS) measures;

(B) focuses on measuring outcomes; and

(C) includes the collection and analysis of clinical data relating to prenatal care, preventive care, mental health care, and the treatment of acute and chronic health conditions and substance abuse;

(23) subject to Subsection (a-1), a requirement that the managed care organization develop, implement, and maintain an outpatient pharmacy benefit plan for its enrolled recipients:

(A) that exclusively employs the vendor drug program formulary and preserves the state's ability to reduce waste, fraud, and abuse under the Medicaid program;

(B) that adheres to the applicable preferred drug list adopted by the commission under Section 531.072;

(C) that includes the prior authorization procedures and requirements prescribed by or implemented under Sections 531.073(b), (c), and (g) for the vendor drug program;

(D) for purposes of which the managed care organization:

(i) may not negotiate or collect rebates associated with pharmacy products on the vendor drug program formulary; and

(ii) may not receive drug rebate or pricing information that is confidential under Section 531.071;

(E) that complies with the prohibition under Section 531.089;

(F) under which the managed care organization may not prohibit, limit, or interfere with a recipient's selection of a pharmacy or pharmacist of the recipient's choice for the provision of pharmaceutical services under the plan through the imposition of different copayments;

(G) that allows the managed care organization or any subcontracted pharmacy benefit manager to contract with a pharmacist or pharmacy providers separately for specialty pharmacy services, except that:

(i) the managed care organization and pharmacy benefit manager are prohibited from allowing exclusive contracts with a specialty pharmacy owned wholly or partly by the pharmacy benefit manager responsible for the administration of the pharmacy benefit program; and

(ii) the managed care organization and pharmacy benefit manager must adopt policies and procedures for reclassifying prescription drugs from retail to specialty drugs, and those policies and procedures must be consistent with rules adopted by the executive commissioner and include notice to network pharmacy providers from the managed care organization;

(H) under which the managed care organization may not prevent a pharmacy or pharmacist from participating as a provider if the pharmacy or pharmacist agrees to comply with the financial terms and conditions of the contract as well as other reasonable administrative and professional terms and conditions of the contract;

(I) under which the managed care organization may include mail-order pharmacies in its networks, but may not require enrolled recipients to use those pharmacies, and may not charge an enrolled recipient who opts to use this service a fee, including postage and handling fees; and

(J) under which the managed care organization or pharmacy benefit manager, as applicable, must pay claims in accordance with Section 843.339, Insurance Code; and

(24) a requirement that the managed care organization and any entity with which the managed care organization contracts for the performance of services under a managed care plan disclose, at no cost, to the commission and, on request, the office of the attorney general all discounts, incentives, rebates, fees, free goods, bundling arrangements, and other agreements affecting the net cost of goods or services provided under the plan.

SECTION 21. Section 671.001(b), Government Code, is amended to read as follows:

(b) The pilot program must provide for the following:

(1) a licensed advanced practice registered nurse as defined by Section 301.152, Occupations Code, or a licensed physician assistant as described by Chapter 204, Occupations Code, who is employed by the state or whose services are acquired by contract, who will be located at a state office complex;

(2) a licensed physician, who is employed by a state governmental entity for purposes other than the pilot program or whose services are acquired by contract, who will delegate to and supervise the advanced practice registered nurse or physician assistant under a prescriptive authority agreement under Chapter 157 [~~perform all supervisory functions described by Section 157.052(e)~~], Occupations Code;

(3) appropriate office space and equipment for the advanced practice registered nurse or physician assistant to provide basic medical care to employees at the state office complex where the nurse or physician assistant is located; and

(4) professional liability insurance covering services provided by the advanced practice registered nurse or the physician assistant.

SECTION 22. Subchapter D, Chapter 62, Health and Safety Code, is amended by adding Section 62.1551 to read as follows:

Sec. 62.1551. INCLUSION OF CERTAIN HEALTH CARE PROVIDERS IN PROVIDER NETWORKS. Notwithstanding any other law, including Sections 843.312 and 1301.052, Insurance Code, the executive commissioner of the commission shall adopt rules to require a managed care organization or other entity to ensure that advanced practice registered nurses and physician assistants are available as primary care providers in the organization's or entity's provider network. The rules must require advanced practice registered nurses and physician assistants to be treated in the same manner as primary care physicians with regard to:

(1) selection and assignment as primary care providers;

(2) inclusion as primary care providers in the provider network; and

(3) inclusion as primary care providers in any provider network directory maintained by the organization or entity.

SECTION 23. Section 481.002(39), Health and Safety Code, is amended to read as follows:

(39) "Practitioner" means:

(A) a physician, dentist, veterinarian, podiatrist, scientific investigator, or other person licensed, registered, or otherwise permitted to distribute, dispense, analyze, conduct research with respect to, or administer a controlled substance in the course of professional practice or research in this state;

(B) a pharmacy, hospital, or other institution licensed, registered, or otherwise permitted to distribute, dispense, conduct research with respect to, or administer a controlled substance in the course of professional practice or research in this state;

(C) a person practicing in and licensed by another state as a physician, dentist, veterinarian, or podiatrist, having a current Federal Drug Enforcement Administration registration number, who may legally prescribe Schedule II, III, IV, or V controlled substances in that state; or

(D) an advanced practice registered nurse or physician assistant to whom a physician has delegated the authority to prescribe or order a drug or device [~~carry out or sign prescription drug orders~~] under Section 157.0511, 157.0512 [~~157.052, 157.053~~], or 157.054, [~~157.0541, or 157.0542~~], Occupations Code.

SECTION 24. Section 483.001(12), Health and Safety Code, is amended to read as follows:

(12) "Practitioner" means ~~a person licensed~~:

(A) a person licensed by the Texas [~~State Board of~~] Medical Board [~~Examiners~~], State Board of Dental Examiners, Texas State Board of Podiatric Medical Examiners, Texas Optometry Board, or State Board of Veterinary Medical Examiners to prescribe and administer dangerous drugs;

(B) a person licensed by another state in a health field in which, under the laws of this state, a licensee may legally prescribe dangerous drugs;

(C) a person licensed in Canada or Mexico in a health field in which, under the laws of this state, a licensee may legally prescribe dangerous drugs; or

(D) an advanced practice registered nurse or physician assistant to whom a physician has delegated the authority to prescribe or order a drug or device [~~carry out or sign prescription drug orders~~] under Section 157.0511, 157.0512 [~~157.052, 157.053~~], or 157.054, [~~157.0541, or 157.0542~~], Occupations Code.

SECTION 25. Section 32.024, Human Resources Code, is amended by adding Subsection (gg) to read as follows:

(gg) Notwithstanding any other law, including Sections 843.312 and 1301.052, Insurance Code, the department shall ensure that advanced practice registered nurses and physician assistants may be selected by and assigned to recipients of medical assistance as the primary care providers of those recipients. The department must require that advanced practice registered nurses and physician assistants be treated in the same manner as primary care physicians with regard to:

(1) selection and assignment as primary care providers; and

(2) inclusion as primary care providers in any directory of providers of medical assistance maintained by the department.

SECTION 26. Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.03141 to read as follows:

Sec. 32.03141. AUTHORITY OF ADVANCED PRACTICE REGISTERED NURSES AND PHYSICIAN ASSISTANTS REGARDING DURABLE MEDICAL EQUIPMENT AND SUPPLIES. To the extent allowed by federal law, an advanced practice registered nurse or physician assistant acting under adequate physician supervision and to whom a physician has delegated the authority to prescribe and

order drugs and devices under Chapter 157, Occupations Code, may order and prescribe durable medical equipment and supplies under the medical assistance program.

SECTION 27. Sections 157.052, 157.053, 157.0541, and 157.0542, Occupations Code, are repealed.

SECTION 28. The calculation under Chapter 157, Occupations Code, as amended by this Act, of the amount of time an advanced practice registered nurse or physician assistant has practiced under the delegated prescriptive authority of a physician under a prescriptive authority agreement shall include the amount of time the advanced practice registered nurse or physician assistant practiced under the delegated prescriptive authority of that physician before the effective date of this Act.

SECTION 29. Not later than November 1, 2013, the Texas Medical Board, the Texas Board of Nursing, and the Texas Physician Assistant Board shall adopt the rules necessary to implement the changes in law made by this Act.

SECTION 30. This Act takes effect November 1, 2013.

The amendment was read.

Senator Nelson moved to concur in the House amendment to **SB 406**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE RULE 11.13 SUSPENDED
(Consideration of Bills in Committees)
(Motion In Writing)

Senator Zaffirini submitted a Motion In Writing to suspend Senate Rule 11.13 to grant all committees permission to meet while the Senate was meeting today.

The Motion In Writing prevailed without objection.

SENATE RULE 11.18(a) SUSPENDED
(Public Hearings)

On motion of Senator Zaffirini and by unanimous consent, Senate Rule 11.18(a) was suspended in order that the Committee on Government Organization might consider the following bills today: **HB 1726, HB 2422**.

SENATE RULE 11.18(a) SUSPENDED
(Public Hearings)

On motion of Senator Williams and by unanimous consent, Senate Rule 11.18(a) was suspended in order that the Committee on Finance might consider the following bills and resolution today:

HB 97, HB 315, HB 585, HB 697, HB 709, HB 826, HB 1511, HB 1712, HB 2500, HB 2636, HB 2684, HB 2712, HB 2766, HB 3086, HB 3169, HB 3438, HB 3439, HB 3536, HB 3572, HJR 24.

SENATE RULE 11.18(a) SUSPENDED
(Public Hearings)

On motion of Senator Duncan and by unanimous consent, Senate Rule 11.18(a) was again suspended in order that the Committee on State Affairs might consider **HB 3276** today.

**SENATE RULE 11.13 SUSPENDED
(Consideration of Bills in Committees)**

On motion of Senator Williams and by unanimous consent, Senate Rule 11.13 was suspended to grant the Committee on Finance permission to meet while the Senate was meeting today.

**SENATE RULE 11.10(a) SUSPENDED
(Public Notice of Committee Meetings)**

On motion of Senator Williams and by unanimous consent, Senate Rule 11.10(a) was suspended in order that the Committee on Finance might meet today.

**SENATE RULE 11.13 SUSPENDED
(Consideration of Bills in Committees)**

On motion of Senator Duncan and by unanimous consent, Senate Rule 11.13 was suspended to grant the Committee on State Affairs permission to meet while the Senate was meeting today.

AT EASE

The Presiding Officer at 7:05 p.m. announced the Senate would stand At Ease subject to the call of the Chair.

IN LEGISLATIVE SESSION

Senator Eltife at 7:45 p.m. called the Senate to order as In Legislative Session.

BILLS SIGNED

The Presiding Officer announced the signing of the following enrolled bills in the presence of the Senate after the captions had been read:

SB 377, SB 715, SB 914, SB 1142, SB 1312, SB 1541, SB 1868, HB 250, HB 1106, HB 1717, HB 1738, HB 15, HB 86, HB 243, HB 248, HB 617, HB 798, HB 857, HB 915, HB 944, HB 1272, HB 1445, HB 1711, HB 1762, HB 1818, HB 1917, HB 2302, HB 2462, HB 2683, HB 3559.

CONFERENCE COMMITTEE ON HOUSE BILL 5

Senator Patrick called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 5** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 5** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Patrick, Chair; Williams, Van de Putte, Seliger, and Duncan.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 4**

Senator Fraser submitted the following Conference Committee Report:

Austin, Texas
May 17, 2013

Honorable David Dewhurst
President of the Senate

Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 4** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

FRASER

HEGAR

ESTES

URESTI

WILLIAMS

On the part of the Senate

RITTER

LUCIO III

CALLEGARI

MILLER, DOUG

KEFFER

On the part of the House

The Conference Committee Report on **HB 4** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1730**

Senator Nichols submitted the following Conference Committee Report:

Austin, Texas
May 17, 2013

Honorable David Dewhurst
President of the Senate

Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 1730** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

NICHOLS

URESTI

WATSON

On the part of the Senate

PHILLIPS

FLETCHER

HARPER-BROWN

MARTINEZ, "MANDO"

PICKETT

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to comprehensive development agreements of the Texas Department of Transportation or a regional mobility authority.

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

SECTION 1. Subsections (a), (b), (f), (g), (i), (j), (k), and (l), Section 223.201, Transportation Code, are amended to read as follows:

(a) Subject to Section 223.202, the department may enter into a comprehensive development agreement with a private entity to design, develop, finance, construct, maintain, repair, operate, extend, or expand a:

- (1) toll project;
- (2) state highway improvement project that includes both tolled and nontolled lanes and may include nontolled appurtenant facilities;
- (3) state highway improvement project in which the private entity has an interest in the project; ~~or~~
- (4) state highway improvement project financed wholly or partly with the proceeds of private activity bonds, as defined by Section 141(a), Internal Revenue Code of 1986; or
- (5) nontolled state highway improvement project authorized by the legislature.

(b) In this subchapter, "comprehensive development agreement" means an agreement that, at a minimum, provides for the design and construction, reconstruction, rehabilitation, expansion, or improvement of a project described in Subsection (a) and may also provide for the financing, acquisition, maintenance, or operation of a project described in Subsection (a).

(f) The department may enter into a comprehensive development agreement only for all or part of:

- (1) the State Highway 99 (Grand Parkway) project;
- (2) the Interstate Highway 35E managed lanes project in Dallas and Denton Counties from Interstate Highway 635 to U.S. Highway 380;
- (3) the Interstate Highway 35W project in Tarrant County from Interstate Highway 30 to State Highway 114 ~~[North Tarrant Express project in Tarrant and Dallas Counties, including:~~
 - ~~[(A) on State Highway 183 from State Highway 121 to State Highway 161 (Segment 2E);~~
 - ~~[(B) on Interstate Highway 35W from Interstate Highway 30 to State Highway 114 (Segments 3A, 3B, and 3C); and~~
 - ~~[(C) on Interstate Highway 820 from State Highway 183 North to south of Randol Mill Road (Segment 4)];~~
- (4) the State Highway 183 managed lanes project in Tarrant and Dallas Counties ~~[County]~~ from State Highway 121 ~~[161]~~ to Interstate Highway 35E;
- (5) the Interstate Highway 35E/U.S. Highway 67 Southern Gateway project in Dallas County, including:

(A) Interstate Highway 35E from 8th Street to Interstate Highway 20;

and

(B) U.S. Highway 67 from Interstate Highway 35E to Farm-to-Market Road 1382 (Belt Line Road) [State Highway 249 project in Harris and Montgomery Counties from Spring Cypress Road to Farm-to-Market Road 1774];

(6) the State Highway 288 project from U.S. Highway 59 to south of State Highway 6 in Brazoria County and Harris County; [and]

(7) the U.S. Highway 290 [Hempstead] managed lanes project in Harris County from Interstate Highway 610 to State Highway 99;

(8) the Interstate Highway 820 project from State Highway 183 to Randol Mill Road;

(9) the State Highway 114 project in Dallas County from State Highway 121 to State Highway 183;

(10) the Loop 12 project in Dallas County from State Highway 183 to Interstate Highway 35E;

(11) the Loop 9 project in Dallas and Ellis Counties from Interstate Highway 20 to U.S. Highway 67; and

(12) the U.S. Highway 181 Harbor Bridge project in Nueces County between U.S. Highway 181 at Beach Avenue and Interstate Highway 37.

(g) The department may combine in a comprehensive development agreement under this subchapter:

(1) a toll project and a rail facility as defined by Section 91.001; or

(2) two or more projects described by Subsection (f).

(i) The authority to enter into a comprehensive development agreement expires:

(1) August 31, 2017, for a project described by Subsection (f), other than the State Highway 99 (Grand Parkway) project and the State Highway 183 managed lanes project; and

(2) [expires] August 31, 2015, for the State Highway 183 managed lanes project.

(j) Before the department may enter into a comprehensive development agreement under Subsection (f), the department must:

(1) for a project other than the State Highway 99 (Grand Parkway) project, obtain, not later than August 31, 2017 [2013], the appropriate environmental clearance:

(A) for the project; or

(B) for the initial or base scope of the project if the project agreement provides for the phased construction of the [for any project other than the State Highway 99 (Grand Parkway)] project; and

(2) present to the commission a full financial plan for the project, including costing methodology and cost proposals.

(k) Not later than December 1, 2014 [2012], the department shall provide [present] a report to the commission on the status of a project described by Subsection

(f). The report must include:

(1) the status of the project's environmental clearance;

(2) an explanation of any project delays; and

(3) if the procurement is not completed, the anticipated date for the completion of the procurement.

(l) In this section, "environmental clearance" means:

(1) a finding of no significant impact has been issued for the project or, as applicable, for the initial or base scope of the project; or

(2) for a project for which an environmental impact statement is prepared, a record of decision has been issued for that project or, as applicable, for the initial or base scope of the project.

SECTION 2. Subsections (a), (c), (e), and (f), Section 223.2011, Transportation Code, are amended to read as follows:

(a) Notwithstanding Sections 223.201(f) and 370.305(c), the department or an authority under Section 370.003 may enter into a comprehensive development agreement relating to improvements to, or construction of, all or part of:

(1) the Loop 1 (MoPac Improvement) project from Farm-to-Market Road 734 to Cesar Chavez Street;

(2) the U.S. 183 (Bergstrom Expressway) project from Springdale Road to Patton Avenue; ~~[or]~~

(3) a project consisting of the construction of:

(A) the Outer Parkway Project in Cameron County from U.S. Highway 77 ~~[77-83]~~ to Farm-to-Market Road 1847; and

(B) the South Padre Island Second Access Causeway Project from State Highway 100 to Park Road 100;

(4) the Loop 49 project from Interstate 20 to U.S. Highway 69 (Lindale Relief Route) and from State Highway 110 to U.S. Highway 259 (Segments 6 and 7);

(5) the Loop 375 Border Highway West project in El Paso County from Race Track Drive to U.S. Highway 54;

(6) the Northeast Parkway project in El Paso County from Loop 375 east of the Railroad Drive overpass to the Texas-New Mexico border;

(7) the Loop 1604 project in Bexar County;

(8) the Hidalgo County Loop project; and

(9) the International Bridge Trade Corridor project.

(c) Not later than December 1, 2014 ~~[2012]~~, the department or the authority, as applicable, shall provide ~~[present]~~ a report to the commission on the status of a project described by Subsection (a). The report must include:

(1) the status of the project's environmental clearance;

(2) an explanation of any project delays; and

(3) if the procurement is not completed, the anticipated date for the completion of the procurement.

(e) In this section, "environmental clearance" means:

(1) a finding of no significant impact has been issued for the project or, as applicable, for the initial or base scope of the project; or

(2) for a project for which an environmental impact statement is prepared, a record of decision has been issued for that project or, as applicable, for the initial or base scope of the project.

(f) The authority to enter into a comprehensive development agreement under this section expires August 31, 2017 ~~[2015]~~.

SECTION 3. Section 371.101, Transportation Code, is amended to read as follows:

Sec. 371.101. TERMINATION FOR CONVENIENCE. (a) A comprehensive development agreement under which a private participant receives the right to operate and collect revenue from a toll project must contain a provision authorizing the toll project entity to terminate the agreement for convenience and to purchase, under terms agreed to by the parties:

(1) the interest of the private participant in the comprehensive development agreement; and

(2) related property, including any interest in a highway or other facility designed, developed, financed, constructed, operated, or maintained under the agreement.

(b) A comprehensive development agreement described by Subsection (a) must include a price breakdown stating a specific price for the purchase of the private participant's interest at specified intervals from the date the toll project opens, of not less than two years and not more than five years, over the term of the agreement.

(c) The provision must authorize the toll project entity to terminate the comprehensive development agreement and to purchase the private participant's interest at any time during a specified interval at the lesser of:

(1) the price stated for that interval; or

(2) the greater of:

(A) the then fair market value of the private participant's interest, plus or minus any other amounts specified in the comprehensive development agreement; or

(B) an amount equal to the amount of outstanding debt specified in the comprehensive development agreement, plus or minus any other amounts specified in the comprehensive development agreement.

(d) A toll project entity shall include in a request for proposals for an agreement described by Subsection (a) a request for the proposed price breakdown described by Subsection (b) and shall assign points to and score each proposer's price breakdown in the evaluation of proposals.

(e) A private participant shall, not later than 12 months before the date that a new price interval takes effect, notify the toll project entity of the beginning of the price interval. The toll project entity must notify the private participant as to whether it will exercise the option to purchase under this section not later than six months after the date it receives notice under this subsection.

(f) A toll project entity must notify the private participant of the toll project entity's intention to purchase the private participant's interest under this section not less than six months before the date of the purchase.

(g) Subsections (b), (c), (d), (e), and (f) do not apply to a project for which a request for proposals was issued before January 1, 2013.

(h) If a project requires expansion or reconstruction in a manner that differs from the manner provided in the original project scope or schedule, the price for terminating the comprehensive development agreement may be adjusted to reflect the changes in the agreement. ~~[A toll project entity having rulemaking authority by rule and a toll project entity without rulemaking authority by official action shall develop a formula for making termination payments to terminate a comprehensive development~~

~~agreement under which a private participant receives the right to operate and collect revenue from a toll project. A formula must calculate an estimated amount of loss to the private participant as a result of the termination for convenience.~~

~~[(b) The formula shall be based on investments, expenditures, and the internal rate of return on equity under the agreed base case financial model as projected over the original term of the agreement, plus an agreed percentage markup on that amount.~~

~~[(c) A formula under Subsection (b) may not include any estimate of future revenue from the project, if not included in an agreed base case financial model under Subsection (b). Compensation to the private participant upon termination for convenience may not exceed the amount determined using the formula under Subsection (b).]~~

SECTION 4. 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, 2013.

The Conference Committee Report on **SB 1730** was filed with the Secretary of the Senate.

CO-SPONSOR OF HOUSE BILL 213

On motion of Senator Hegar, Senator Patrick will be shown as Co-sponsor of **HB 213**.

CO-SPONSOR OF HOUSE BILL 294

On motion of Senator Watson, Senator Zaffirini will be shown as Co-sponsor of **HB 294**.

CO-SPONSORS OF HOUSE BILL 308

On motion of Senator Nichols, Senators Campbell, Lucio, and Nelson will be shown as Co-sponsors of **HB 308**.

CO-SPONSOR OF HOUSE BILL 633

On motion of Senator Davis, Senator Campbell will be shown as Co-sponsor of **HB 633**.

CO-SPONSOR OF HOUSE BILL 1123

On motion of Senator Rodríguez, Senator Campbell will be shown as Co-sponsor of **HB 1123**.

CO-SPONSOR OF HOUSE BILL 1297

On motion of Senator Estes, Senator Garcia will be shown as Co-sponsor of **HB 1297**.

CO-SPONSOR OF HOUSE BILL 1318

On motion of Senator Whitmire, Senator Garcia will be shown as Co-sponsor of **HB 1318**.

CO-SPONSOR OF HOUSE BILL 1678

On motion of Senator Duncan, Senator Campbell will be shown as Co-sponsor of **HB 1678**.

CO-SPONSOR OF HOUSE BILL 1772

On motion of Senator Davis, Senator Garcia will be shown as Co-sponsor of **HB 1772**.

CO-SPONSOR OF HOUSE BILL 2015

On motion of Senator Watson, Senator Garcia will be shown as Co-sponsor of **HB 2015**.

CO-SPONSOR OF HOUSE BILL 2020

On motion of Senator Deuell, Senator Zaffirini will be shown as Co-sponsor of **HB 2020**.

CO-SPONSOR OF HOUSE BILL 2028

On motion of Senator Davis, Senator Campbell will be shown as Co-sponsor of **HB 2028**.

CO-SPONSOR OF HOUSE BILL 2029

On motion of Senator Davis, Senator Campbell will be shown as Co-sponsor of **HB 2029**.

CO-SPONSOR OF HOUSE BILL 2099

On motion of Senator Hinojosa, Senator West will be shown as Co-sponsor of **HB 2099**.

CO-SPONSOR OF HOUSE BILL 2135

On motion of Senator Rodríguez, Senator Campbell will be shown as Co-sponsor of **HB 2135**.

CO-SPONSOR OF HOUSE BILL 2388

On motion of Senator Van de Putte, Senator Campbell will be shown as Co-sponsor of **HB 2388**.

CO-SPONSOR OF HOUSE BILL 2482

On motion of Senator Taylor, Senator Garcia will be shown as Co-sponsor of **HB 2482**.

CO-SPONSOR OF HOUSE BILL 2500

On motion of Senator Watson, Senator Carona will be shown as Co-sponsor of **HB 2500**.

CO-SPONSOR OF HOUSE BILL 2562

On motion of Senator Van de Putte, Senator Campbell will be shown as Co-sponsor of **HB 2562**.

CO-SPONSOR OF HOUSE BILL 2924

On motion of Senator Davis, Senator Campbell will be shown as Co-sponsor of **HB 2924**.

CO-SPONSOR OF HOUSE BILL 3063

On motion of Senator Van de Putte, Senator Campbell will be shown as Co-sponsor of **HB 3063**.

CO-SPONSOR OF HOUSE BILL 3066

On motion of Senator Van de Putte, Senator Campbell will be shown as Co-sponsor of **HB 3066**.

CO-SPONSOR OF HOUSE BILL 3067

On motion of Senator Van de Putte, Senator Campbell will be shown as Co-sponsor of **HB 3067**.

CO-SPONSOR OF HOUSE BILL 3077

On motion of Senator Hinojosa, Senator Campbell will be shown as Co-sponsor of **HB 3077**.

CO-SPONSOR OF HOUSE BILL 3211

On motion of Senator Zaffirini, Senator Garcia will be shown as Co-sponsor of **HB 3211**.

RESOLUTIONS OF RECOGNITION

The following resolutions were adopted by the Senate:

Memorial Resolution

SR 1006 by Van de Putte, In memory of Mary Denman.

Congratulatory Resolutions

SCR 36 by Estes, Honoring Ken Horton for his leadership in Texas agriculture.

SR 1001 by Garcia, Recognizing Dennis W. Walker for his service with the Jacinto City Police Department.

SR 1002 by Garcia, Recognizing Jennifer Simpson Castaneda for her service with the Jacinto City Police Department.

SR 1003 by Taylor, Recognizing William R. Kern III for his achievements.

SR 1004 by Watson, Recognizing Rod Nelson on the occasion of his retirement.

SR 1005 by Watson, Recognizing Robin Ramsay on the occasion of her retirement.

SR 1007 by Schwertner, Recognizing Louis M. McCormick on the occasion of his 70th birthday.

SR 1008 by Schwertner, Recognizing Ruby Howell on the occasion of her high school graduation.

ADJOURNMENT

On motion of Senator Estes, the Senate at 8:14 p.m. adjourned, in honor of his son, Mark Linton Estes, until 10:00 a.m. Monday, May 20, 2013.

APPENDIX

COMMITTEE REPORTS

The following committee reports were received by the Secretary of the Senate in the order listed:

May 17, 2013

HIGHER EDUCATION — **CSHB 29**

GOVERNMENT ORGANIZATION — **CSHB 1965**

ADMINISTRATION — **HB 3905, HCR 41, HB 3017**

NATURAL RESOURCES — **HCR 59, HB 738, HB 852, CSHB 1324, HB 1461, HB 2152, CSHB 2362, HB 2767, CSHB 2982, CSHB 3511, CSHB 3605, HB 3898, HB 3903, HB 3934, HB 3941**

INTERGOVERNMENTAL RELATIONS — **HB 2075, HB 2139, CSHB 3860, HB 3895, HB 3932, HB 2138, HB 2902, HB 3739 (Amended), HB 3877, HB 3910, HB 3943, HB 3947**

ECONOMIC DEVELOPMENT — **HB 3714, HB 1908**

STATE AFFAIRS — **HB 3357 (Amended)**

INTERGOVERNMENTAL RELATIONS — **CSHB 3914**

BUSINESS AND COMMERCE — **CSHB 2062, CSHB 2818**

HIGHER EDUCATION — **HB 1843, HB 3640, HB 2550, HB 3792, HB 2474**

NATURAL RESOURCES — **CSHB 2590**

CRIMINAL JUSTICE — **HB 694, HB 1523**

TRANSPORTATION — **HB 438, HB 714, HB 1044, HB 2424, HB 2612, HB 2648, CSHB 2690, HB 3125, HB 3126, HB 3471, CSHB 3520, HB 3831**

JURISPRUDENCE — **CSHB 1513, CSHB 2795, CSHB 3153**

OPEN GOVERNMENT — **HB 2676, HB 628, HB 2668**

NATURAL RESOURCES — **CSHB 3459**

ECONOMIC DEVELOPMENT — **HB 2061, HB 983, HB 950, HB 1966**

GOVERNMENT ORGANIZATION — **HB 3116**

HEALTH AND HUMAN SERVICES — **CSHB 1741**

INTERGOVERNMENTAL RELATIONS — HB 1734, HB 2123, HB 3159, HB 3613

ADMINISTRATION — HB 677

HEALTH AND HUMAN SERVICES — CSHB 2383

INTERGOVERNMENTAL RELATIONS — CSHB 3552

VETERAN AFFAIRS AND MILITARY INSTALLATIONS — HB 3067, HB 2924, HB 2562, HB 1678, HB 1960, HB 2135, HB 633, HB 1123, CSHB 3077, HJR 62, HB 3066

INTERGOVERNMENTAL RELATIONS — CSHB 680

STATE AFFAIRS — HB 3105, HB 2984, HB 2233, HB 2110

CRIMINAL JUSTICE — CSHB 8, HB 48, HB 124, HB 167, HB 1120, CSHB 1125, CSHB 431, CSHB 1606, HB 1562, HB 1544, HB 1206, HB 1284, HB 705, HB 577, CSHB 1659, HB 555, HB 1790, HB 1862, HB 3161, HB 2090, HB 2407, HB 2539, HB 2719, CSHB 2825, HB 2862, HB 3334, HB 3805

AGRICULTURE, RURAL AFFAIRS AND HOMELAND SECURITY — HB 1781, HB 2153, HB 3142, HB 3660

TRANSPORTATION — CSHB 2204

HIGHER EDUCATION — CSHB 31

GOVERNMENT ORGANIZATION — CSHB 194, CSHB 3648

OPEN GOVERNMENT — CSHB 16

STATE AFFAIRS — CSSB 612, CSHB 3593, CSHB 2645, CSHB 1632, CSHB 1129, CSHB 1050, CSHB 658, CSHB 506, CSHB 195, CSHB 586

TRANSPORTATION — CSHB 1675

INTERGOVERNMENTAL RELATIONS — CSHB 3793

CRIMINAL JUSTICE — HB 1302

EDUCATION — HB 217, CSHB 462, HB 590, HB 1009, HB 866, CSHB 742, HB 1775, HB 647, HB 2201 (Amended), HB 2483, HB 2607, HB 2824, HB 3573, HB 3662, HB 1751 (Amended)

VETERAN AFFAIRS AND MILITARY INSTALLATIONS — CSHB 2028, CSHB 2029, CSHB 2388, CSHB 3063

CRIMINAL JUSTICE — CSHB 232

EDUCATION — HB 1501, CSHB 1479, HB 1454

FINANCE — HB 1133, HB 800, HB 2202, HB 2148, HB 2100, HB 3188

HEALTH AND HUMAN SERVICES — CSHB 595

BILLS AND RESOLUTIONS ENROLLEDMay 16, 2013**SB 377, SB 715, SB 914, SB 1142, SB 1312, SB 1541, SB 1868, SR 888, SR 904, SR 977, SR 986, SR 987, SR 988, SR 990, SR 991, SR 992, SR 993, SR 994, SR 995, SR 996, SR 997, SR 998, SR 999, SR 1000****SIGNED BY GOVERNOR**May 16, 2013**SB 1611**

SENATE JOURNAL

EIGHTY-THIRD LEGISLATURE — REGULAR SESSION

AUSTIN, TEXAS

PROCEEDINGS

SIXTY-SECOND DAY

(Monday, May 20, 2013)

The Senate met at 10:29 a.m. pursuant to adjournment and was called to order by Senator Eltife.

The roll was called and the following Senators were present: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

The Presiding Officer announced that a quorum of the Senate was present.

The Reverend Margot Perez-Greene, Tarrytown United Methodist Church, Austin, was introduced by Senator Watson and offered the invocation as follows:

Creator God, giver of life, source of strength, and hope of our tomorrows, we thank You for the possibilities set before us today in our work. You have called all people to lives of peace and wholeness. But we confess that sometimes we have cared more for lofty places than we have for places of service. We confess that we have worked more for power than we have for purpose. You have given us friends and colleagues, and we are grateful. You have given us meaningful work, and we are grateful. You have given us a bounty of food, and we are grateful. Move our gratitude to become outreach to those without and energy for greater service. Let our work eventuate in decisions for the common good, that they may reflect the good decisions of those who have gone before us and on whose shoulders we stand. Give the gifts of discernment; give the gifts of wisdom; give the gifts of vision. To those who lead here, grant the patience of cooperation. To those who debate here, grant clarity of thought. To those who decide here, grant the courage for truth. Keep ever before us the broken places of our life together, places of despair and disappointment. Set our ears to hear, our eyes to see, and our hearts to beat in rhythm with Yours. And so, bless now those who gather in this place. We offer ourselves to You, not to earn Your favor but to honor Your presence, not to claim goodness but to say thank You. And that is our word for this time, thank You. In Your holy name, we pray. Amen.

Senator Whitmire moved that the reading of the Journal of the proceedings of the previous day be dispensed with and the Journal be approved as printed.

The motion prevailed without objection.

PHYSICIANS OF THE DAY

Senator Davis was recognized and presented Dr. Rick Edwards and Dr. Barbara Estment of Fort Worth as the Physicians of the Day.

The Senate welcomed Dr. Edwards and Dr. Estment and thanked them for their participation in the Physician of the Day program sponsored by the Texas Academy of Family Physicians.

SENATE RESOLUTION 1012

Senator Zaffirini offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to recognize Hank Whitman, Jr., who retired August 31, 2012, as assistant director of the Texas Rangers and after 22 years of commendable service with the Texas Department of Public Safety; and

WHEREAS, A veteran of the United States Marine Corps, Mr. Whitman began his career with the Texas Department of Public Safety in 1990 and served in the Texas Highway Patrol until 1996, when he was promoted to sergeant in the Criminal Intelligence Service; and

WHEREAS, He became a member of the Texas Rangers in 2001 and rose through the ranks to become a Ranger captain in 2008; he commanded the Texas Ranger Cold Case Team and served as the department's inspector general; he was promoted to deputy assistant director in 2009 and became assistant director in 2011; and

WHEREAS, Mr. Whitman earned a bachelor's degree from Southwest Texas State University and a master's degree from Texas A&M University—Corpus Christi; he also graduated from the Federal Bureau of Investigation National Academy and holds a master peace officer license from the Texas Commission on Law Enforcement Standards and Education; and

WHEREAS, Mr. Whitman has handled the unique and challenging responsibilities of law enforcement duty with courage and determination; an exemplary officer, he is respected and admired by his colleagues, and his presence with the Texas Rangers will be greatly missed; now, therefore, be it

RESOLVED, That the Senate of the State of Texas hereby commend Hank Whitman, Jr., for his exceptional service to the people of Texas as an officer with the Texas Department of Public Safety and extend to him best wishes for continued success in all his endeavors; and, be it further

RESOLVED, That a copy of this Resolution be prepared for him as an expression of esteem from the Texas Senate.

ZAFFIRINI
HINOJOSA

SR 1012 was read and was adopted without objection.

GUESTS PRESENTED

Senator Zaffirini, joined by Senator Hinojosa, was recognized and introduced to the Senate Hank Whitman; his wife, Dorothy Whitman; Cynthia Leon, Chair, Texas Public Safety Commission; Steve McCraw, Director, Texas Department of Public Safety; and Kirby Dendy, Chief, Texas Rangers.

The Senate welcomed its guests.

CONCLUSION OF MORNING CALL

The Presiding Officer at 10:49 a.m. announced the conclusion of morning call.

HOUSE BILL 3471 ON SECOND READING

Senator Williams moved to suspend the regular order of business to take up for consideration **HB 3471** at this time on its second reading:

HB 3471, Relating to the compensation of the members of the board of port commissioners of the Port of Port Arthur Navigation District of Jefferson County.

The motion prevailed.

Senators Birdwell, Patrick, and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Patrick, Schwertner.

HOUSE BILL 3471 ON THIRD READING

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3471** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Patrick, Schwertner.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

COMMITTEE SUBSTITUTE**HOUSE BILL 2414 ON SECOND READING**

On motion of Senator Deuell and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2414** at this time on its second reading:

CSHB 2414, Relating to requirements for open meetings held by videoconference call.

The bill was read second time.

Senator Watson offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2414** (Senate Committee Printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONs appropriately:

SECTION ___. Subchapter A, Chapter 551, Government Code, is amended by adding Section 551.006 to read as follows:

Sec. 551.006. WRITTEN ELECTRONIC COMMUNICATIONS ACCESSIBLE TO PUBLIC. (a) A communication or exchange of information between members of a governmental body about public business or public policy over which the governmental body has supervision or control does not constitute a meeting or deliberation for purposes of this chapter if:

(1) the communication is in writing;

(2) the writing is posted to an online message board or similar Internet application that is viewable and searchable by the public; and

(3) the communication is displayed in real time and displayed on the online message board or similar Internet application for no less than 30 days after the communication is first posted.

(b) A governmental body may have no more than one online message board or similar Internet application to be used for the purposes described in Subsection (a). The online message board or similar Internet application must be owned or controlled by the governmental body, prominently displayed on the governmental body's primary Internet web page, and no more than one click away from the governmental body's primary Internet web page.

(c) The online message board or similar Internet application described in Subsection (a) may only be used by members of the governmental body or staff members of the governmental body who have received specific authorization from a member of the governmental body. In the event that a staff member posts a communication to the online message board or similar Internet application, the name and title of the staff member must be posted along with the communication.

(d) If a governmental body removes from the online message board or similar Internet application a communication that has been posted for at least 30 days, the governmental body shall maintain the posting for a period of six years. This communication is public information and must be disclosed in accordance with Chapter 552.

(e) The governmental body may not vote or take any action that is required to be taken at a meeting under this chapter of the governmental body by posting a communication to the online message board or similar Internet application. In no event shall a communication or posting to the online message board or similar Internet application be construed to be an action of the governmental body.

The amendment to **CSHB 2414** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Deuell and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 2414 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2414 ON THIRD READING**

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2414** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2474 ON SECOND READING

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2474** at this time on its second reading:

HB 2474, Relating to taxes and bonds for a junior college district branch campus.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2474 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2474** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 619 ON SECOND READING

On motion of Senator Watson and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 619** at this time on its second reading:

HB 619, Relating to the requirements for issuance of certain barbering and cosmetology licenses and certificates for applicants holding licenses issued by other states; imposing fees.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 619 ON THIRD READING

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 619** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1965 ON SECOND READING**

On motion of Senator Zaffirini and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 1965** at this time on its second reading:

CSHB 1965, Relating to the state contracting duties of the quality assurance team and Contract Advisory Team.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1965 ON THIRD READING**

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1965** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2982 ON SECOND READING**

On motion of Senator Duncan and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2982** at this time on its second reading:

CSHB 2982, Relating to the power of the Railroad Commission of Texas to adopt and enforce safety standards applicable to the transportation by pipeline of hazardous liquids, carbon dioxide, and natural gas in rural locations.

The bill was read second time.

Senator Davis offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2982** by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS accordingly:

SECTION __. Subchapter B, Chapter 91, Natural Resources Code, is amended by adding Section 91.021 to read as follows:

Sec. 91.021. NOTICE OF PERMIT TO DRILL WELL IN TRANSPORTATION EASEMENT. (a) In this section, "department" means the Texas Department of Transportation.

(b) The commission shall adopt rules to require that an application for a permit to drill an oil or gas well include an affirmation as to whether or not the well is located within an easement held by the department or within 50 yards of an easement held by the department.

(c) Not later than the 14th day after the date the commission receives an application for a permit to drill an oil or gas well that contains an affirmation that the well is located within an easement held by the department or within 50 yards of an easement held by the department, the commission shall transmit the application to the department.

(d) This section does not grant to the department any authority regarding the approval of an application for a permit to drill an oil or gas well.

SECTION 2. Section 91.021, Natural Resources Code, as added by this Act, applies only to a permit application filed with the Railroad Commission of Texas on or after the effective date of this Act. A permit application filed with the commission before the effective date of this Act is governed by the law in effect when the application was filed, and the former law is continued in effect for that purpose.

The amendment to **CSHB 2982** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Duncan offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 2982** (senate committee report) in SECTION 5 of the bill by striking Subdivisions (1) and (2) of the section (page 2, lines 62-69) and substituting the following:

(1) to provide a process for the commission to investigate an accident, an incident, a threat to public safety, or a complaint related to operational safety and to require an operator to submit a plan to remediate an accident, incident, threat, or complaint;

(2) to require reports necessary to allow the commission to investigate an accident, an incident, a threat to public safety, or a complaint related to operational safety; or

The amendment to **CSHB 2982** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

On motion of Senator Duncan and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 2982 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2982 ON THIRD READING**

Senator Duncan moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2982** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2152 ON SECOND READING

On motion of Senator Lucio and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2152** at this time on its second reading:

HB 2152, Relating to fees charged to certain recreational vehicle parks.

The bill was read second time.

Senator Lucio offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2152** (senate committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS accordingly:

SECTION _____. Section 30.05(b)(10), Penal Code, is amended to read as follows:

(10) "Recreational vehicle park" has the meaning assigned by Section 13.087, Water ~~[means a tract of land that has rental spaces for two or more recreational vehicles, as defined by Section 522.004, Transportation]~~ Code.

SECTION _____. Section 94.001(3), Property Code, is amended to read as follows:

(3) "Manufactured home" has the meaning assigned by Section 1201.003, Occupations Code~~[- and for purposes of this chapter, a reference to a manufactured home includes a recreational vehicle].~~

SECTION _____. Section 94.002, Property Code, is amended to read as follows:

Sec. 94.002. APPLICABILITY. (a) This chapter applies only to the relationship between a landlord who leases property in a manufactured home community and a tenant leasing property in the manufactured home community for the purpose of situating a manufactured home ~~[or a recreational vehicle]~~ on the property.

(b) This chapter does not apply to the relationship between:

(1) a landlord who owns a manufactured home and a tenant who leases the manufactured home from the landlord;

(2) a landlord who leases property in a manufactured home community and a tenant leasing property in the manufactured home community for the placement of personal property to be used for human habitation, excluding a manufactured home ~~[or a recreational vehicle]~~; or

(3) a landlord and an employee or an agent of the landlord.

SECTION _____. Section 184.011(2), Utilities Code, is amended to read as follows:

(2) "Dwelling unit":

(A) means:

(i) ~~[(A)]~~ one or more rooms that are suitable for occupancy as a residence and that contain kitchen and bathroom facilities; or

(ii) ~~[(B)]~~ a mobile home in a mobile home park; and

(B) does not include a recreational vehicle, as defined by Section 522.004(b), Transportation Code.

SECTION _____. Subchapter C, Chapter 184, Utilities Code, is amended by adding Section 184.036 to read as follows:

Sec. 184.036. UTILITY CUTOFF AT RECREATIONAL VEHICLE PARK.

Notwithstanding any other law, a person who operates a recreational vehicle park, as defined by Section 13.087, Water Code, may withhold electric, water, or wastewater utility services from a person occupying a recreational vehicle at the park if the occupant is delinquent in paying for utility services provided by the operator until the occupant pays the delinquent amount.

SECTION _____. Section 13.087(a)(3), Water Code, is amended to read as follows:

(3) "Recreational vehicle park" means a commercial property:

(A) that is designed primarily ~~[on which service connections are made]~~ for recreational vehicle transient guest use; and

(B) for which fees for site service connections for recreational vehicles, as defined by Section 522.004(b), Transportation Code, are paid daily, weekly, or monthly [at intervals of one day or longer].

SECTION _____. Section 49.2122(a-1), Water Code, is amended to read as follows:

(a-1) Notwithstanding Subsection (a), a district that provides nonsubmetered master metered utility service, as defined by Section 13.087(a)(1), to a recreational vehicle park, as defined by Section 13.087(a)(3):

(1) [;] shall determine the rates for that service on the same basis the district uses to determine the rates for other commercial businesses that serve transient customers and receive nonsubmetered master metered utility service from the district; and

(2) may not charge a person who owns or operates a recreational vehicle park that receives nonsubmetered master metered utility service from the district an administrative fee for the services provided.

SECTION _____. Sections 94.001(8) and (10), Property Code, are repealed.

The amendment to **HB 2152** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Lucio and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 2152 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2152 ON THIRD READING

Senator Lucio moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2152** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Monday, May 20, 2013 - 1

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

HCR 106 Nevárez

Urging the United States Congress to enact legislation to provide sufficient manpower, infrastructure, and technology to ensure the security and efficiency of land ports of entry on the southwestern border.

SB 45 Zaffirini Sponsor: Naishtat

Relating to the provision of employment assistance and supported employment to certain Medicaid waiver program participants.

SB 49 Zaffirini Sponsor: Burkett

Relating to transitional living assistance and appropriate care settings for children with disabilities who reside in general residential operations.

SB 59 Nelson Sponsor: Callegari

Relating to required reports and other documents prepared by state agencies and institutions of higher education.

(Committee Substitute/Amended)

SB 119 Rodríguez Sponsor: Márquez

Relating to the operation of special student recovery programs by certain school districts.

SB 122 Rodríguez Sponsor: Márquez

Relating to the removal from office of a member of the board of trustees of an independent school district.

- SB 128** Nelson Sponsor: Naishtat
Relating to criminal history record information concerning certain applicants and clients of the Department of Assistive and Rehabilitative Services.
- SB 138** Zaffirini Sponsor: Guillen
Relating to procedures for filing complaints with, and providing notice of certain violations to, the Texas Board of Professional Geoscientists.
- SB 164** Van de Putte Sponsor: Isaac
Relating to the issuance to veterans of specially marked licenses to carry a concealed handgun and specially marked personal identification certificates.
- SB 171** West Sponsor: Pickett
Relating to the establishment of a workgroup to study the use by state agencies of a uniform application form following disasters.
- SB 172** Carona Sponsor: Ratliff
Relating to diagnosing the reading development and comprehension of public school kindergarten students.
- SB 193** West Sponsor: Otto
Relating to the exemption from ad valorem taxation of certain property used to provide low-income and moderate-income housing.
- SB 232** Carona Sponsor: Villarreal
Relating to use of the Nationwide Mortgage Licensing System and Registry in connection with the regulatory authority of the consumer credit commissioner.
- SB 242** Carona Sponsor: Farias
Relating to the eligibility requirements for certain occupational licenses issued to applicants with military experience.
- SB 273** Hegar Sponsor: Miller, Rick
Relating to the creation of the Fort Bend County Municipal Utility District No. 206; providing authority to impose taxes and issue bonds; granting a limited power of eminent domain.
- SB 279** Watson Sponsor: Elkins
Relating to certain information about high-value data sets provided by state agencies to the Department of Information Resources.
- SB 284** West Sponsor: Fletcher
Relating to granting limited state law enforcement authority to police officers with the Office of Security and Law Enforcement of the United States Department of Veterans Affairs.
- SB 351** Hegar Sponsor: Zerwas
Relating to the powers and duties of the Willow Point Municipal Utility District of Fort Bend and Waller Counties; providing authority to impose a tax and issue bonds.
(Amended)
- SB 359** Hinojosa Sponsor: Eiland
Relating to the selection of certain members of the board of directors of an appraisal district.
(Committee Substitute)

- SB 362** Watson Sponsor: Gutierrez
Relating to the practice of cosmetology.
- SB 381** Van de Putte Sponsor: Oliveira
Relating to the misuse of the name or symbols of the division of workers' compensation of the Texas Department of Insurance in a deceptive manner.
- SB 382** Carona Sponsor: Carter
Relating to the disbursement of county funds to a person owing delinquent property taxes.
- SB 390** West Sponsor: Lewis
Relating to the effective date of a new court cost or fee or of an amendment to the amount of a court cost or fee.
- SB 409** Watson Sponsor: Kuempel
Relating to the issuance of an alcoholic beverage permit or license covering certain premises where a previous permit or license holder has been evicted.
- SB 428** Nelson Sponsor: Raymond
Relating to background and criminal history checks for parents or other relatives of children in residential child-care facilities.
- SB 430** Nelson Sponsor: Guillen
Relating to verification of the unavailability of community day care before the Department of Family and Protective Services provides day-care assistance or services.
- SB 499** Lucio Sponsor: Lucio III
Relating to the determination of actual damages to enable compensation from the manufactured homeowners' recovery trust fund.
(Amended)
- SB 502** West Sponsor: Zerwas
Relating to placement of children with certain relatives or other designated caregivers.
- SB 503** West Sponsor: Strama
Relating to the establishment of the Expanded Learning Opportunities Council to study and make recommendations concerning expanded learning opportunities for public school students.
(Committee Substitute)
- SB 514** Davis Sponsor: Wu
Relating to the installation, maintenance, operation, and relocation of saltwater pipeline facilities.
(Committee Substitute)
- SB 531** Duncan Sponsor: Smithee
Relating to self-insurance funds established by governmental units.
- SB 534** West Sponsor: Dukes
Relating to requiring permanency planning meetings for certain children in the conservatorship of the Department of Family and Protective Services.
(Amended)

- SB 546** Williams Sponsor: Hilderbran
Relating to continuing education requirements and a registration exemption for county tax assessor-collectors.
- SB 552** Uresti Sponsor: Nevárez
Relating to an application filed with a county commissioners court to revise a subdivision plat; authorizing a fee.
- SB 562** Carona Sponsor: Thompson, Senfronia
Relating to the license qualifications and continuing education requirements for polygraph examiners.
(Committee Substitute)
- SB 563** Hegar Sponsor: Zerwas
Relating to the issuance of specialty license plates to honor recipients of the Defense Superior Service Medal.
- SB 569** Carona Sponsor: Morrison
Relating to the examination requirements for an insurance adjuster license.
- SB 578** Duncan Sponsor: Sheffield, J. D.
Relating to use of countywide polling places for certain elections.
(Amended)
- SB 603** Williams Sponsor: Ritter
Relating to the revocation and reinstatement of an end user number for purposes of purchasing dyed diesel fuel.
- SB 604** Hegar Sponsor: Fletcher
Relating to the powers and duties of the Harris County Municipal Utility District No. 458; providing authority to impose a tax and issue bonds.
- SB 607** Hegar Sponsor: Bell
Relating to the creation of the Waller County Municipal Utility District No. 18; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.
- SB 631** Carona Sponsor: Morrison
Relating to certain statutory insurance deposit requirements.
- SB 679** Duncan Sponsor: Hughes
Relating to certain records and supporting affidavits filed as evidence in certain actions.
- SB 690** Ellis Sponsor: Dutton
Relating to certain management districts in Harris County, including the boundaries of the Near Northside Management District and the creation of Harris County Improvement District No. 23; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
(Committee Substitute)
- SB 697** Carona Sponsor: Eiland
Relating to the qualifications of certain nonresident individuals to hold a surplus lines agent license.
(Committee Substitute)

- SB 699** Carona Sponsor: Villalba
Relating to the contents of an assumed name certificate filed by certain businesses or professionals.
- SB 702** Hegar Sponsor: Lozano
Relating to certified and insured prescribed burn managers.
- SB 706** Taylor Sponsor: Thompson, Ed
Relating to the creation of the Brazoria County Municipal Utility District No. 47; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.
- SB 717** West Sponsor: Naishtat
Relating to consent by a minor to housing or care provided through a transitional living program.
- SB 718** West Sponsor: Burkett
Relating to voluntary and involuntary mental health services.
(Amended)
- SB 746** Nelson Sponsor: Kolkhorst
Relating to unlawful acts against and criminal offenses involving the Medicaid program.
- SB 747** Nelson Sponsor: Fallon
Relating to the term for the independent ombudsman for state supported living centers.
- SB 763** Watson Sponsor: Phillips
Relating to motorcycle training, the enforcement of certification standards for motorcycles, and the license requirements for a three-wheeled motorcycle; creating an offense.
(Committee Substitute)
- SB 769** Uresti Sponsor: McClendon
Relating to the establishment of a pilot program to provide specialized training to foster parents of certain children.
- SB 771** Uresti Sponsor: Raymond
Relating to training for certain employees of the Department of Family and Protective Services.
- SB 793** Deuell Sponsor: Laubenberg
Relating to newborn hearing screening.
- SB 804** Carona Sponsor: Flynn
Relating to revising provisions in certain laws governing certain banks and trust companies in this state to conform to changes in terminology made by the Business Organizations Code.
- SB 818** Duncan Sponsor: Darby
Relating to boll weevil eradication activities and programs.
- SB 833** Davis Sponsor: Dukes
Relating to the collection of data through the Public Education Information Management System (PEIMS) as to the foster care status of public school students.

- SB 836** Hegar Sponsor: Bohac
Relating to the powers and duties of the Harris County Municipal Utility District No. 171; providing authority to impose a tax and issue bonds.
- SB 845** Carona Sponsor: Darby
Relating to the use of e-mail and website technology by the Texas Department of Licensing and Regulation.
- SB 848** Carona Sponsor: Davis, Sarah
Relating to assignment of rents to holders of certain security interests in real property.
- SB 869** Van de Putte Sponsor: Zedler
Relating to the regulation of the practice of pharmacy; authorizing fees.
(Committee Substitute)
- SB 874** Hegar Sponsor: Sanford
Relating to the operation of health care sharing ministries.
- SB 886** Uresti Sponsor: Lewis
Relating to extended foster care for certain young adults and the extended jurisdiction of a court in a suit affecting the parent-child relationship involving those young adults.
- SB 889** Uresti Sponsor: Laubenberg
Relating to the physician assistant board.
- SB 890** Uresti Sponsor: Nevárez
Relating to the creation of the Reeves County Groundwater Conservation District; providing authority to issue bonds; providing authority to impose fees, surcharges, and taxes.
- SB 893** Carona Sponsor: Carter
Relating to certain conditions of, penalties for violating, and collection of information about protective orders issued in certain family violence, sexual assault or abuse, stalking, or trafficking cases.
(Amended)
- SB 910** Duncan Sponsor: Morrison
Relating to certain election practices and procedures.
(Amended)
- SB 916** Estes Sponsor: Kleinschmidt
Relating to quorums and meetings by teleconference of the Texas Bioenergy Policy Council and the Texas Bioenergy Research Committee.
- SB 939** West Sponsor: Parker
Relating to reporting child abuse and neglect and to training regarding recognizing and reporting child abuse and neglect at schools, institutions of higher education, and other entities.
(Amended)
- SB 946** Nelson Sponsor: Bohac
Relating to the right to terminate a lease and avoid liability by a victim of certain sexual offenses or stalking.
(Amended)

- SB 948** Nelson Sponsor: Parker
Relating to management of a coordinated county transportation authority.
(Committee Substitute)
- SB 951** Carona Sponsor: Eiland
Relating to surplus lines insurance.
- SB 967** West Sponsor: Herrero
Relating to the authority of a municipality or county to retain certain fees.
- SB 997** Deuell Sponsor: Hughes
Relating to the sales and use tax consequences of economic development agreements made by certain municipalities.
(Committee Substitute)
- SB 1006** Carona Sponsor: Sheets
Relating to requirements regarding certain shareholder and policyholder dividends.
- SB 1010** Taylor Sponsor: Bonnen, Greg
Relating to access to certain facilities by search and rescue dogs and their handlers; providing a criminal penalty.
- SB 1012** Zaffirini Sponsor: Guillen
Relating to the McMullen Groundwater Conservation District.
- SB 1033** Carona Sponsor: Villalba
Relating to the registration and use of marks, including trademarks and service marks.
- SB 1035** Carona Sponsor: Smith
Relating to alcoholic beverage license applications and fees.
(Committee Substitute)
- SB 1053** Carona Sponsor: Guillen
Relating to the notice provided to an owner or lienholder of a vehicle towed to a vehicle storage facility or provided to an owner or operator of a vehicle by a parking facility owner.
(Committee Substitute)
- SB 1061** Van de Putte Sponsor: Menéndez
Relating to parking privileges of disabled veterans on the property of institutions of higher education.
- SB 1064** Hegar Sponsor: Zerwas
Relating to the creation of the Fort Bend County Municipal Utility District No. 208; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.
- SB 1067** Hegar Sponsor: Zerwas
Relating to the creation of the Fort Bend County Municipal Utility District No. 211; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.
- SB 1071** Hegar Sponsor: Murphy
Relating to the creation of the Harris County Municipal Utility District No. 532; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.

- SB 1072** Hegar Sponsor: Murphy
Relating to the creation of the Harris County Municipal Utility District No. 533; granting a limited power of eminent domain; providing authority to issue bonds.
- SB 1073** Hegar Sponsor: Murphy
Relating to the creation of the Harris County Municipal Utility District No. 534; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.
- SB 1074** Hegar Sponsor: Bonnen, Greg
Relating to electronic transmission of documentation involved in certain insurance transactions.
(Amended)
- SB 1075** Hegar Sponsor: Isaac
Relating to the addition of land in the territory of the Ranch at Clear Fork Creek Municipal Utility District No. 1.
- SB 1095** Hinojosa Sponsor: King, Tracy O.
Relating to fever tick eradication; creating a penalty.
- SB 1099** Zaffirini Sponsor: King, Susan
Relating to the use of certain designations by a physical therapist.
- SB 1125** Carona Sponsor: Smithee
Relating to first-party indemnity coverage purchased by insurance purchasing groups.
- SB 1151** Hinojosa Sponsor: Bohac
Relating to sales and use tax treatment of certain snack items.
- SB 1200** Van de Putte Sponsor: Menéndez
Relating to the Texas Military Preparedness Commission and strategic planning regarding military bases and defense installations.
(Amended)
- SB 1235** West Sponsor: Naishtat
Relating to guardianships, including assessments for and provision of guardianship services by the Department of Aging and Disability Services.
- SB 1237** Schwertner Sponsor: Lewis
Relating to referral of disputes for alternative dispute resolution, including victim-directed referrals; authorizing a fee.
(Committee Substitute)
- SB 1265** Nichols Sponsor: Ritter
Relating to the election of board members for emergency services districts in certain counties.
(Committee Substitute)
- SB 1379** Hancock Sponsor: Sheets
Relating to the standard valuation for life insurance, accident and health insurance, and annuities.
(Committee Substitute)
- SB 1386** Hancock Sponsor: Sheets
Relating to the nonforfeiture requirements of certain life insurance policies.
(Committee Substitute)

- SB 1415** Deuell Sponsor: Workman
Relating to notice of termination by suppliers of certain dealer agreements governed by the Fair Practices of Equipment Manufacturers, Distributors, Wholesalers, and Dealers Act.
- SB 1425** Hinojosa Sponsor: Longoria
Relating to the provision of fire prevention or fire-fighting services by certain emergency services districts.
- SB 1432** Hinojosa Sponsor: Guillen
Relating to the punishment for violating certain rules or permit terms under a permit to trap, transport, and transplant certain animals.
- SB 1474** Duncan Sponsor: Allen
Relating to the adoption of major curriculum initiatives by a school district.
- SB 1479** Watson Sponsor: Dale
Relating to the provision of emergency services in the Williamson-Travis Counties Water Control and Improvement District No. 1F.
- SB 1480** Watson Sponsor: Dale
Relating to the provision of emergency services in the Williamson-Travis Counties Water Control and Improvement District No. 1G.
- SB 1481** Watson Sponsor: Dale
Relating to the provision of emergency services in the Bella Vista Municipal Utility District.
- SB 1584** Rodríguez Sponsor: Nevárez
Relating to the validation of the dissolution of the Development Corporation of Presidio and the creation of the Presidio Municipal Development District.
- SB 1662** Eltife Sponsor: Otto
Relating to expedited binding arbitration of appraisal review board orders.
- SB 1708** Rodríguez Sponsor: Pickett
Relating to the acquisition of certain real property in El Paso County for the construction of facilities for the Department of Public Safety of the State of Texas.
- SB 1757** Uresti Sponsor: Zedler
Relating to the manufacture, sale, distribution, purchase, or possession of a license plate flipper; creating an offense.
- SB 1822** Hegar Sponsor: Morrison
Relating to the name and powers and duties of the Port O'Connor Municipal Utility District; providing authority to impose a sales and use tax.
- SB 1824** Hegar Sponsor: Zerwas
Relating to the powers of the Fort Bend County Municipal Utility District No. 188, including powers related to the construction, operation, and financing of roads; providing authority to issue bonds and impose a tax.
- SB 1829** Williams Sponsor: Toth
Relating to the powers and duties of the Montgomery County Municipal Utility District No. 105; providing authority to issue bonds; providing authority to impose fees and taxes.

- SB 1830** Hegar Sponsor: Zerwas
Relating to the powers and duties of Fort Bend County Municipal Utility District No. 194.
- SB 1840** Nichols Sponsor: Paddie
Relating to the creation of the Deep East Texas Groundwater Conservation District; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.
- SB 1843** Hegar Sponsor: Zerwas
Relating to the creation of the Fulshear Municipal Utility District No. 2; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.
- SB 1845** Taylor Sponsor: Thompson, Ed
Relating to the creation of the Brazoria County Municipal Utility District No. 48; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.
- SB 1857** Estes Sponsor: Geren
Relating to the certification of certain qualified handgun instructors to conduct school safety training.
- SB 1872** Zaffirini Sponsor: Rodriguez, Eddie
Relating to the creation of Onion Creek Metro Park District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
- SB 1876** Hegar Sponsor: Morrison
Relating to the election of members of the board of directors of the Pecan Valley Groundwater Conservation District.
- SB 1892** Garcia Sponsor: Menéndez
Relating to the composition of the Texas Coordinating Council for Veterans Services and coordinating workgroups established by the council.
- SB 1900** Zaffirini Sponsor: Isaac
Relating to the creation of the LaSalle Municipal Utility District No. 2; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
- SB 1901** Zaffirini Sponsor: Isaac
Relating to the creation of the LaSalle Municipal Utility District No. 3; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
- SB 1902** Zaffirini Sponsor: Isaac
Relating to the creation of the LaSalle Municipal Utility District No. 4; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
- SB 1903** Zaffirini Sponsor: Isaac
Relating to the creation of the LaSalle Municipal Utility District No. 5; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

- SCR 1** Nelson Sponsor: Fallon
Designating April as Water Safety Month for a 10-year period beginning in 2013.
- SCR 10** Seliger Sponsor: King, Ken
Designating September 12 as Mary Ann "Molly" Goodnight Day for a 10-year period beginning in 2013.
- SCR 12** Schwertner Sponsor: Farney
Designating pecan pie as the official State Pie of Texas.
- SCR 13** Deuell Sponsor: Flynn
Declaring the City of Canton to be the Walking Capital of Texas.
- SCR 17** Hinojosa Sponsor: Smith
Urging Congress to restore the presumption of a service connection for Agent Orange exposure to United States Navy and United States Air Force veterans who served on the inland waterways, in the territorial waters, and in the airspace of the Republic of Vietnam and to institute a presumption of connection to employment for civilians exposed to Agent Orange in their workplaces.
- SCR 18** Hegar Sponsor: Kolkhorst
Recognizing the annual Small Town Christmas celebration in the City of Bellville as the Official Small Town Christmas Event of Texas.
- SCR 30** Uresti Sponsor: Nevárez
Granting permission to the State of Texas to sue The University of Texas System.
- SJR 54** Hinojosa Sponsor: Guerra
Proposing a constitutional amendment repealing the constitutional provision authorizing the creation of a hospital district in Hidalgo County.

THE HOUSE HAS CONCURRED IN THE SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

- HB 616** (132 Yeas, 0 Nays, 2 Present, not voting)
- HB 1973** (111 Yeas, 22 Nays, 2 Present, not voting)
- HB 1982** (134 Yeas, 2 Nays, 2 Present, not voting)

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

- SB 1546** (135 Yeas, 0 Nays, 2 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

HOUSE BILL 259 ON SECOND READING

Senator Paxton moved to suspend the regular order of business to take up for consideration **HB 259** at this time on its second reading:

HB 259, Relating to electioneering conducted near a polling place.

The motion prevailed.

Senators Eltife, Fraser, Nichols, Schwertner, and Zaffirini asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Eltife, Fraser, Nichols, Schwertner, Zaffirini.

HOUSE BILL 259 ON THIRD READING

Senator Paxton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 259** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Estes, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Patrick, Paxton, Rodriguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams.

Nays: Eltife, Fraser, Nichols, Schwertner, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 26, Nays 5. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 2688 ON SECOND READING

On motion of Senator Seliger and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2688** at this time on its second reading:

CSHB 2688, Relating to the Seminole Hospital District of Gaines County, Texas, and to the fiscal year of the Dallam-Hartley Counties Hospital District.

The bill was read second time.

Senator Seliger offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2688** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 1024.053, Special District Local Laws Code, is amended to read as follows:

Sec. 1024.053. BALLOT PETITION. A person who wants to have the person's name printed on the ballot as a candidate for director must file with the board secretary a petition requesting that action. The petition must:

(1) be signed by at least 50 registered voters of the district as determined by the most recent official list of registered voters;

(2) be filed not later than 5 p.m. on the ~~[62nd]~~ same day that an application for a place on the ballot must be filed under Section 144.005, Election Code [before the date of the election]; and

(3) specify the single-member district ~~[commissioners precinct]~~ the candidate wants to represent ~~[or specify that the candidate wants to represent the district at large].~~

The amendment to **CSHB 2688** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Seliger and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 2688 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

COMMITTEE SUBSTITUTE HOUSE BILL 2688 ON THIRD READING

Senator Seliger moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2688** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE HOUSE BILL 1198 ON SECOND READING

Senator Zaffirini moved to suspend the regular order of business to take up for consideration **CSHB 1198** at this time on its second reading:

CSHB 1198, Relating to authorizing an optional county fee on vehicles registered in certain counties to fund transportation projects.

The motion prevailed.

Senators Birdwell, Campbell, Estes, Fraser, Hancock, Huffman, Nelson, Patrick, Schwertner, and Seliger asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Rodríguez offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 1198** (senate committee printing) by striking SECTION 1 of the bill (page 1, lines 24 through 31), and substituting the following:

SECTION 1. Sections 502.402(a) and (e), Transportation Code, are amended to read as follows:

(a) This section applies only to a county that:

(1) ~~that~~ borders the United Mexican States; and

(2) ~~that~~ has a population of more than 250,000 ~~[300,000; and~~
~~(3) in which the largest municipality has a population of less than 300,000].~~

(e) The additional fee shall be collected for a vehicle when other fees imposed under this chapter are collected. The fee revenue collected shall be sent to a the regional mobility authority located in ~~[of]~~ the county to fund long-term transportation projects in the county.

The amendment to **CSHB 1198** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Zaffirini and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 1198 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Estes, Fraser, Hancock, Huffman, Nelson, Patrick, Schwertner, Seliger.

**MOTION TO PLACE
COMMITTEE SUBSTITUTE
HOUSE BILL 1198 ON THIRD READING**

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1198** be placed on its third reading and final passage.

The motion was lost by the following vote: Yeas 21, Nays 10. (Not receiving four-fifths vote of Members present)

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Garcia, Hegar, Hinojosa, Lucio, Nichols, Paxton, Rodríguez, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Estes, Fraser, Hancock, Huffman, Nelson, Patrick, Schwertner, Seliger.

HOUSE BILL 1461 ON SECOND READING

Senator Fraser moved to suspend the regular order of business to take up for consideration **HB 1461** at this time on its second reading:

HB 1461, Relating to customer notification of water loss by a retail public utility.

The motion prevailed.

Senators Birdwell, Campbell, Hegar, Nichols, and Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Hegar, Nichols, Patrick.

HOUSE BILL 1461 ON THIRD READING

Senator Fraser moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1461** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hinojosa, Huffman, Lucio, Nelson, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Hegar, Nichols, Patrick.

The bill was read third time and was passed by the following vote: Yeas 26, Nays 5. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 2911 ON SECOND READING

Senator Taylor moved to suspend the regular order of business to take up for consideration **CSHB 2911** at this time on its second reading:

CSHB 2911, Relating to the regulation of real estate inspectors; changing fees.

The motion prevailed.

Senators Birdwell, Nichols, and Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Taylor offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2911** (senate committee printing) as follows:

(1) In SECTION 4 of the bill, in amended Section 1102.111(b), Occupations Code (page 2, line 42), strike "or" and substitute "[~~or~~]".

(2) In SECTION 4 of the bill, strike Section 1102.111(b)(2), Occupations Code (page 2, line 43), and substitute the following:

(2) complete more than 40 hours of field work, if the applicant completes correspondence or other course provided by alternative means; or

(3) have more than seven years of relevant experience.

(3) In SECTION 5 of the bill, strike Sections 1102.114(1), (2), and (3), Occupations Code (page 2, lines 48 through 54), and substitute the following:

(1) meets the required qualifications;

(2) pays the fee required by Section 1102.352(a); and

(3) submits [offers] proof of financial responsibility as required by Section 1102.1141 [that the applicant carries liability insurance with a minimum limit of \$100,000 per occurrence to protect the public against a violation of Subchapter G].

(4) Strike SECTION 13 of the bill, amending Section 1102.403(b), Occupations Code (page 4, lines 21 through 31).

(5) Strike SECTION 14 of the bill, amending Section 1101.603(d), Occupations Code (page 4, lines 32 through 38).

(6) Strike SECTION 15 of the bill (page 4, lines 39 through 42) and substitute the following appropriately numbered SECTION:

SECTION _____. Sections 1102.252 and 1102.253, Occupations Code, are repealed.

(7) Strike SECTION 16 of the bill (page 4, lines 43 through 69).

(8) Strike SECTIONS 17(c) and (d) of the bill (page 5, lines 17 through 27).

(9) Renumber the SECTIONS of the bill appropriately.

The amendment to **CSHB 2911** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Taylor and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 2911 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Hegar, Nichols, Patrick.

COMMITTEE SUBSTITUTE HOUSE BILL 2911 ON THIRD READING

Senator Taylor moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2911** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Paxton, Rodríguez, Schweitzer, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Nichols, Patrick.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hinojosa, Huffman, Lucio, Nelson, Paxton, Rodríguez, Schweitzer, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Hegar, Nichols, Patrick.

HOUSE CONCURRENT RESOLUTION 59 ON SECOND READING

On motion of Senator Lucio and by unanimous consent, the regular order of business was suspended to take up for consideration **HCR 59** at this time on its second reading:

HCR 59, Requesting the speaker and lieutenant governor to create a joint interim committee to study seawater desalination on the Texas coast.

The resolution was read second time and was adopted by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2138 ON SECOND READING

On motion of Senator Ellis and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2138** at this time on its second reading:

HB 2138, Relating to the boundaries of the Near Northside Management District and to coordination by the district with other entities in providing projects and services.

The bill was read second time.

Senator Ellis offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2138** (senate committee report) as follows:

(1) Strike SECTION 2 of the bill, adding Section 3807.1041, Special District Local Laws Code.

(2) Add the following appropriately numbered SECTION to the bill and renumber the subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter A, Chapter 3905, Special Districts Local Laws Code, is amended by adding Section 3905.009 to read as follows:

Sec. 3905.009. OVERLAPPING TERRITORY. (a) If territory in the district overlaps with the boundaries of another district created before June 17, 2011, that has the powers of a district created under Chapter 375, Local Government Code, the overlapping territory is excluded from the territory of the district that was created first, regardless of whether the territory overlapped on June 17, 2011.

(b) The exclusion of territory under this section does not diminish or impair the rights of the holders of any outstanding and unpaid bonds, warrants, or other district obligations. The district that was created first shall continue to impose fees, taxes, or assessments, if any, on the excluded territory at the same rate imposed on other territory in the district until the total amount of fees, taxes, or assessments collected from the excluded territory equals its pro rata share of the indebtedness of the district at the time the territory was excluded. All fees, taxes, or assessments collected in the excluded territory by the district that was created first shall be applied to the payment of the excluded territory's pro rata share of indebtedness. The owner of all or part of the excluded territory at any time may pay in full the owner's share of the excluded territory's pro rata share of the indebtedness at the time the territory was excluded.

(c) If the district that was created first does not have any outstanding and unpaid bonds, warrants, or other district obligations, but imposes assessments under an assessment plan adopted before May 1, 2013, the district may continue to impose those assessments on the excluded territory at the same rate imposed on other territory in the district to satisfy the requirements of that assessment plan. All assessments collected in the excluded territory by the district that was created first shall be applied to satisfy the requirements of the assessment plan.

The amendment to **HB 2138** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Ellis offered the following amendment to the bill:

Floor Amendment No. 2

Amend **HB 2138** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 3905, Special District Local Laws Code, is amended by amending Sections 3905.051 and 3905.056 to read as follows:

Sec. 3905.051. GOVERNING BODY; TERMS. The district is governed by a board of twelve ~~nine~~ directors who serve staggered terms of three years, with ~~four~~ three directors' terms expiring June 1 of each year.

Sec. 3905.056. INITIAL DIRECTORS. (a) The initial board consists of:

Pos. No.	Name of Director
1	Ethel Kaye Lee
2	Rose Russell
3	Michael Ashley
4	Dr. Albert Lemon
5	Earl White
6	Ann Tillis
7	John Fields
8	Harvey Clemons
9	Renee Llorens
10	Rosalind Malveaux
11	<u>Jeremy Brown</u>
12	<u>Jarrett Leland</u>

(b) Of the initial directors, the terms of directors serving in positions 1, 2, and 3 expire June 1, 2013, the terms of directors serving in positions 4, 5, ~~and~~ 6, and 10 expire June 1, 2014, ~~and~~ the terms of directors serving in positions 7, 8, ~~and~~ 9, and 11 expire June 1, 2015, and the term of the director serving in position 12 expires June 1, 2016.

(c) Section 3905.052 does not apply to the initial directors.

(d) This section expires September 1, 2016 ~~[2015]~~.

The amendment to **HB 2138** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

On motion of Senator Ellis and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 2138 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2138 ON THIRD READING

Senator Ellis moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2138** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2276 ON SECOND READING

Senator Taylor moved to suspend the regular order of business to take up for consideration **HB 2276** at this time on its second reading:

HB 2276, Relating to notice of residential services available for persons with intellectual disabilities.

The motion prevailed.

Senator Watson asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Zaffirini offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2276** (Senate committee printing) as follows:

(1) Amend Section 1 of the bill, Section 533.038, Health and Safety Code (line 10), by striking "a state supported living center" and substituting "any programs and services for which the person is determined to be eligible, including state supported living centers, community ICF-MR programs, waiver services under Section 1915(c) of the federal Social Security Act (42 U.S.C. Section 1396n(c)), or other services".

(2) Amend Section 1 of the bill, Section 533.038, Health and Safety Code (lines 14-15), by striking "the state supported living center" and substituting "each program and service for which the person is determined to be eligible, including state supported living centers, community ICF-MR programs, waiver services under Section 1915(c) of the federal Social Security Act (42 U.S.C. Section 1396n(c)), or other services".

The amendment to **HB 2276** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Taylor and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 2276 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Watson.

HOUSE BILL 2276 ON THIRD READING

Senator Taylor moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2276** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Watson.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

MOTION TO PLACE HOUSE BILL 852 ON SECOND READING

Senator Hinojosa moved to suspend the regular order of business to take up for consideration **HB 852** at this time on its second reading:

HB 852, Relating to the sale and purchase of shark fins or products derived from shark fins; creating an offense.

Senator Hinojosa withdrew the motion to suspend the regular order of business.

COMMITTEE SUBSTITUTE HOUSE BILL 1349 ON SECOND READING

Senator Campbell moved to suspend the regular order of business to take up for consideration **CSHB 1349** at this time on its second reading:

CSHB 1349, Relating to information that may be requested by the Department of Public Safety from a person applying for or renewing a concealed handgun license.

The motion prevailed.

Senators Ellis, Garcia, Rodríguez, Uresti, Watson, and Williams asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Ellis, Garcia, Rodríguez, Uresti, Watson, Williams.

COMMITTEE SUBSTITUTE HOUSE BILL 1349 ON THIRD READING

Senator Campbell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1349** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Van de Putte, West, Whitmire, Zaffirini.

Nays: Ellis, Garcia, Rodríguez, Uresti, Watson, Williams.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 6. (Same as previous roll call)

HOUSE BILL 1724 ON SECOND READING

On motion of Senator Seliger and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1724** at this time on its second reading:

HB 1724, Relating to the statute of limitations on municipal and county hotel occupancy taxes and interest on delinquent payments of municipal hotel occupancy taxes.

The bill was read second time.

Senator Seliger offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1724** (senate committee printing) by inserting the following SECTION and renumbering the subsequent SECTIONS accordingly:

SECTION ____ . Subchapter B, Chapter 351, Tax Code, is amended by adding Section 351.1067 to read as follows:

Sec. 351.1067. ALLOCATION OF REVENUE; CERTAIN MUNICIPALITIES.

(a) This section applies only to a municipality that has a population of at least 190,000, no part of which is located in a county with a population of at least 150,000.

(b) Notwithstanding any other provision of this chapter, a municipality to which this section applies may use revenue from the municipal hotel occupancy tax to conduct an audit of a person in the municipality required to collect the tax authorized by this chapter, provided that the municipality use the revenue to audit not more than one-third of the total number of those persons in any fiscal year.

The amendment to **HB 1724** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Seliger and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 1724 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 1724 ON THIRD READING

Senator Seliger moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1724** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2447 ON SECOND READING

Senator Hinojosa moved to suspend the regular order of business to take up for consideration **HB 2447** at this time on its second reading:

HB 2447, Relating to the sale and advertisement of portable fire extinguishers.

The motion prevailed by the following vote: Yeas 23, Nays 8.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hinojosa, Huffman, Lucio, Nelson, Nichols, Rodríguez, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Hegar, Patrick, Paxton, Schwertner, Taylor.

The bill was read second time.

Senator Hinojosa offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2447** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS accordingly:

SECTION _____. (a) Section 797.001, Health and Safety Code, as added by this Act, and Section 6001.156(a), Insurance Code, as amended by this Act, do not apply to the sale or advertisement of an aerosol fire suppression device or similar fire suppression device that, on or before September 1, 2013, is:

(1) listed for use as a portable fire extinguisher by a testing laboratory approved the Texas Department of Insurance, other than the National Fire Protection Association; and

(2) approved for use as a portable fire extinguisher by the Texas Department of Insurance.

(b) This section expires September 1, 2015.

The amendment to **HB 2447** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Hinojosa and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 2447 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Hancock, Hegar, Patrick, Paxton, Schwertner, Taylor.

HOUSE BILL 2447 ON THIRD READING

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2447** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Rodriguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Patrick, Paxton, Schwertner.

The bill was read third time and was passed by the following vote: Yeas 23, Nays 8.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hinojosa, Huffman, Lucio, Nelson, Nichols, Rodríguez, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Hegar, Patrick, Paxton, Schwertner, Taylor.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1759 ON SECOND READING**

On motion of Senator Ellis and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 1759** at this time on its second reading:

CSHB 1759, Relating to a correction, clarification, or retraction of incorrect information published.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1759 ON THIRD READING**

Senator Ellis moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1759** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**SENATE RULES SUSPENDED
(Posting Rules)
(Motion In Writing)**

Senator Eltife submitted the following Motion In Writing:

Mr. President and Members,

I move to suspend the 24-hour posting rule, in accordance with Senate Rules 11.10 and 11.18, in order for the Senate Committee on Administration to take up and consider HB 3945 immediately upon recess today, May 20, 2013, at my desk.

ELTIFE

The Motion In Writing prevailed without objection.

RECESS

On motion of Senator Whitmire, the Senate at 12:20 p.m. recessed until 2:30 p.m. today.

AFTER RECESS

The Senate met at 2:54 p.m. and was called to order by Senator Eltife.

BILLS AND RESOLUTIONS SIGNED

The Presiding Officer announced the signing of the following enrolled bills and resolutions in the presence of the Senate after the captions had been read:

SB 12, SB 63, SB 109, SB 111, SB 152, SB 201, SB 222, SB 246, SB 260, SB 286, SB 344, SB 356, SB 394, SB 395, SB 406, SB 772, SB 819, SB 944, SB 983, SB 1120, SB 1167, SB 1665, SB 1719, SB 1792, SJR 18, SJR 42.

SENATE BILL 462 WITH HOUSE AMENDMENT

Senator Huffman called **SB 462** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 462** by substituting in lieu thereof the following:

**A BILL TO BE ENTITLED
AN ACT**

relating to specialty court programs in this state.

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

ARTICLE 1. SPECIALTY COURT PROGRAMS

SECTION 1.01. Title 2, Government Code, is amended by adding Subtitle K to read as follows:

**SUBTITLE K. SPECIALTY COURTS
CHAPTER 121. GENERAL PROVISIONS**

Sec. 121.001. DEFINITION. In this subtitle, "specialty court" means a court established under this subtitle or former law.

Sec. 121.002. OVERSIGHT. (a) The lieutenant governor and the speaker of the house of representatives may assign to appropriate legislative committees duties relating to the oversight of specialty court programs.

(b) For the purpose of determining the eligibility of a specialty court program to receive state or federal grant funds administered by a state agency, the governor or a legislative committee to which duties are assigned under Subsection (a) may request the state auditor to perform a management, operations, or financial or accounting audit of the program.

(c) Notwithstanding any other law, a specialty court program may not operate until the judge, magistrate, or coordinator:

(1) provides to the criminal justice division of the governor's office:

(A) written notice of the program;

(B) any resolution or other official declaration under which the program

was established; and

(C) a copy of the applicable community justice plan that incorporates duties related to supervision that will be required under the program; and

(2) receives from the division written verification of the program's compliance with Subdivision (1).

(d) A specialty court program shall:

(1) comply with all programmatic best practices recommended by the Specialty Courts Advisory Council under Section 772.0061(b)(2) and approved by the Texas Judicial Council; and

(2) report to the criminal justice division any information required by the division regarding the performance of the program.

(e) A specialty court program that fails to comply with Subsections (c) and (d) is not eligible to receive any state or federal grant funds administered by any state agency.

SECTION 1.02. Subchapter J, Chapter 264, Family Code, is transferred to Subtitle K, Title 2, Government Code, as added by this Act, redesignated as Chapter 122, Government Code, and amended to read as follows:

CHAPTER 122 [SUBCHAPTER J]. FAMILY DRUG COURT PROGRAM

Sec. 122.001 [264.801]. FAMILY DRUG COURT PROGRAM DEFINED. In this chapter [subchapter], "family drug court program" means a program that has the following essential characteristics:

(1) the integration of substance abuse treatment services in the processing of civil cases in the child welfare system with the goal of family reunification;

(2) the use of a comprehensive case management approach involving Department of Family and Protective Services [department] caseworkers, court-appointed case managers, and court-appointed special advocates to rehabilitate a parent who has had a child removed from the parent's care by the department because of suspected child abuse or neglect and who is suspected of substance abuse;

(3) early identification and prompt placement of eligible parents who volunteer to participate in the program;

(4) comprehensive substance abuse needs assessment and referral to an appropriate substance abuse treatment agency;

(5) a progressive treatment approach with specific requirements that a parent must meet to advance to the next phase of the program;

(6) monitoring of abstinence through periodic alcohol or other drug testing;

(7) ongoing judicial interaction with program participants;

(8) monitoring and evaluation of program goals and effectiveness;

(9) continuing interdisciplinary education to promote effective program planning, implementation, and operations; and

(10) development of partnerships with public agencies and community organizations.

Sec. 122.002 [264.802]. AUTHORITY TO ESTABLISH PROGRAM. The commissioners court of a county may establish a family drug court program for persons who:

(1) have had a child removed from their care by the Department of Family and Protective Services [department]; and

(2) are suspected by the Department of Family and Protective Services [department] or a court of having a substance abuse problem.

~~[Sec. 264.803. OVERSIGHT. (a) The lieutenant governor and the speaker of the house of representatives may assign to appropriate legislative committees duties relating to the oversight of family drug court programs established under this subchapter.~~

~~[(b) A legislative committee or the governor may request the state auditor to perform a management, operations, or financial or accounting audit of a family drug court program established under this subchapter.]~~

Sec. 122.003 [264.804]. PARTICIPANT PAYMENT FOR TREATMENT AND SERVICES. A family drug court program may require a participant to pay the cost of all treatment and services received while participating in the program, based on the participant's ability to pay.

Sec. 122.004 [264.805]. FUNDING. A county creating a family drug court under this chapter shall explore the possibility of using court improvement project funds to finance the family drug court in the county. The county shall also explore the availability of federal and state matching funds to finance the court.

SECTION 1.03. Subsection (a), Section 76.011, Government Code, is amended to read as follows:

(a) The department may operate programs for:

(1) the supervision and rehabilitation of persons in pretrial intervention programs;

(2) the supervision of persons released on bail under:

(A) Chapter 11, Code of Criminal Procedure;

(B) Chapter 17, Code of Criminal Procedure;

(C) Article 44.04, Code of Criminal Procedure; or

(D) any other law;

(3) the supervision of a person subject to, or the verification of compliance with, a court order issued under:

(A) Article 17.441, Code of Criminal Procedure, requiring a person to install a deep-lung breath analysis mechanism on each vehicle owned or operated by the person;

(B) Chapter 123 of this code or former law [469, Health and Safety Code], issuing an occupational driver's license;

(C) Section 49.09(h), Penal Code, requiring a person to install a deep-lung breath analysis mechanism on each vehicle owned or operated by the person; or

(D) Subchapter L, Chapter 521, Transportation Code, granting a person an occupational driver's license; and

(4) the supervision of a person not otherwise described by Subdivision (1), (2), or (3), if a court orders the person to submit to the supervision of, or to receive services from, the department.

SECTION 1.04. Chapter 469, Health and Safety Code, is transferred to Subtitle K, Title 2, Government Code, as added by this Act, redesignated as Chapter 123, Government Code, and amended to read as follows:

CHAPTER 123 [469]. DRUG COURT PROGRAMS

Sec. 123.001 [469.001]. DRUG COURT PROGRAM DEFINED; PROCEDURES FOR CERTAIN DEFENDANTS. (a) In this chapter, "drug court program" means a program that has the following essential characteristics:

- (1) the integration of alcohol and other drug treatment services in the processing of cases in the judicial system;
- (2) the use of a nonadversarial approach involving prosecutors and defense attorneys to promote public safety and to protect the due process rights of program participants;
- (3) early identification and prompt placement of eligible participants in the program;
- (4) access to a continuum of alcohol, drug, and other related treatment and rehabilitative services;
- (5) monitoring of abstinence through weekly alcohol and other drug testing;
- (6) a coordinated strategy to govern program responses to participants' compliance;
- (7) ongoing judicial interaction with program participants;
- (8) monitoring and evaluation of program goals and effectiveness;
- (9) continuing interdisciplinary education to promote effective program planning, implementation, and operations; and
- (10) development of partnerships with public agencies and community organizations.

(b) If a defendant successfully completes a drug court program, regardless of whether the defendant was convicted of the offense for which the defendant entered the program or whether the court deferred further proceedings without entering an adjudication of guilt, after notice to the state and a hearing on whether the defendant is otherwise entitled to the petition and whether issuance of the order is in the best interest of justice, the court shall enter an order of nondisclosure under Section 411.081[~~Government Code,~~] as if the defendant had received a discharge and dismissal under Section 5(c), Article 42.12, Code of Criminal Procedure, with respect to all records and files related to the defendant's arrest for the offense for which the defendant entered the program if the defendant:

(1) has not been previously convicted of an [a felony] offense listed in Section 3g, Article 42.12, Code of Criminal Procedure, or a sexually violent offense, as defined by Article 62.001, Code of Criminal Procedure; and

(2) is not convicted for any [other] felony offense between the date on which the defendant successfully completed the program and [before] the second anniversary of that date [the defendant's successful completion of the program].

(c) Notwithstanding Subsection (b), a defendant is not entitled to petition the court for an order of nondisclosure following successful completion of a drug court program if the defendant's entry into the program arose as the result of a conviction for an offense involving the operation of a motor vehicle while intoxicated.

Sec. 123.002 [469.002]. AUTHORITY TO ESTABLISH PROGRAM. The commissioners court of a county or governing body of a municipality may establish the following types of drug court programs:

- (1) drug courts for persons arrested for, charged with, or convicted of:

(A) an offense in which an element of the offense is the use or possession of alcohol or the use, possession, or sale of a controlled substance, a controlled substance analogue, or marihuana; or

(B) an offense in which the use of alcohol or a controlled substance is suspected to have significantly contributed to the commission of the offense and the offense did not involve:

(i) carrying, possessing, or using a firearm or other dangerous weapon;

(ii) the use of force against the person of another; or

(iii) the death of or serious bodily injury to another;

(2) drug courts for juveniles detained for, taken into custody for, or adjudicated as having engaged in:

(A) delinquent conduct, including habitual felony conduct, or conduct indicating a need for supervision in which an element of the conduct is the use or possession of alcohol or the use, possession, or sale of a controlled substance, a controlled substance analogue, or marihuana; or

(B) delinquent conduct, including habitual felony conduct, or conduct indicating a need for supervision in which the use of alcohol or a controlled substance is suspected to have significantly contributed to the commission of the conduct and the conduct did not involve:

(i) carrying, possessing, or using a firearm or other dangerous weapon;

(ii) the use of force against the person of another; or

(iii) the death of or serious bodily injury to another;

(3) reentry drug courts for persons with a demonstrated history of using alcohol or a controlled substance who may benefit from a program designed to facilitate the person's transition and reintegration into the community on release from a state or local correctional facility;

(4) family dependency drug treatment courts for family members involved in a suit affecting the parent-child relationship in which a parent's use of alcohol or a controlled substance is a primary consideration in the outcome of the suit; or

(5) programs for other persons not precisely described by Subdivisions (1)-(4) who may benefit from a program that has the essential characteristics described by Section 123.001 [469.004].

Sec. 123.003 [469.0025]. ESTABLISHMENT OF REGIONAL PROGRAM.

(a) The commissioners courts of two or more counties, or the governing bodies of two or more municipalities, may elect to establish a regional drug court program under this chapter for the participating counties or municipalities.

(b) For purposes of this chapter, each county or municipality that elects to establish a regional drug court program under this section is considered to have established the program and is entitled to retain fees under Article 102.0178, Code of Criminal Procedure, in the same manner as if the county or municipality had established a drug court program without participating in a regional program.

~~[Sec. 469.003. OVERSIGHT. (a) The lieutenant governor and the speaker of the house of representatives may assign to appropriate legislative committees duties relating to the oversight of drug court programs established under this chapter.~~

~~[(b) A legislative committee or the governor may request the state auditor to perform a management, operations, or financial or accounting audit of a drug court program established under this chapter.~~

~~[(c) A drug court program established under this chapter shall:~~

~~[(1) notify the criminal justice division of the governor's office before or on implementation of the program; and~~

~~[(2) provide information regarding the performance of the program to the division on request.]~~

Sec. 123.004 ~~[469.004]~~. FEES. (a) A drug court program established under this chapter may collect from a participant in the program:

(1) a reasonable program fee not to exceed \$1,000; and

(2) an alcohol or controlled substance testing, counseling, and treatment fee in an amount necessary to cover the costs of the testing, counseling, and treatment.

(b) Fees collected under this section may be paid on a periodic basis or on a deferred payment schedule at the discretion of the judge, magistrate, or coordinator ~~[program director administering the program]~~. The fees must be:

(1) based on the participant's ability to pay; and

(2) used only for purposes specific to the program.

Sec. 123.005 ~~[469.005]~~. DRUG COURT PROGRAMS EXCLUSIVELY FOR CERTAIN INTOXICATION OFFENSES. (a) The commissioners court of a county may establish under this chapter a drug court program exclusively for persons arrested for, charged with, or convicted of an offense involving the operation of a motor vehicle while intoxicated.

(b) A county that establishes a drug court program under this chapter but does not establish a separate program under this section must employ procedures designed to ensure that a person arrested for, charged with, or convicted of a second or subsequent offense involving the operation of a motor vehicle while intoxicated participates in the county's existing drug court program.

Sec. 123.006 ~~[469.006]~~. PROGRAM IN CERTAIN COUNTIES MANDATORY. (a) The commissioners court of a county with a population of more than 200,000 shall:

(1) establish a drug court program under ~~[Subdivision (1) of]~~ Section 123.002(1); and

(2) direct the judge, magistrate, or coordinator to comply with Section 121.002(c)(1) ~~[469.002]~~.

(b) A county required under this section to establish a drug court program shall apply for federal and state funds available to pay the costs of the program. The criminal justice division of the governor's office may assist a county in applying for federal funds as required by this subsection.

(c) Notwithstanding Subsection (a), a county is required to establish a drug court program under this section only if:

(1) the county receives federal or state funding, including funding under Article 102.0178, Code of Criminal Procedure, specifically for that purpose; and

(2) the judge, magistrate, or coordinator receives the verification described by Section 121.002(c)(2).

(d) A county that does not establish a drug court program as required by this section and maintain the program is ineligible to receive from the state:

- (1) funds for a community supervision and corrections department; and
- (2) grants for substance abuse treatment programs administered by the criminal justice division of the governor's office.

Sec. 123.007 [~~469.007~~]. **USE OF OTHER DRUG AND ALCOHOL AWARENESS PROGRAMS.** In addition to using a drug court program established under this chapter, the commissioners court of a county or a court may use other drug awareness or drug and alcohol driving awareness programs to treat persons convicted of drug or alcohol related offenses.

Sec. 123.008 [~~469.008~~]. **SUSPENSION OR DISMISSAL OF COMMUNITY SERVICE REQUIREMENT.** (a) Notwithstanding Sections 13 and 16, Article 42.12, Code of Criminal Procedure, to encourage participation in a drug court program established under this chapter, the judge or magistrate administering the program may suspend any requirement that, as a condition of community supervision, a participant in the program work a specified number of hours at a community service project or projects.

(b) On a participant's successful completion of a drug court program, a judge or magistrate may excuse the participant from any condition of community supervision previously suspended under Subsection (a).

Sec. 123.009 [~~469.009~~]. **OCCUPATIONAL DRIVER'S LICENSE.** Notwithstanding Section 521.242, Transportation Code, if a participant's driver's license has been suspended as a result of an alcohol-related or drug-related enforcement contact, as defined by Section 524.001, Transportation Code, or as a result of a conviction under Section 49.04, 49.07, or 49.08, Penal Code, the judge or magistrate administering a drug court program under this chapter may order that an occupational license be issued to the participant. An order issued under this section is subject to Sections 521.248-521.252, Transportation Code, except that any reference to a petition under Section 521.242 of that code does not apply.

SECTION 1.05. Chapter 617, Health and Safety Code, is transferred to Subtitle K, Title 2, Government Code, as added by this Act, redesignated as Chapter 124, Government Code, and amended to read as follows:

CHAPTER 124 [~~617~~]. **VETERANS COURT PROGRAM**

Sec. 124.001 [~~617.001~~]. **VETERANS COURT PROGRAM DEFINED; PROCEDURES FOR CERTAIN DEFENDANTS.** (a) In this chapter, "veterans court program" means a program that has the following essential characteristics:

- (1) the integration of services in the processing of cases in the judicial system;
- (2) the use of a nonadversarial approach involving prosecutors and defense attorneys to promote public safety and to protect the due process rights of program participants;
- (3) early identification and prompt placement of eligible participants in the program;
- (4) access to a continuum of alcohol, controlled substance, mental health, and other related treatment and rehabilitative services;

- (5) careful monitoring of treatment and services provided to program participants;
- (6) a coordinated strategy to govern program responses to participants' compliance;
- (7) ongoing judicial interaction with program participants;
- (8) monitoring and evaluation of program goals and effectiveness;
- (9) continuing interdisciplinary education to promote effective program planning, implementation, and operations; and
- (10) development of partnerships with public agencies and community organizations, including the United States Department of Veterans Affairs.

(b) If a defendant successfully completes a veterans court program[;] as authorized under Section 76.011, [~~Government Code,~~] after notice to the attorney representing the state and a hearing in the veterans court at which that court determines that a dismissal is in the best interest of justice, the court in which the criminal case is pending shall dismiss the criminal action against the defendant.

Sec. 124.002 [~~617.002~~]. **AUTHORITY TO ESTABLISH PROGRAM; ELIGIBILITY.** (a) The commissioners court of a county may establish a veterans court program for persons arrested for or charged with any misdemeanor or felony offense. A defendant is eligible to participate in a veterans court program established under this chapter only if the attorney representing the state consents to the defendant's participation in the program and if the court in which the criminal case is pending finds that the defendant:

- (1) is a veteran or current member of the United States armed forces, including a member of the reserves, national guard, or state guard; and

- (2) suffers from a brain injury, mental illness, or mental disorder, including post-traumatic stress disorder, that:

- (A) resulted from the defendant's military service in a combat zone or other similar hazardous duty area; and

- (B) materially affected the defendant's criminal conduct at issue in the case.

(b) The court in which the criminal case is pending shall allow an eligible defendant to choose whether to proceed through the veterans court program or otherwise through the criminal justice system.

(c) Proof of matters described by Subsection (a) may be submitted to the court in which the criminal case is pending in any form the court determines to be appropriate, including military service and medical records, previous determinations of a disability by a veteran's organization or by the United States Department of Veterans Affairs, testimony or affidavits of other veterans or service members, and prior determinations of eligibility for benefits by any state or county veterans office. The court's findings must accompany any docketed case.

Sec. 124.003 [~~617.003~~]. **DUTIES OF VETERANS COURT.** (a) A veterans court program established under this chapter must:

- (1) ensure a person eligible for the program is provided legal counsel before volunteering to proceed through the program and while participating in the program;

- (2) allow a participant to withdraw from the program at any time before a trial on the merits has been initiated;

(3) provide a participant with a court-ordered individualized treatment plan indicating the services that will be provided to the participant; and

(4) ensure that the jurisdiction of the veterans court continues for a period of not less than six months but does not continue beyond the period of community supervision for the offense charged.

(b) A veterans court program established under this chapter shall make, establish, and publish local procedures to ensure maximum participation of eligible defendants in the county or counties in which those defendants reside.

(c) This chapter does not prevent the initiation of procedures under Chapter 46B, Code of Criminal Procedure.

Sec. 124.004 [617.004]. ESTABLISHMENT OF REGIONAL PROGRAM.

(a) The commissioners courts of two or more counties may elect to establish a regional veterans court program under this chapter for the participating counties.

(b) For purposes of this chapter, each county that elects to establish a regional veterans court program under this section is considered to have established the program and is entitled to retain fees under Article 102.0178, Code of Criminal Procedure, in the same manner as if the county had established a veterans court program without participating in a regional program.

~~[Sec. 617.005. OVERSIGHT. (a) The lieutenant governor and the speaker of the house of representatives may assign to appropriate legislative committees duties relating to the oversight of veterans court programs established under this chapter.~~

~~(b) A legislative committee or the governor may request the state auditor to perform a management, operations, or financial or accounting audit of a veterans court program established under this chapter.~~

~~(c) A veterans court program established under this chapter shall:~~

~~(1) notify the criminal justice division of the governor's office before or on implementation of the program; and~~

~~(2) provide information regarding the performance of the program to that division on request.]~~

Sec. 124.005 [617.006]. FEES. (a) A veterans court program established under this chapter may collect from a participant in the program:

(1) a reasonable program fee not to exceed \$1,000; and

(2) a testing, counseling, and treatment fee in an amount necessary to cover the costs of any testing, counseling, or treatment performed or provided under the program.

(b) Fees collected under this section may be paid on a periodic basis or on a deferred payment schedule at the discretion of the judge, magistrate, or coordinator ~~[program director administering the program]~~. The fees must be:

(1) based on the participant's ability to pay; and

(2) used only for purposes specific to the program.

SECTION 1.06. Chapter 616, Health and Safety Code, is transferred to Subtitle K, Title 2, Government Code, as added by this Act, redesignated as Chapter 125, Government Code, and amended to read as follows:

CHAPTER 125 [616]. MENTAL HEALTH COURT PROGRAMS

Sec. 125.001 [616.001]. MENTAL HEALTH COURT PROGRAM DEFINED.

In this chapter, "mental health court program" means a program that has the following essential characteristics:

- (1) the integration of mental illness treatment services and mental retardation services in the processing of cases in the judicial system;
- (2) the use of a nonadversarial approach involving prosecutors and defense attorneys to promote public safety and to protect the due process rights of program participants;
- (3) early identification and prompt placement of eligible participants in the program;
- (4) access to mental illness treatment services and mental retardation services;
- (5) ongoing judicial interaction with program participants;
- (6) diversion of potentially mentally ill or mentally retarded defendants to needed services as an alternative to subjecting those defendants to the criminal justice system;
- (7) monitoring and evaluation of program goals and effectiveness;
- (8) continuing interdisciplinary education to promote effective program planning, implementation, and operations; and
- (9) development of partnerships with public agencies and community organizations, including local mental retardation authorities.

Sec. 125.002 [616.002]. AUTHORITY TO ESTABLISH PROGRAM. The commissioners court of a county may establish a mental health court program for persons who:

- (1) have been arrested for or charged with a misdemeanor or felony; and
- (2) are suspected by a law enforcement agency or a court of having a mental illness or mental retardation.

Sec. 125.003 [616.003]. PROGRAM. (a) A mental health court program established under Section 125.002 [616.002]:

(1) may handle all issues arising under Articles 16.22 and 17.032, Code of Criminal Procedure, and Chapter 46B, Code of Criminal Procedure; and

(2) must:

(A) ensure a person eligible for the program is provided legal counsel before volunteering to proceed through the mental health court program and while participating in the program;

(B) allow a person, if eligible for the program, to choose whether to proceed through the mental health court program or proceed through the regular criminal justice system;

(C) allow a participant to withdraw from the mental health court program at any time before a trial on the merits has been initiated;

(D) provide a participant with a court-ordered individualized treatment plan indicating the services that will be provided to the participant; and

(E) ensure that the jurisdiction of the mental health court extends at least six months but does not extend beyond the probationary period for the offense charged if the probationary period is longer than six months.

(b) The issues shall be handled by a magistrate, as designated by Article 2.09, Code of Criminal Procedure, who is part of a mental health court program established under Section 125.002 [616.002].

~~[Sec. 616.004. OVERSIGHT. (a) The lieutenant governor and the speaker of the house of representatives may assign to appropriate legislative committees duties relating to the oversight of mental health court programs established under Section 616.002.]~~

~~[(b) A legislative committee or the governor may request the state auditor to perform a management, operations, or financial or accounting audit of a mental health court program established under Section 616.002.]~~

Sec. 125.004 [616.005]. PARTICIPANT PAYMENT FOR TREATMENT AND SERVICES. A mental health court program may require a participant to pay the cost of all treatment and services received while participating in the program, based on the participant's ability to pay.

SECTION 1.07. Subsection (b), Section 509.007, Government Code, is amended to read as follows:

(b) A community justice plan required under this section must include:

(1) a statement of goals and priorities and of commitment by the community justice council, the judges described by Section 76.002 who established the department, and the department director to achieve a targeted level of alternative sanctions;

(2) a description of methods for measuring the success of programs provided by the department or provided by an entity served by the department;

(3) a proposal for the use of state jail felony facilities and, at the discretion of the community justice council, a regional proposal for the construction, operation, maintenance, or management of a state jail felony facility by a county, a community supervision and corrections department, or a private vendor under a contract with a county or a community supervision and corrections department;

(4) a description of the programs and services the department provides or intends to provide, including a separate description of:

(A) any services the department intends to provide in relation to a specialty court program; and

(B) any programs or other services the department intends to provide to enhance public safety, reduce recidivism, strengthen the investigation and prosecution of criminal offenses, improve programs and services available to victims of crime, and increase the amount of restitution collected from persons supervised by the department; and

(5) an outline of the department's projected programmatic and budgetary needs, based on the programs and services the department both provides and intends to provide.

SECTION 1.08. Subdivision (2), Subsection (a), Section 772.0061, Government Code, is amended to read as follows:

(2) "Specialty court" means:

(A) a family drug court program established under Chapter 122 or former law;

(B) a drug court program established under Chapter 123 or former law [469, Health and Safety Code];

(C) a veterans court program established under Chapter 124 or former law; and

(D) [~~D~~] a mental health court program established under Chapter 125 or former law [616, Health and Safety Code; and

[(C) a veterans court program established under Chapter 617, Health and Safety Code].

SECTION 1.09. Section 772.0061, Government Code, is amended by amending Subsections (b), (c), (d), and (e) and adding Subsection (j) to read as follows:

(b) The governor shall establish the Specialty Courts Advisory Council within the criminal justice division established under Section 772.006 to:

(1) evaluate applications for grant funding for specialty courts in this state and to make funding recommendations to the criminal justice division; and

(2) make recommendations to the criminal justice division regarding best practices for specialty courts established under Chapter 122, 123, 124, or 125 or former law.

(c) The council is composed of nine [~~seven~~] members appointed by the governor as follows:

(1) one member with experience as the judge of a specialty court described by Subsection (a)(2)(A);

(2) one member with experience as the judge of a specialty court described by Subsection (a)(2)(B);

(3) one member with experience as the judge of a specialty court described by Subsection (a)(2)(C);

(4) one member with experience as the judge of a specialty court described by Subsection (a)(2)(D) [three members with experience as judges of a specialty court]; and

(5) five [(2) four] members who represent the public.

(d) The members appointed under Subsection (c)(5) [~~(e)(2)~~] must:

(1) reside in various geographic regions of the state; and

(2) have experience practicing law in a specialty court or possess knowledge and expertise in a field relating to behavioral or mental health issues or to substance abuse treatment.

(e) Members are appointed for staggered six-year terms, with the [The] terms of [either two or] three members expiring [as applicable, expire] February 1 of each odd-numbered year.

(j) A member of the council may not receive compensation for service on the council. The member may receive reimbursement from the criminal justice division for actual and necessary expenses incurred in performing council functions as provided by Section 2110.004.

ARTICLE 2. CONFORMING AMENDMENTS

SECTION 2.01. Subsection (b), Section 18, Article 42.12, Code of Criminal Procedure, is amended to read as follows:

(b) If a judge requires as a condition of community supervision or participation in a drug court program established under Chapter 123, Government ~~[469, Health and Safety]~~ Code, or former law that the defendant serve a term in a community corrections facility, the term may not be more than 24 months.

SECTION 2.02. Subsection (f), Article 59.062, Code of Criminal Procedure, is amended to read as follows:

(f) A civil penalty collected under this article shall be deposited to the credit of the drug court account in the general revenue fund to help fund drug court programs established under Chapter 122, 123, 124, or 125, Government ~~[469, Health and Safety]~~ Code, or former law.

SECTION 2.03. Subsection (g), Section 102.0178, Code of Criminal Procedure, is amended to read as follows:

(g) The comptroller shall deposit the funds received under this article to the credit of the drug court account in the general revenue fund to help fund drug court programs established under Chapter 122, 123, 124, or 125, Government ~~[469, Health and Safety]~~ Code, or former law. The legislature shall appropriate money from the account solely to the criminal justice division of the governor's office for distribution to drug court programs that apply for the money.

SECTION 2.04. Subsection (c-1), Section 58.003, Family Code, is amended to read as follows:

(c-1) Notwithstanding Subsections (a) and (c) and subject to Subsection (b), a juvenile court may order the sealing of records concerning a child adjudicated as having engaged in delinquent conduct or conduct indicating a need for supervision that violated a penal law of the grade of misdemeanor or felony if the child successfully completed a drug court program under Chapter 123, Government ~~[469, Health and Safety]~~ Code, or former law. The court may:

- (1) order the sealing of the records immediately and without a hearing; or
- (2) hold a hearing to determine whether to seal the records.

SECTION 2.05. Section 54.1801, Government Code, is amended to read as follows:

Sec. 54.1801. DEFINITION. In this subchapter, "drug court" or "drug court program" has the meaning assigned by Section 123.001 ~~[469.001, Health and Safety Code]~~.

SECTION 2.06. Subchapter C, Chapter 71, Government Code, is amended by adding Section 71.037 to read as follows:

Sec. 71.037. SPECIALTY COURT BEST PRACTICES. The council shall review and as appropriate approve recommendations made by the Special Courts Advisory Council under Section 772.0061(b)(2).

SECTION 2.07. Subsection (d), Section 76.017, Government Code, is amended to read as follows:

(d) After a person is screened and evaluated, a representative of the department shall meet with the participating criminal justice and treatment agencies to review the person's case and to determine if the person should be referred for treatment. If a person is considered appropriate for referral, the person may be referred to community-based treatment in accordance with applicable law or any other treatment program deemed appropriate. A magistrate may order a person to participate in a

treatment program recommended under this section, including treatment in a drug court program established under Chapter 123 or former law [~~469, Health and Safety Code~~], as a condition of bond or condition of pretrial release.

SECTION 2.08. Section 102.021, Government Code, is amended to read as follows:

Sec. 102.021. COURT COSTS ON CONVICTION: CODE OF CRIMINAL PROCEDURE. A person convicted of an offense shall pay the following under the Code of Criminal Procedure, in addition to all other costs:

(1) court cost on conviction of any offense, other than a conviction of an offense relating to a pedestrian or the parking of a motor vehicle (Art. 102.0045, Code of Criminal Procedure) . . . \$4;

(2) a fee for services of prosecutor (Art. 102.008, Code of Criminal Procedure) . . . \$25;

(3) fees for services of peace officer:

(A) issuing a written notice to appear in court for certain violations (Art. 102.011, Code of Criminal Procedure) . . . \$5;

(B) executing or processing an issued arrest warrant, *capias*, or *capias pro fine* (Art. 102.011, Code of Criminal Procedure) . . . \$50;

(C) summoning a witness (Art. 102.011, Code of Criminal Procedure) . . . \$5;

(D) serving a writ not otherwise listed (Art. 102.011, Code of Criminal Procedure) . . . \$35;

(E) taking and approving a bond and, if necessary, returning the bond to courthouse (Art. 102.011, Code of Criminal Procedure) . . . \$10;

(F) commitment or release (Art. 102.011, Code of Criminal Procedure) . . . \$5;

(G) summoning a jury (Art. 102.011, Code of Criminal Procedure) . . . \$5;

(H) attendance of a prisoner in habeas corpus case if prisoner has been remanded to custody or held to bail (Art. 102.011, Code of Criminal Procedure) . . . \$8 each day;

(I) mileage for certain services performed (Art. 102.011, Code of Criminal Procedure) . . . \$0.29 per mile; and

(J) services of a sheriff or constable who serves process and attends examining trial in certain cases (Art. 102.011, Code of Criminal Procedure) . . . not to exceed \$5;

(4) services of a peace officer in conveying a witness outside the county (Art. 102.011, Code of Criminal Procedure) . . . \$10 per day or part of a day, plus actual necessary travel expenses;

(5) overtime of peace officer for time spent testifying in the trial or traveling to or from testifying in the trial (Art. 102.011, Code of Criminal Procedure) . . . actual cost;

(6) court costs on an offense relating to rules of the road, when offense occurs within a school crossing zone (Art. 102.014, Code of Criminal Procedure) . . . \$25;

(7) court costs on an offense of passing a school bus (Art. 102.014, Code of Criminal Procedure) . . . \$25;

(8) court costs on an offense of truancy or contributing to truancy (Art. 102.014, Code of Criminal Procedure) . . . \$20;

(9) cost for visual recording of intoxication arrest before conviction (Art. 102.018, Code of Criminal Procedure) . . . \$15;

(10) cost of certain evaluations (Art. 102.018, Code of Criminal Procedure) . . . actual cost;

(11) additional costs attendant to certain intoxication convictions under Chapter 49, Penal Code, for emergency medical services, trauma facilities, and trauma care systems (Art. 102.0185, Code of Criminal Procedure) . . . \$100;

(12) additional costs attendant to certain child sexual assault and related convictions, for child abuse prevention programs (Art. 102.0186, Code of Criminal Procedure) . . . \$100;

(13) court cost for DNA testing for certain felonies (Art. 102.020(a)(1), Code of Criminal Procedure) . . . \$250;

(14) court cost for DNA testing for the offense of public lewdness or indecent exposure (Art. 102.020(a)(2), Code of Criminal Procedure) . . . \$50;

(15) court cost for DNA testing for certain felonies (Art. 102.020(a)(3), Code of Criminal Procedure) . . . \$34;

(16) if required by the court, a restitution fee for costs incurred in collecting restitution installments and for the compensation to victims of crime fund (Art. 42.037, Code of Criminal Procedure) . . . \$12;

(17) if directed by the justice of the peace or municipal court judge hearing the case, court costs on conviction in a criminal action (Art. 45.041, Code of Criminal Procedure) . . . part or all of the costs as directed by the judge; and

(18) costs attendant to convictions under Chapter 49, Penal Code, and under Chapter 481, Health and Safety Code, to help fund drug court programs established under Chapter 122, 123, 124, or 125, Government ~~[469, Health and Safety]~~ Code, or former law (Art. 102.0178, Code of Criminal Procedure) . . . \$60.

SECTION 2.09. (a) Subchapter B, Chapter 103, Government Code, is amended by adding Section 103.0271 to read as follows:

Sec. 103.0271. ADDITIONAL MISCELLANEOUS FEES AND COSTS: GOVERNMENT CODE. Fees and costs shall be paid or collected under the Government Code as follows:

(1) a program fee for a drug court program (Sec. 123.004, Government Code) . . . not to exceed \$1,000;

(2) an alcohol or controlled substance testing, counseling, and treatment fee (Sec. 123.004, Government Code) . . . the amount necessary to cover the costs of testing, counseling, and treatment;

(3) a reasonable program fee for a veterans court program (Sec. 124.005, Government Code) . . . not to exceed \$1,000; and

(4) a testing, counseling, and treatment fee for testing, counseling, or treatment performed or provided under a veterans court program (Sec. 124.005, Government Code) . . . the amount necessary to cover the costs of testing, counseling, or treatment.

(b) Subchapter B, Chapter 103, Government Code, is amended by adding Section 103.0292 to read as follows:

Sec. 103.0292. ADDITIONAL MISCELLANEOUS FEES AND COSTS: HEALTH AND SAFETY CODE. A nonrefundable program fee for a first offender prostitution prevention program established under Section 169.002, Health and Safety Code, shall be collected under Section 169.005, Health and Safety Code, in a reasonable amount not to exceed \$1,000, which includes:

(1) a counseling and services fee in an amount necessary to cover the costs of counseling and services provided by the program;

(2) a victim services fee in an amount equal to 10 percent of the total fee;
and

(3) a law enforcement training fee in an amount equal to five percent of the total fee.

(c) Sections 103.029 and 103.0291, Government Code, are repealed.

SECTION 2.10. Subsection (a), Section 493.009, Government Code, is amended to read as follows:

(a) The department shall establish a program to confine and treat:

(1) defendants required to participate in the program under Section 14, Article 42.12, Code of Criminal Procedure; and

(2) individuals referred for treatment as part of a drug court program established under Chapter 123 [~~469, Health and Safety Code,~~] or a similar program created under other law.

SECTION 2.11. Subdivision (1), Section 509.001, Government Code, is amended to read as follows:

(1) "Community corrections facility" means a physical structure, established by the judges described by Section 76.002 after authorization of the establishment of the structure has been included in the local community justice plan, that is operated by a department or operated for a department by an entity under contract with the department, for the purpose of treating persons who have been placed on community supervision or who are participating in a drug court program established under Chapter 123 or former law [~~469, Health and Safety Code,~~] and providing services and programs to modify criminal behavior, deter criminal activity, protect the public, and restore victims of crime. The term includes:

(A) a restitution center;

(B) a court residential treatment facility;

(C) a substance abuse treatment facility;

(D) a custody facility or boot camp;

(E) a facility for an offender with a mental impairment, as defined by Section 614.001, Health and Safety Code; and

(F) an intermediate sanction facility.

ARTICLE 3. TRANSITION

SECTION 3.01. (a) Except as provided by Subsection (b) of this section, the change in law made by this Act applies to a specialty court as defined by Section 121.001, Government Code, as added by this Act, regardless of whether that court was created under Subtitle K, Title 2, Government Code, as added by this Act, or former law.

(b) Subsection (b), Section 123.001, Government Code, as redesignated and amended by this Act, applies only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect when the offense was committed, and the former law is continued in effect for that purpose. For purposes of this subsection, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

(c) Promptly after this Act takes effect, the governor shall appoint two additional members to the Specialty Courts Advisory Council under Section 772.0061, Government Code, as amended by this Act, as follows:

(1) one member who has experience as a judge of a specialty court, to serve a term expiring February 1, 2017; and

(2) one member who represents the public, to serve a term expiring February 1, 2019.

(d) The change in law made by this Act in the qualifications applying to a member of the Specialty Courts Advisory Council does not affect the entitlement of a member serving on the council immediately before September 1, 2013, to continue to serve and function as a member of the council for the remainder of the member's term. The change in law in the qualifications applies only to a member appointed on or after September 1, 2013. However, as the terms of the members serving immediately before September 1, 2013, expire or become vacant, the governor shall make additional appointments to the council as necessary to comply with Section 772.0061, Government Code, as amended by this Act.

(e) To the extent of any conflict, this Act prevails over another Act of the 83rd Legislature, Regular Session, 2013, relating to nonsubstantive additions to and corrections in enacted codes.

ARTICLE 4. EFFECTIVE DATE

SECTION 4.01. This Act takes effect September 1, 2013.

The amendment was read.

Senator Huffman moved to concur in the House amendment to **SB 462**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE RULE 5.14(a) SUSPENDED (Intent Calendar) (Motion In Writing)

Senator Williams submitted the following Motion In Writing:

Mr. President:

I move suspension of Senate Rule 5.14 so that we may move the Intent Calendar deadline to 5:00 p.m. today.

WILLIAMS

The Motion In Writing prevailed without objection.

(Senator Seliger in Chair)

SENATE BILL 875 WITH HOUSE AMENDMENT

Senator Eltife called **SB 875** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 875** (house committee report) as follows:

(1) On page 2, line 23, strike "\$10,000" and insert "\$5,000".

The amendment was read.

Senator Eltife moved to concur in the House amendment to **SB 875**.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Paxton.

(Senator Eltife in Chair)

SENATE BILL 427 WITH HOUSE AMENDMENT

Senator Nelson called **SB 427** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 427** (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Section 42.041(b), Human Resources Code, is amended to read as follows:

(b) This section does not apply to:

(1) a state-operated facility;

(2) an agency foster home or agency foster group home;

(3) a facility that is operated in connection with a shopping center, business, religious organization, or establishment where children are cared for during short periods while parents or persons responsible for the children are attending religious services, shopping, or engaging in other activities, including retreats or classes for religious instruction, on or near the premises, that does not advertise as a child-care facility or day-care center, and that informs parents that it is not licensed by the state;

(4) a school or class for religious instruction that does not last longer than two weeks and is conducted by a religious organization during the summer months;

(5) a youth camp licensed by the Department of State Health Services;

(6) a facility licensed, operated, certified, or registered by another state agency;

(7) an educational facility that is accredited by the Texas Education Agency, the Southern Association of Colleges and Schools, or an accreditation body that is a member of the Texas Private School Accreditation Commission and that operates primarily for educational purposes for prekindergarten and above, a before-school or after-school program operated directly by an accredited educational facility, or a before-school or after-school program operated by another entity under contract with the educational facility, if the Texas Education Agency, the Southern Association of Colleges and Schools, or the other accreditation body, as applicable, has approved the curriculum content of the before-school or after-school program operated under the contract;

(8) an educational facility that operates solely for educational purposes for prekindergarten through at least grade two, that does not provide custodial care for more than one hour during the hours before or after the customary school day, and that is a member of an organization that promulgates, publishes, and requires compliance with health, safety, fire, and sanitation standards equal to standards required by state, municipal, and county codes;

(9) a kindergarten or preschool educational program that is operated as part of a public school or a private school accredited by the Texas Education Agency, that offers educational programs through grade six, and that does not provide custodial care during the hours before or after the customary school day;

(10) a family home, whether registered or listed;

(11) an educational facility that is integral to and inseparable from its sponsoring religious organization or an educational facility both of which do not provide custodial care for more than two hours maximum per day, and that offers an educational program in one or more of the following: prekindergarten through at least grade three, elementary grades, or secondary grades;

(12) an emergency shelter facility providing shelter to minor mothers who are the sole support of their natural children under Section 32.201, Family Code, unless the facility would otherwise require a license as a child-care facility under this section;

(13) a juvenile detention facility certified under Section 51.12, Family Code, a juvenile correctional facility certified under Section 51.125, Family Code, a juvenile facility providing services solely for the Texas Juvenile Justice Department [~~Youth Commission~~], or any other correctional facility for children operated or regulated by another state agency or by a political subdivision of the state;

(14) an elementary-age (ages 5-13) recreation program operated by a municipality provided the governing body of the municipality annually adopts standards of care by ordinance after a public hearing for such programs, that such standards are provided to the parents of each program participant, and that the ordinances shall include, at a minimum, staffing ratios, minimum staff qualifications, minimum facility, health, and safety standards, and mechanisms for monitoring and enforcing the adopted local standards; and further provided that parents be informed that the program is not licensed by the state and the program may not be advertised as a child-care facility;

(15) an annual youth camp held in a municipality with a population of more than 1.5 million that operates for not more than three months and that has been operated for at least 10 years by a nonprofit organization that provides care for the homeless;

(16) a food distribution program that:

(A) serves an evening meal to children two years of age or older; and

(B) is operated by a nonprofit food bank in a nonprofit, religious, or educational facility for not more than two hours a day on regular business days;

(17) a child-care facility that operates for less than three consecutive weeks and less than 40 days in a period of 12 months;

(18) a program:

(A) in which a child receives direct instruction in a single skill, talent, ability, expertise, or proficiency;

(B) that does not provide services or offerings that are not directly related to the single talent, ability, expertise, or proficiency;

(C) that does not advertise or otherwise represent that the program is a child-care facility, day-care center, or licensed before-school or after-school program or that the program offers child-care services;

(D) that informs the parent or guardian:

(i) that the program is not licensed by the state; and

(ii) about the physical risks a child may face while participating in the program; and

(E) that conducts background checks for all program employees and volunteers who work with children in the program using information that is obtained from the Department of Public Safety;

(19) an elementary-age (ages 5-13) recreation program that:

(A) adopts standards of care, including standards relating to staff ratios, staff training, health, and safety;

(B) provides a mechanism for monitoring and enforcing the standards and receiving complaints from parents of enrolled children;

(C) does not advertise as or otherwise represent the program as a child-care facility, day-care center, or licensed before-school or after-school program or that the program offers child-care services;

(D) informs parents that the program is not licensed by the state;

(E) is organized as a nonprofit organization or is located on the premises of a participant's residence;

(F) does not accept any remuneration other than a nominal annual membership fee;

(G) does not solicit donations as compensation or payment for any good or service provided as part of the program; and

(H) conducts background checks for all program employees and volunteers who work with children in the program using information that is obtained from the Department of Public Safety;

(20) a living arrangement in a caretaker's home involving one or more children or a sibling group, excluding children who are related to the caretaker, in which the caretaker:

(A) had a prior relationship with the child or sibling group or other family members of the child or sibling group;

(B) does not care for more than one unrelated child or sibling group;

(C) does not receive compensation or solicit donations for the care of the child or sibling group; and

(D) has a written agreement with the parent to care for the child or sibling group;

(21) a living arrangement in a caretaker's home involving one or more children or a sibling group, excluding children who are related to the caretaker, in which:

(A) the department is the managing conservator of the child or sibling group;
 (B) the department placed the child or sibling group in the caretaker's home; and

(C) the caretaker had a long-standing and significant relationship with the child or sibling group before the child or sibling group was placed with the caretaker; ~~[or]~~

(22) a living arrangement in a caretaker's home involving one or more children or a sibling group, excluding children who are related to the caretaker, in which the child is in the United States on a time-limited visa under the sponsorship of the caretaker or of a sponsoring organization; or

(23) a facility operated by a nonprofit organization that:

(A) does not otherwise operate as a child-care facility that is required to be licensed under this section;

(B) provides emergency shelter and care for not more than 15 days to children 13 years of age or older but younger than 18 years of age who are victims of human trafficking alleged under Section 20A.02, Penal Code;

(C) is located in a municipality with a population of at least 600,000 that is in a county on an international border; and

(D) meets one of the following criteria:

(i) is licensed by, or operates under an agreement with, a state or federal agency to provide shelter and care to children; or

(ii) meets the eligibility requirements for a contract under Section 51.005(b)(3).

The amendment was read.

Senator Nelson moved to concur in the House amendment to **SB 427**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 660 WITH HOUSE AMENDMENT

Senator West called **SB 660** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1 on Third Reading

Amend **SB 660** on third reading by adding the following appropriately numbered SECTION to read as follows and renumbering subsequent SECTIONS accordingly:

SECTION ____ Section 351.106, Tax Code, is amended by adding Subsection (c) to read as follows:

(c) A municipality to which this section applies:

(1) is entitled to receive in the same manner all funds and revenue that a municipality to which Section 351.1015 applies may receive under that section; and

(2) may pledge the funds and revenue for the payment of obligations incurred for the construction of qualified projects authorized under that section.

The amendment was read.

Senator West moved to concur in the House amendment to **SB 660**.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Campbell, Carona, Davis, Deuell, Ellis, Eltife, Estes, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Rodriguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Duncan, Fraser, Patrick, Paxton.

SENATE BILL 355 WITH HOUSE AMENDMENT

Senator West called **SB 355** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 355** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the powers and duties of the Title IV-D agency regarding the establishment, collection, and enforcement of child support and in connection with an application for a marriage license or protective order; authorizing a surcharge.

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

SECTION 1. Section 2.009(c), Family Code, is amended to read as follows:

(c) On the proper execution of the application, the clerk shall:

- (1) prepare the license;
- (2) enter on the license the names of the licensees, the date that the license is issued, and, if applicable, the name of the person appointed to act as proxy for an absent applicant, if any;
- (3) record the time at which the license was issued;
- (4) distribute to each applicant printed materials about acquired immune deficiency syndrome (AIDS) and human immunodeficiency virus (HIV) and note on the license that the distribution was made; and
- (5) inform ~~[distribute to]~~ each applicant:

(A) that a premarital education handbook developed [provided] by the child support division of the office of the attorney general under Section 2.014 is available on the child support division's Internet website; or

(B) if the applicant does not have Internet access, how the applicant may obtain a paper copy of the handbook described by Paragraph (A).

SECTION 2. Sections 2.014(b) and (c), Family Code, are amended to read as follows:

(b) Money in the trust fund is derived from depositing \$3 of each marriage license fee as authorized under Section 118.018(c), Local Government Code, and may be used only for:

- (1) the development ~~[and distribution]~~ of a premarital education handbook;
- (2) grants to institutions of higher education having academic departments that are capable of research on marriage and divorce that will assist in determining programs, courses, and policies to help strengthen families and assist children whose parents are divorcing;

- (3) support for counties to create or administer free or low-cost premarital education courses;
- (4) programs intended to reduce the amount of delinquent child support; and
- (5) other programs the attorney general determines will assist families in this state.

(c) The premarital education handbook under Subsection (b)(1) shall be made available ~~[distributed]~~ to each applicant for a marriage license as provided by Section 2.009(c)(5) and shall contain information on:

- (1) conflict management;
- (2) communication skills;
- (3) children and parenting responsibilities; and
- (4) financial responsibilities.

SECTION 3. Section 82.004, Family Code, is amended to read as follows:

Sec. 82.004. CONTENTS OF APPLICATION. An application must state:

- (1) the name and county of residence of each applicant;
- (2) the name and county of residence of each individual alleged to have committed family violence;
- (3) the relationships between the applicants and the individual alleged to have committed family violence; ~~and~~
- (4) a request for one or more protective orders; and
- (5) whether an applicant is receiving services from the Title IV-D agency in connection with a child support case and, if known, the agency case number for each open case.

SECTION 4. Section 85.042(a), Family Code, is amended to read as follows:

(a) The clerk of the court issuing an original or modified protective order under this subtitle shall send a copy of the order, along with the information provided by the applicant or the applicant's attorney that is required under Section 411.042(b)(6), Government Code, to:

- (1) the chief of police of the municipality in which the person protected by the order resides, if the person resides in a municipality;
- (2) ~~[- or to]~~ the appropriate constable and the sheriff of the county in which the person resides, if the person does not reside in a municipality; and
- (3) the Title IV-D agency, if the application for the protective order indicates that the applicant is receiving services from the Title IV-D agency.

SECTION 5. Section 156.401(a-2), Family Code, is amended to read as follows:

(a-2) A court or administrative order for child support in a Title IV-D case may be modified at any time, and without a showing of material and substantial change in the circumstances of the child or a person affected by the order, [as provided under Section 233.013(e)] to provide for medical support of the ~~[a]~~ child if the order does not provide health care coverage as required under Section 154.182.

SECTION 6. Section 158.106, Family Code, is amended to read as follows:

Sec. 158.106. REQUIRED FORMS FOR INCOME WITHHOLDING. (a) The Title IV-D agency shall prescribe forms as required by federal law in a standard format entitled order or notice to withhold income for child support under this chapter.

(b) The Title IV-D agency shall make the required ~~[appropriate]~~ forms available to obligors, obligees, domestic relations offices, friends of the court, clerks of the court, and private attorneys.

(c) The Title IV-D agency may prescribe additional forms for the efficient collection of child support from earnings and to promote the administration of justice for all parties.

(d) The forms prescribed by the Title IV-D agency under this section shall ~~[may]~~ be used:

(1) for an order or judicial writ of income withholding under this chapter; and

(2) to request voluntary withholding under Section 158.011.

SECTION 7. Section 158.203, Family Code, is amended by amending Subsection (d) and adding Subsections (e) and (f) to read as follows:

(d) In a case in which an obligor's income is subject to withholding, the employer shall remit the payment of child support directly to ~~[a local registry, the Title IV-D agency, or to]~~ the state disbursement unit.

(e) The state disbursement unit may impose on an employer described by Subsection (b) a payment processing surcharge in an amount of not more than \$25 for each remittance made on behalf of an employee that is not made by electronic funds transfer or electronic data exchange. The payment processing surcharge under this subsection may not be charged against the employee or taken from amounts withheld from the employee's wages.

(f) The state disbursement unit shall:

(1) notify an employer described by Subsection (b) who fails to remit withheld income by electronic funds transfer or electronic data exchange that the employer is subject to a payment processing surcharge under Subsection (e); and

(2) inform the employer of the amount of the surcharge owed and the manner in which the surcharge is required to be paid to the unit.

SECTION 8. Section 201.101(e), Family Code, is amended to read as follows:

(e) If a county has entered into a contract with the Title IV-D agency under Section 231.0011, enforcement services may be directly provided in cases identified under the contract by county personnel as provided under Section 231.0011(d), including judges and associate judges of the courts of the county.

SECTION 9. Section 231.002, Family Code, is amended by adding Subsection (j) to read as follows:

(j) In the enforcement or modification of a child support order, the Title IV-D agency is not:

(1) subject to a mediation or arbitration clause or requirement in the order to which the Title IV-D agency was not a party; or

(2) liable for any costs associated with mediation or arbitration arising from provisions in the order or another agreement of the parties.

SECTION 10. Section 231.204, Family Code, is amended to read as follows:

Sec. 231.204. PROHIBITED FEES IN TITLE IV-D CASES. Except as provided by this subchapter, an appellate court, a clerk of an appellate court, a district or county clerk, sheriff, constable, or other government officer or employee may not charge the Title IV-D agency or a private attorney or political subdivision that has

entered into a contract to provide Title IV-D services any fees or other amounts otherwise imposed by law for services rendered in, or in connection with, a Title IV-D case, including:

- (1) a fee payable to a district clerk for:
 - (A) performing services related to the estates of deceased persons or minors;
 - (B) certifying copies; or
 - (C) comparing copies to originals;
- (2) a court reporter fee, except as provided by Section 231.209;
- (3) a judicial fund fee;
- (4) a fee for a child support registry, enforcement office, or domestic relations office;
- (5) a fee for alternative dispute resolution services; ~~and~~
- (6) a filing fee or other costs payable to a clerk of an appellate court; and
- (7) a statewide electronic filing system fund fee.

SECTION 11. Section 232.0135(a), Family Code, is amended to read as follows:

(a) A child support agency, as defined by Section 101.004, may provide notice to a licensing authority concerning an obligor who has failed to pay child support under a support order for six months or more that requests the authority to refuse to approve ~~accept~~ an application for issuance of a license to the obligor or renewal of an existing license of the obligor.

SECTION 12. Sections 233.013(a) and (b), Family Code, are amended to read as follows:

(a) The Title IV-D agency may use any information obtained by the agency from the parties or any other source and shall apply the child support guidelines provided by this code to determine the appropriate amount of child support. In determining the appropriate amount of child support, the agency may consider evidence of the factors a court is required to consider under Section 154.123(b), and, if the agency deviates from the guidelines in determining the amount of monthly child support, with or without the agreement of the parties, the child support review order must include the findings required to be made by a court under Section 154.130(b).

(b) If it has been three years since a child support order was rendered or last modified and the amount of the child support award under the order differs by either 20 percent or \$100 from the amount that would be awarded under the child support guidelines, the Title IV-D agency may ~~shall~~ file an appropriate child support review order, including an order that has the effect of modifying an existing court or administrative order for child support without the necessity of filing a motion to modify.

SECTION 13. Section 233.019, Family Code, is amended by adding Subsection (e) to read as follows:

(e) If a party timely files a motion for a new trial for reconsideration of an agreed review order and the court grants the motion, the agreed review order filed with the clerk constitutes a sufficient pleading by the Title IV-D agency for relief on any issue addressed in the order.

SECTION 14. The heading to Section 233.027, Family Code, is amended to read as follows:

Sec. 233.027. NONAGREED ORDER AFTER HEARING~~[; EFFECT OF CONFIRMATION ORDER]~~.

SECTION 15. Sections 233.027(a) and (c), Family Code, are amended to read as follows:

(a) After the hearing on the confirmation of a nonagreed child support review order, the court shall:

(1) if the court finds that the nonagreed order should be confirmed, immediately sign the nonagreed ~~[a confirmation]~~ order and enter the order as a final ~~[an]~~ order of the court;

(2) if the court finds that the relief granted in the nonagreed child support review order is inappropriate, sign an appropriate order at the conclusion of the hearing or as soon after the conclusion of the hearing as is practical and enter the order as an order of the court; or

(3) if the court finds that all relief should be denied, enter an order that denies relief and includes specific findings explaining the reasons that relief is denied.

(c) If the party who requested the hearing fails to appear at the hearing, the court shall sign the nonagreed ~~[a confirmation]~~ order and enter the order as an order of the court.

SECTION 16. Sections 234.007(a), (b), and (c), Family Code, are amended to read as follows:

(a) ~~A [The Title IV-D agency shall notify the courts that the state disbursement unit has been established. After receiving notice of the establishment of the state disbursement unit, a]~~ court that orders income to be withheld for child support shall order that all income ordered withheld for child support shall be paid to the state disbursement unit.

(b) In order to redirect payments ~~[from a local registry]~~ to the state disbursement unit ~~[after the date of the establishment of the state disbursement unit]~~, the Title IV-D agency shall issue a notice of place of payment informing the obligor, obligee, and employer that income withheld for child support is to be paid to the state disbursement unit and may not be remitted to a local registry, the obligee, or any other person or agency. If withheld support has been paid to a local registry, the Title IV-D agency shall send the notice to the registry to redirect any payments to the state disbursement unit.

(c) A copy of the notice under Subsection (b) shall be filed with the court of continuing jurisdiction ~~[and with the local child support registry].~~

SECTION 17. Section 234.101, Family Code, is amended by adding Subdivision (3) to read as follows:

(3) "Newly hired employee" means an employee who:

(A) has not been previously employed by the employer; or

(B) was previously employed by the employer but has been separated from that employment for at least 60 consecutive days.

SECTION 18. Section 233.027(b), Family Code, is repealed.

SECTION 19. (a) The changes in law made by this Act to Sections 2.009 and 2.014, Family Code, apply only to an application for a marriage license submitted on or after the effective date of this Act. An application for a marriage license submitted before the effective date of this Act is governed by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose.

(b) The changes in law made by this Act to Sections 82.004 and 85.042, Family Code, apply only to an application for a protective order filed on or after the effective date of this Act. An application for a protective order filed before the effective date of this Act is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose.

(c) The changes in law made by this Act to Section 158.203, Family Code, apply only to a child support withholding remitted by an employer on or after the effective date of this Act. A child support withholding remitted by an employer before the effective date of this Act is governed by the law in effect on the date the withholding was remitted, and the former law is continued in effect for that purpose.

(d) The changes in law made by this Act to Section 233.013, Family Code, apply only to a child support review order filed on or after the effective date of this Act. A child support review order filed before the effective date of this Act is governed by the law in effect on the date the order was filed, and the former law is continued in effect for that purpose.

(e) The change in law made by this Act to Section 233.019, Family Code, applies only to a motion for a new trial filed on or after the effective date of this Act. A motion for a new trial filed before the effective date of this Act is governed by the law in effect on the date the motion was filed, and the former law is continued in effect for that purpose.

(f) The change in law made by this Act to Section 233.027, Family Code, applies to a child support review order that is pending before a trial court on or filed on or after the effective date of this Act.

SECTION 20. The change in law made by this Act to Section 231.204, Family Code, takes effect only if H.B. 2302, S.B. 1146, or substantially similar legislation authorizing a statewide electronic filing system fund fee is enacted by the 83rd Legislature, Regular Session, 2013, and becomes law. If legislation described by this section is not enacted or does not become law, the amendment to Section 231.204, Family Code, made by this Act has no effect.

SECTION 21. This Act takes effect September 1, 2013.

The amendment was read.

Senator West moved to concur in the House amendment to **SB 355**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 540 WITH HOUSE AMENDMENT

Senator Carona called **SB 540** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 540** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the regulation, registration, and certification of inspectors for elevators, escalators, and related equipment.

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

SECTION 1. Section 754.012(a), Health and Safety Code, is amended to read as follows:

(a) The elevator advisory board is composed of nine members appointed by the presiding officer of the commission, with the commission's approval, as follows:

- (1) a representative of the insurance industry or a registered ~~[certified]~~ elevator inspector;
- (2) a representative of equipment constructors;
- (3) a representative of owners or managers of a building having fewer than six stories and having equipment;
- (4) a representative of owners or managers of a building having six stories or more and having equipment;
- (5) a representative of independent equipment maintenance companies;
- (6) a representative of equipment manufacturers;
- (7) a licensed or registered engineer or architect;
- (8) a public member; and
- (9) a public member with a physical disability.

SECTION 2. Sections 754.0141(a), (b), (c), (e), and (f), Health and Safety Code, are amended to read as follows:

(a) Elevators, chairlifts, or platform lifts installed in a single-family dwelling on or after January 1, 2004, must comply with the ASME Code A17.1 or A18.1, as applicable, and must be inspected by a registered elevator ~~[QEI-1 certified]~~ inspector after the installation is complete. The inspector shall provide the dwelling owner a copy of the inspection report.

(b) The commission shall ~~[before January 1, 2004,]~~ adopt rules containing minimum safety standards that must be used by registered elevator ~~[QEI-1 certified]~~ inspectors when inspecting elevators, chairlifts, and platform lifts installed in single-family dwellings.

(c) A municipality may withhold a certificate of occupancy for a dwelling or for the installation of the elevator or chairlift until the owner provides a copy of the ~~[QEI-1]~~ inspection report to the municipality.

(e) On completing installation of equipment in a single-family dwelling, a contractor shall provide the dwelling owner with relevant information, in writing, about use, safety, and maintenance of the equipment, including the advisability of having the equipment periodically and timely inspected by a registered elevator ~~[QEI-1 certified]~~ inspector.

(f) An inspection by a registered elevator ~~[QEI-1 certified]~~ inspector of equipment in a single-family dwelling may be performed only at the request and with the consent of the owner. The owner of a single-family dwelling is not subject to Section 754.022, 754.023, or 754.024.

SECTION 3. Sections 754.015(a), (b), and (d), Health and Safety Code, are amended to read as follows:

(a) The commission by rule shall provide for:

(1) an annual inspection and certification of the equipment covered by standards adopted under this subchapter;

(2) enforcement of those standards;

(3) registration, including certification, of elevator [qualified] inspectors [and contractors];

(4) registration of contractors;

(5) the form of inspection documents, contractor reports, and certificates of compliance;

(6) ~~[(5)]~~ notification to building owners, architects, and other building industry professionals regarding the necessity of annually inspecting equipment;

(7) ~~[(6)]~~ approval of continuing education programs for registered elevator [QEI-1 certified] inspectors;

(8) ~~[(7)]~~ standards of conduct for individuals who are registered under this subchapter;

(9) ~~[(8)]~~ general liability insurance written by an insurer authorized to engage in the business of insurance in this state or an eligible surplus lines insurer, as defined by Section 981.002, Insurance Code, as a condition of contractor registration with coverage of not less than:

(A) \$1 million for each single occurrence of bodily injury or death; and

(B) \$500,000 for each single occurrence of property damage;

(10) ~~[(9)]~~ the submission and review of plans for the installation or alteration of equipment; and

(11) ~~[(10)]~~ continuing education requirements for renewal of contractor registration.

(b) The commission by rule may not:

(1) require inspections of equipment to be made more often than every 12 months, except as provided by Subsection (c); or

(2) require persons to post a bond or furnish insurance or to have minimum experience or education as a condition of certification or registration, except as otherwise provided by this chapter~~[-or~~

~~[(3) prohibit a QEI-1 certified inspector who is registered with the department from inspecting equipment].~~

(d) The executive director may charge a reasonable fee as set by the commission for:

(1) registering or renewing registration of an elevator inspector;

(2) registering or renewing registration of a contractor;

(3) applying for a certificate of compliance;

(4) filing an inspection report as required by Section 754.019(a)(3), 30 days or more after the date the report is due, for each day the report remains not filed after the date the report is due;

(5) submitting for review plans for the installation or alteration of equipment;

- (6) reviewing and approving continuing education providers and courses for renewal of elevator inspector and contractor registrations ~~[registration]~~;
- (7) applying for a waiver, variance, or delay; and
- (8) attending a continuing education program sponsored by the department for registered elevator ~~[QEI-I]~~ inspectors.

SECTION 4. Sections 754.016(b) and (c), Health and Safety Code, are amended to read as follows:

(b) A registered elevator ~~[An]~~ inspector shall date and sign an inspection report and shall issue the report to the building owner not later than the 10th calendar day after the date of inspection.

(c) The executive director shall date and sign a certificate of compliance and shall issue the certificate to the building owner. The certificate of compliance shall state:

(1) that the equipment has been inspected by a registered elevator ~~[certified]~~ inspector and found by the inspector to be in compliance, except for any delays or waivers granted by the executive director and stated in the certificate;

(2) the date of the last inspection and the due date for the next inspection; and

(3) contact information at the department to report a violation of this subchapter.

SECTION 5. The heading to Section 754.017, Health and Safety Code, is amended to read as follows:

Sec. 754.017. REGISTERED ELEVATOR ~~[CERTIFIED]~~ INSPECTORS.

SECTION 6. Sections 754.017(a), (b), and (d), Health and Safety Code, are amended to read as follows:

(a) In order to inspect equipment, an individual must:

(1) be registered with the department;

(2) attend educational programs approved by the department;

(3) be certified as an ~~[a-QEI-I]~~ inspector in accordance with the rules adopted by the commission ~~[by an organization accredited by the American Society of Mechanical Engineers]; [and]~~

(4) comply with the continuing education requirements established by commission rule for registration renewal; and

(5) pay all applicable fees.

(b) A person assisting a registered elevator ~~[certified]~~ inspector and working under the direct, on-site supervision of the inspector is not required to be ~~registered [certified]~~.

(d) A registered elevator ~~[certified]~~ inspector may not inspect equipment if the inspector or the inspector's employer has a financial or personal conflict of interest or the appearance of impropriety related to the inspection of that equipment ~~[may not be required to attend more than seven hours of continuing education during each licensing period].~~

SECTION 7. The heading to Section 754.0174, Health and Safety Code, is amended to read as follows:

Sec. 754.0174. CONTINUING EDUCATION FOR RENEWAL OF ELEVATOR INSPECTOR AND CONTRACTOR REGISTRATIONS.

SECTION 8. Section 754.0174, Health and Safety Code, is amended by adding Subsection (a-1) and amending Subsection (b) to read as follows:

(a-1) Each registered elevator inspector must complete continuing education requirements set by commission rule before the inspector may renew the inspector's registration.

(b) A provider of continuing education under this section must:

(1) register with the department; and
(2) comply with rules adopted by the commission relating to continuing education for a registered elevator inspector or designated responsible party, as applicable.

SECTION 9. Sections 754.019(a) and (b), Health and Safety Code, are amended to read as follows:

(a) The owner of real property on which equipment covered by this subchapter is located shall:

(1) have the equipment inspected annually by a registered elevator [certified] inspector;

(2) obtain an inspection report from the inspector evidencing that all equipment in a building on the real property was inspected in accordance with this subchapter and rules adopted under this subchapter;

(3) file with the executive director each inspection report, and all applicable fees, not later than the 60th day after the date on which an inspection is made under this subchapter;

(4) display the certificate of compliance:

(A) in a publicly visible area of the building, as determined by commission rule under Section 754.016, if the certificate relates to an elevator;

(B) in the escalator box if the certificate relates to an escalator; or

(C) in a place designated by the executive director if the certificate relates to equipment other than an elevator or escalator; and

(5) display the inspection report at the locations designated in Subdivision (4) until a certificate of compliance is issued.

(b) When an inspection report is filed, the owner shall submit to the executive director, as applicable:

(1) verification that any deficiencies in the registered elevator inspector's report have been remedied or that a bona fide contract to remedy the deficiencies has been entered into; or

(2) any application for delay or waiver of an applicable standard.

SECTION 10. Section 754.020, Health and Safety Code, is amended to read as follows:

Sec. 754.020. CHIEF ELEVATOR INSPECTOR. The executive director may appoint a chief elevator inspector to administer the equipment inspection and registration program. The chief elevator inspector:

(1) may not have a financial or commercial interest in the manufacture, maintenance, repair, inspection, installation, or sale of equipment; and

(2) must possess the ~~[a-QEIT]~~ certification or obtain the certification required under Section 754.017 within six months after becoming chief elevator inspector.

SECTION 11. Section 754.021, Health and Safety Code, is amended to read as follows:

Sec. 754.021. LIST OF REGISTERED ELEVATOR INSPECTORS AND CONTRACTORS. The executive director shall:

(1) compile a list of elevator [~~certified~~] inspectors and contractors who are registered with the department; and

(2) employ personnel who are necessary to enforce this subchapter.

SECTION 12. Section 754.023(k), Health and Safety Code, is amended to read as follows:

(k) If an emergency order to disconnect power or lock out equipment is issued, the building owner or manager may have the power reconnected or the equipment unlocked only if:

(1) a registered elevator inspector, a registered [~~or~~] contractor, or a department representative has filed a written form with the department verifying the imminent and significant danger has been removed by repair, replacement, or other means; and

(2) the building owner, before the reconnection of power or unlocking of equipment, reimburses the department for all expenses incurred relating to the disconnection of power or lockout.

SECTION 13. (a) The Texas Commission of Licensing and Regulation shall adopt the rules necessary to implement Chapter 754, Health and Safety Code, as amended by this Act, not later than January 1, 2014.

(b) The changes in law made by this Act apply only to an application submitted to the Texas Department of Licensing and Regulation on or after January 1, 2014, for an elevator inspector registration or for renewal of an elevator inspector registration with an expiration date on or after January 1, 2014. An application for an elevator inspector registration or for renewal of an elevator inspector registration with an expiration date on or after January 1, 2014, that is submitted before January 1, 2014, is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

(c) Section 754.012(a), Health and Safety Code, as amended by this Act, applies only to a member appointed to the elevator advisory board on or after January 1, 2014.

SECTION 14. This Act takes effect September 1, 2013.

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 540**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 112 WITH HOUSE AMENDMENT

Senator Lucio called **SB 112** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 112** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to a requirement for and the contents of a declarations page required for certain standard insurance policy forms for residential property insurance.

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

SECTION 1. Subchapter B, Chapter 2301, Insurance Code, is amended by adding Section 2301.056 to read as follows:

Sec. 2301.056. REQUIREMENT FOR FORMS; DECLARATIONS PAGE REQUIREMENT. (a) A residential property insurance policy form must include a declarations page that:

(1) lists and identifies each type of deductible under the residential property insurance policy; and

(2) states the exact dollar amount of each deductible under the residential property insurance policy.

(b) If a residential property insurance policy or an endorsement attached to the policy contains a provision that may cause the exact dollar amount of a deductible under the policy to change, the declarations page must identify or include a written disclosure that clearly identifies the applicable policy provision or endorsement. The policy provision or endorsement must explain how any change in the applicable deductible amount is determined.

(c) A disclosure containing a list required by Subsection (a)(1), or a disclosure containing an identification of each applicable policy provision or endorsement, may be provided on a page separate from the declarations page.

SECTION 2. This Act applies only to an insurance policy delivered, issued for delivery, or renewed on or after January 1, 2014. A policy delivered, issued for delivery, or renewed before January 1, 2014, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2013.

The amendment was read.

Senator Lucio moved to concur in the House amendment to **SB 112**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 583 WITH HOUSE AMENDMENT

Senator Carona called **SB 583** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 583** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to eligibility for support from the universal service fund.

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

SECTION 1. Section 56.023, Utilities Code, is amended by amending Subsection (b) and adding Subsections (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), and (q) to read as follows:

(b) The eligibility criteria must require that a telecommunications provider, in compliance with the commission's quality of service requirements:

(1) offer service to each consumer within an exchange in the company's certificated area for which the incumbent local exchange company receives support under a plan established under Section 56.021(1) and to any permanent residential or business premises to which the company is designated to provide services under Subchapter F; and

(2) render continuous and adequate service within an exchange in the company's certificated area for which the incumbent local exchange company receives support under a plan established under Section 56.021(1) and to any permanent residential or business premises to which the company is designated to provide services under Subchapter F.

(f) Except as provided by Subsection (g), for an incumbent local exchange company or cooperative that served greater than 31,000 access lines in this state on September 1, 2013, or a company or cooperative that is a successor to such a company or cooperative, the support that the company or cooperative is eligible to receive on December 31, 2016, under a plan established under Section 56.021(1)(A) is reduced:

(1) on January 1, 2017, to 75 percent of the level of support the company or cooperative is eligible to receive on December 31, 2016;

(2) on January 1, 2018, to 50 percent of the level of support the company or cooperative is eligible to receive on December 31, 2016; and

(3) on January 1, 2019, to 25 percent of the level of support the company or cooperative is eligible to receive on December 31, 2016.

(g) After the commission has adopted rules under Subsection (j), an incumbent local exchange company or cooperative that is subject to Subsection (f) may petition the commission to initiate a contested case proceeding as necessary to determine the eligibility of the company or cooperative to receive support under a plan established under Section 56.021(1)(A). A company or cooperative may not file more than one petition under this subsection. On receipt of a petition under this subsection, the commission shall initiate a contested case proceeding to determine the eligibility of the company or cooperative to receive continued support under a plan established under Section 56.021(1)(A) for service in the exchanges that are the subject of the petition. To be eligible to receive support for service in an exchange under this subsection, the company or cooperative must demonstrate that it has a financial need for continued support. The commission must issue a final order on the proceeding not later than the 330th day after the date the petition is filed with the commission. Until

the commission issues a final order on the proceeding, the company or cooperative is entitled to receive the total amount of support the company or cooperative was eligible to receive on the date the company or cooperative filed the petition. A company or cooperative that files a petition under this subsection is not subject to Subsection (f) after the commission issues a final order on the proceeding. If the commission determines that a company or cooperative has demonstrated financial need for continued support under this subsection, it shall set the amount of support in the same proceeding. The amount of support set by the commission for an exchange under this subsection may not exceed:

(1) 100 percent of the amount of support that the company or cooperative will be eligible to receive on December 31, 2016, if the petition is filed before January 1, 2016;

(2) 75 percent of the amount of support that the company or cooperative will be eligible to receive on December 31, 2016, if the petition is filed on or after January 1, 2016, and before January 1, 2017;

(3) 50 percent of the amount of support the company or cooperative is eligible to receive on December 31, 2016, if the petition is filed on or after January 1, 2017, and before January 1, 2018; or

(4) 25 percent of the amount of support that the company or cooperative is eligible to receive on December 31, 2016, if the petition is filed on or after January 1, 2018, and before January 1, 2019.

(h) Except as provided by Subsection (i), for an incumbent local exchange company that is an electing company under Chapter 58 or 59 or a cooperative that served greater than 31,000 access lines in this state on September 1, 2013, or a company or cooperative that is a successor to such a company or cooperative, the support that the company or cooperative is eligible to receive on December 31, 2017, under a plan established under Section 56.021(1)(B) is reduced:

(1) on January 1, 2018, to 75 percent of the level of support the company or cooperative is eligible to receive on December 31, 2017;

(2) on January 1, 2019, to 50 percent of the level of support the company or cooperative is eligible to receive on December 31, 2017; and

(3) on January 1, 2020, to 25 percent of the level of support the company or cooperative is eligible to receive on December 31, 2017.

(i) After the commission has adopted rules under Subsection (j), an incumbent local exchange company or cooperative that is subject to Subsection (h) may petition the commission to initiate a contested case proceeding as necessary to determine the eligibility of the company or cooperative to receive support under a plan established under Section 56.021(1)(B). A company or cooperative may not file more than one petition under this subsection. On receipt of a petition under this subsection, the commission shall initiate a contested case proceeding to determine the eligibility of the company or cooperative to receive continued support under a plan established under Section 56.021(1)(B) for service in the exchanges that are the subject of the petition. To be eligible to receive support for service in an exchange under this subsection, the company or cooperative must demonstrate that it has a financial need for continued support. The commission must issue a final order on the proceeding no later than the 330th day after the date the petition is filed with the commission. Until

the commission issues a final order on the proceeding, the company or cooperative shall continue to receive the total amount of support it was eligible to receive on the date the company or cooperative filed a petition under this subsection. A company or cooperative that files a petition under this subsection is not subject to Subsection (h) after the commission issues a final order on the proceeding. If the commission determines that a company or cooperative has demonstrated financial need for continued support under this subsection, it shall set the amount of support in the same proceeding. The amount of support set by the commission for an exchange under this subsection may not exceed:

(1) 100 percent of the amount of support that the company or cooperative will be eligible to receive on December 31, 2017, if the petition is filed before January 1, 2017;

(2) 75 percent of the amount of support that the company or cooperative will be eligible to receive on December 31, 2017, if the petition is filed on or after January 1, 2017, and before January 1, 2018;

(3) 50 percent of the amount of support that the company or cooperative is eligible to receive on December 31, 2017, if the petition is filed on or after January 1, 2018, and before January 1, 2019; or

(4) 25 percent of the amount of support that the company or cooperative is eligible to receive on December 31, 2017, if the petition is filed on or after January 1, 2019, and before January 1, 2020.

(j) The commission by rule shall establish the standards and criteria for an incumbent local exchange company or cooperative to demonstrate under Subsection (g) or (i) that the company or cooperative has a financial need for continued support for residential and business lines under a plan established under Section 56.021(1).

(k) Subsections (g) and (i) do not authorize the commission to initiate a contested case hearing concerning a local exchange company that has elected to participate in a total support reduction plan under 16 T.A.C. Section 26.403 that requires the company to forego funding under a plan established under Section 56.021(1) after January 1, 2017. This section does not affect any obligation of a local exchange company subject to such a total support reduction plan.

(l) Subsections (f), (g), (h), and (i) do not apply to an incumbent local exchange company that elects, not later than March 1, 2014, to eliminate, not later than September 1, 2018, the support it receives under a plan established under Section 56.021(1).

(m) Nothing in this chapter relieves any party of an obligation entered into in the commission's Docket No. 40521.

(n) Nothing in this section is intended to affect the rate rebalancing proceeding in the commission's Docket No. 41097.

(o) Notwithstanding the provisions of this chapter, the commission has no authority, except as provided by Subsections (f), (g), (h), (i), (j), (k), (m), and (n) to reduce support provided to an incumbent local exchange company that is an electing company under Chapter 58 or 59 or is a cooperative that served greater than 31,000 access lines in this state on September 1, 2013:

(1) under a plan established under Section 56.021(1)(A) before January 1, 2019; or

(2) under a plan established under Section 56.021(1)(B) before January 1, 2020. This subsection expires on January 2, 2020.

(p) If an incumbent local exchange company or cooperative is ineligible for support under a plan established under Section 56.021(1) for services in an exchange, a plan established under Section 56.021(1) may not provide support to any other telecommunications providers for services in that exchange, except that an eligible telecommunications provider that is receiving support under Section 56.021(1)(A) in that exchange shall continue to receive such support for a 24-month period following the date the incumbent local exchange provider or cooperative ceases receiving support in that exchange. The support received by the eligible telecommunications provider during the 24-month period shall be at the same monthly per line support level in effect for that exchange as of the date the incumbent local exchange provider or cooperative ceases receiving funding in that exchange.

(q) Notwithstanding the period for continued support specified by Subsection (p), if the eligible telecommunications provider receiving continued support under that subsection is a cooperative or an affiliate of a cooperative, the telecommunications provider is entitled to continued support through December 31, 2017, at the same monthly per-line support amount as the provider is receiving as of the date the support ceases for that exchange for the incumbent local exchange company or cooperative. Support authorized under this subsection ceases December 31, 2017.

SECTION 2. Section 56.024, Utilities Code, is amended by amending Subsection (b) and adding Subsections (c) and (d) to read as follows:

(b) A report or information the commission requires a telecommunications provider to provide under Subsection (a) is confidential and not subject to disclosure under Chapter 552, Government Code.

(c) A telecommunications provider shall file with the commission the provider's annual earnings report if the provider:

(1) is not a local exchange company subject to a total support reduction plan under 16 T.A.C. Section 26.403 or that has made an election under Section 56.023(1);

(2) serves greater than 31,000 access lines; and

(3) receives support under a plan established under Section 56.021(1).

(d) A report filed under Subsection (c) is confidential and not subject to disclosure under Chapter 552, Government Code.

SECTION 3. Section 56.025, Utilities Code, is amended by amending Subsection (a) and adding Subsection (g) to read as follows:

(a) In addition to the authority provided by Section 56.021:

(1) [;] for each local exchange company that serves fewer than 31,000 access lines and each cooperative, the commission[;]

[(+)] may adopt a mechanism necessary to maintain reasonable rates for local exchange telephone service; and

(2) for each local exchange company and each cooperative that serves 31,000 or fewer access lines and that on June 1, 2013, is not an electing company under Chapter 58 or 59, the commission shall adopt rules to expand the universal service fund in the circumstances prescribed by this section.

(g) Notwithstanding any other provision of this section, after December 31, 2013, the commission may not distribute support granted under this section, including any support granted before that date, to a local exchange company or cooperative that serves greater than 31,000 access lines or that is an electing company under Chapter 58 or 59 on June 1, 2013.

SECTION 4. Section 56.026, Utilities Code, is amended to read as follows:

Sec. 56.026. PROMPT AND EFFICIENT ~~[UNIVERSAL SERVICE FUND]~~ DISBURSEMENTS. ~~[(a) A revenue requirement showing is not required for a disbursement from the universal service fund under this subchapter.~~

~~[(b)]~~ The commission shall make each disbursement from the universal service fund promptly and efficiently so that a telecommunications provider does not experience an unnecessary cash-flow change as a result of a change in governmental policy.

SECTION 5. Subsections (b), (c), (d), (e), (f), and (h), Section 56.032, Utilities Code, as added by Chapter 535 (H.B. 2603), Acts of the 82nd Legislature, Regular Session, 2011, are amended to read as follows:

(b) Except as provided by Subsections ~~[(e);]~~ (d) and~~;~~ (e), ~~[and (f);]~~ the commission may revise the monthly support amounts to be made available from the Small and Rural Incumbent Local Exchange Company Universal Service Plan by any mechanism, including support reductions resulting from rate rebalancing approved by the commission, [by revising the monthly per line support amounts,] after notice and an opportunity for hearing. In determining appropriate monthly ~~[per line]~~ support amounts, the commission shall consider the adequacy of basic rates to support universal service.

(c) ~~A [On the written request of a small or rural incumbent local exchange] company that receives frozen monthly [per line] support amounts as prescribed by a final order issued by the commission in the commission's Docket No. 39643 is entitled to continue to receive that monthly support until the support is revised under Subsection (b), the commission shall disburse funds to the company in fixed monthly amounts based on the company's annualized amount of recovery for the calendar year ending on December 31, 2010. A company may submit only one request under this subsection and must submit the request on or before December 31, 2011].~~

(d) ~~For each [On the written request of a] small or rural incumbent local exchange company that is not receiving frozen support amounts as described by Subsection (c) and is not an electing company under Chapter 58 or 59, the commission annually shall set the company's monthly support amounts for the following 12 months by dividing by 12 the annualized support amount calculated under this subsection. The commission shall calculate the annualized amount:~~

(1) for the initial 12-month period for which a company makes an election under this subsection, ~~by~~:

~~[(A)] determining the annualized support amount received by the company as of January 1, 2013 [calculated for the requestor in the final order issued by the commission in Docket No. 18516; and~~

~~[(B) adjusting the support amount determined under Paragraph (A) at the beginning of each calendar year by a factor equal to the most recent consumer price index published at that time, beginning with the 1999 calendar year and ending in the year the company makes an election under this subsection]; and~~

(2) for ~~[the 12-month period following the initial period for which a company made an election under this subsection and for]~~ subsequent 12-month periods, by adjusting the most recent annualized support amount calculated by the commission by a factor equal to the percentage change in the consumer price index for the most recent 12-month period.

(e) ~~The [If a company elects to receive monthly support amounts under Subsection (d), the]~~ commission, on its own motion or on the written request of the company, may initiate a proceeding to recalculate the most recent annualized support amount to be used as the basis for adjustment for a subsequent 12-month period under Subsection (d)(2). If, based on the recalculation, the commission by order adjusts a company's most recent annualized support amount, the adjusted support amount supersedes the annualized support amount calculated in accordance with Subsection (d).

(f) ~~[The commission shall administratively review requests filed under Subsections (e) and (d).]~~ Except for good cause, the commission shall establish monthly support amounts under Subsection (d) [approve the request] not later than the 60th day after the date the commission determines the company is eligible ~~[and has met all the procedural requirements under this subchapter].~~

(h) Subsections (a), (c), (d), (e), and (f) ~~[This section]~~ and any monthly support amount approved under those subsections [this section] expire ~~[on]~~ September 1, 2017 ~~[2013]~~.

SECTION 6. Section 3, Chapter 535 (H.B. 2603), Acts of the 82nd Legislature, Regular Session, 2011, which amended Section 56.031, Utilities Code, is repealed.

SECTION 7. The Public Utility Commission of Texas shall adopt rules under Subsection (j), Section 56.023, Utilities Code, as added by this Act, not later than December 1, 2014. The commission shall initiate the rulemaking proceeding not later than January 1, 2014.

SECTION 8. This Act takes effect June 1, 2013, 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 to take effect on that date, this Act takes effect on the 91st day after the last day of the legislative session.

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 583**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 673 WITH HOUSE AMENDMENTS

Senator Carona called **SB 673** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 673** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the requirements for elevators, escalators, and related equipment; providing penalties.

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

SECTION 1. Section 754.011, Health and Safety Code, is amended to read as follows:

Sec. 754.011. DEFINITIONS. In this chapter [~~subchapter~~]:

(1) "Acceptance inspection" means an inspection performed at the completion of the initial installation or alteration of equipment and in accordance with the applicable ASME Code A17.1.

(2) "Accident" means an event involving equipment that results in death or serious bodily injury to a person.

(3) "Alteration" means a change in [~~or modernization of~~] existing equipment. The term does not include testing, maintenance, repair, replacement, or a cosmetic change that does not affect the operational safety of the equipment or diminish the safety of the equipment below the level required by the ASME Code A17.1, ASME Code A17.3, ASME Code A18.1, or ASCE Code 21, as applicable, at the time of alteration.

(4) "Annual inspection" means an inspection of equipment performed in a 12-month period in accordance with the applicable ASME Code A17.1, ASME Code A17.3, ASME Code A18.1, or ASCE Code 21. The term includes an acceptance inspection performed within that period.

(5) "ASCE" means the American Society of Civil Engineers.

(6) "ASCE Code 21" means the American Society of Civil Engineers Code 21 for people movers operated by cables, as it existed on January 1, 2004, or any subsequent revision of that code adopted after a review by the commission, as required by law.

(7) "ASME" means the American Society of Mechanical Engineers.

(8) [(6)] "ASME Code A17.1" means the American Society of Mechanical Engineers Safety Code for Elevators and Escalators (Bi-national standard with CSA B44-2007), ASME A17.1/CSA-B44, as it existed on January 1, 2004, or any subsequent revision of that code adopted after a review by the commission, as required by law.

(9) [(6-a)] "~~Executive director~~" means the ~~executive director of the department~~.

[(7)] "ASME Code A17.3" means the 2002 American Society of Mechanical Engineers Safety Code for Elevators and Escalators A17.3.

(10) [(8)] "ASME Code A18.1" means the American Society of Mechanical Engineers Safety Code for Platform Lifts and Stairway Chairlifts A18.1, as it existed on January 1, 2004, or any subsequent revision of that code adopted after a review by the commission, as required by law.

(11) [(9)] "Board" means the elevator advisory board.

(12) [~~(10)~~] "Commission" means the Texas Commission of Licensing and Regulation.

(13) [~~(12)~~] "Contractor" means a person engaged in the installation, alteration, testing, repair, or maintenance of equipment. The term does not include an employee of a contractor or a person engaged in cleaning or any other work performed on equipment that does not affect the operational safety of the equipment or diminish the safety of the equipment below the level required by the ASME Code A17.1, ASME Code A17.3, ASME Code A18.1, or ASCE Code 21, as applicable.

(14) [~~(13)~~] "Department" means the Texas Department of Licensing and Regulation.

(15) [~~(14)~~] "Equipment" means an elevator, escalator, chairlift, platform lift, automated people mover operated by cables, or moving sidewalk, or related equipment.

(16) "Executive director" means the executive director of the department.

(17) [~~(15)~~] "Industrial facility" means a facility to which access is primarily limited to employees or contractors working in that facility.

(18) "Inspector" means a person engaged in the inspection and witnessing of the tests specified in the adopted standards of ASME Code A17.1, ASME Code A17.3, ASME Code A18.1, or ASCE Code 21, as applicable, to determine compliance with those standards.

(19) "Owner" means a person, company, corporation, authority, commission, board, governmental entity, institution, or other entity that holds title to a building or facility in which equipment regulated by this chapter is located.

(20) [~~(16)~~] "Qualified historic building or facility" means a building or facility that is:

(A) listed in or eligible for listing in the National Register of Historic Places; or

(B) designated as a Recorded Texas Historic Landmark or State Archeological Landmark.

(21) [~~(17)~~] "Related equipment" means:

(A) automatic equipment that is used to move a person in a manner that is similar to that of an elevator, an escalator, a chairlift, a platform lift, an automated people mover operated by cables, or a moving sidewalk; and

(B) hoistways, pits, and machine rooms for equipment.

(22) [~~(18)~~] "Serious bodily injury" means a major impairment to bodily function or serious dysfunction of any bodily organ or part requiring medical attention.

(23) [~~(19)~~] "Unit of equipment" means one elevator, escalator, chairlift, platform lift, automated people mover operated by cables, or moving sidewalk, or related equipment.

SECTION 2. Section 754.0111, Health and Safety Code, is amended to read as follows:

Sec. 754.0111. EXEMPTIONS [~~EXEMPTION~~]. (a) This chapter [~~chapter~~] does not apply to equipment in a private building for a labor union, trade association, private club, or charitable organization that has two or fewer floors.

(b) This chapter [~~subchapter~~] does not apply to an elevator located in a single-family dwelling, except as provided by Section 754.0141.

(c) This chapter does not apply to equipment located in a building owned and operated by the federal government.

(d) This chapter does not apply to equipment in an industrial facility, or in a grain silo, radio antenna, bridge tower, underground facility, or dam, to which access is limited primarily to employees of or working in that facility or structure.

SECTION 3. Sections 754.012(a) and (d), Health and Safety Code, are amended to read as follows:

(a) The elevator advisory board is composed of nine members appointed by the presiding officer of the commission, with the commission's approval, as follows:

(1) a representative of the insurance industry or a registered [~~certified~~] elevator inspector;

(2) a representative of equipment constructors;

(3) a representative of owners or managers of a building having fewer than six stories and having equipment;

(4) a representative of owners or managers of a building having six stories or more and having equipment;

(5) a representative of independent equipment maintenance companies;

(6) a representative of equipment manufacturers;

(7) a licensed or registered engineer or architect;

(8) a public member; and

(9) a public member with a physical disability.

(d) The board shall meet as determined by the executive director or by the presiding officer of the commission [at least twice each calendar year].

SECTION 4. Section 754.013, Health and Safety Code, is amended to read as follows:

Sec. 754.013. BOARD DUTIES. To protect public safety and to identify and correct potential hazards, the board shall advise the commission on:

(1) the adoption of appropriate standards for the installation, maintenance, alteration, operation, testing, and inspection of equipment;

(2) the status of equipment used by the public in this state;

(3) sources of information relating to equipment safety;

(4) public awareness programs related to elevator safety, including programs for sellers and buyers of single-family dwellings with elevators, chairlifts, or platform lifts; and

(5) any other matter considered relevant by the commission.

SECTION 5. Section 754.014, Health and Safety Code, is amended by amending Subsections (a), (b), (c), (d), (e), (h), (j), (k), (l), and (m) and adding Subsection (h-1) to read as follows:

(a) The commission by rule shall adopt standards for the installation, maintenance, alteration, operation, testing, and inspection of equipment used by the public in:

(1) buildings owned or operated by the state, a state-owned institution or agency, or a political subdivision of the state; and

(2) buildings that contain equipment that is open to the general public, including a hotel, motel, apartment house, boardinghouse, church, office building, shopping center, or other commercial establishment.

(b) Standards adopted under ~~[by the]~~ commission rules may not contain requirements in addition to the requirements in the ASME Code A17.1, ASME Code A17.3, ASME Code A18.1, or ASCE Code 21. The standards must allow alteration of existing equipment if the alteration does not diminish the safety of the equipment below the level required by this chapter ~~[subchapter]~~ at the time of alteration.

(c) Standards adopted under ~~[by the]~~ commission rules must require equipment to comply with the installation requirements of the ASME Code A17.1, ASME Code A18.1, or ASCE Code 21 that was in effect and applicable on the date of installation of the equipment.

(d) Standards adopted under ~~[by the]~~ commission rules must require equipment to comply with the installation requirements of the ASME Code A17.3 that contains minimum safety standards for all equipment, regardless of the date of installation.

(e) The executive director may ~~[shall]~~ grant a delay for compliance with the codes and adopted standards ~~[applicable ASME Code A17.1, ASME Code A17.3, or ASME Code A18.1]~~ until a specified time if the executive director determines that the noncompliance does not constitute a significant threat to passenger or worker safety [compliance is not readily achievable, as that phrase is defined in the Americans with Disabilities Act (42 U.S.C. Section 12101 et seq.), or regulations adopted under that Act]. The accumulated total time of all delays for a specific noncompliant condition may not exceed three years, except as determined [provided] by ~~[Subsection (f) or as allowed in the discretion of]~~ the executive director.

(h) The executive director shall grant a waiver of compliance if the noncompliance resulted from compliance with a municipal equipment construction code at the time of the original installation and the noncompliance does not pose imminent and significant danger.

(h-1) The executive director may grant a waiver of compliance with the firefighter's service provisions of the ASME Code A17.1 or the ASME Code A17.3 in an elevator that exclusively serves a vehicle parking garage in a building that:

- (1) is used only for parking;
- (2) is constructed of noncombustible materials; and
- (3) is not greater than 75 feet in height.

(j) One application for a waiver or delay may contain all requests related to a unit of equipment. ~~[A delay may not be granted indefinitely but must be granted for a specified time not to exceed three years.]~~

(k) For purposes of determining the applicable standards and codes under this chapter [section], the date of installation or alteration of equipment is the date that the owner of the real property entered into a contract for the installation or alteration of the equipment. If that date cannot be established, the date of installation or alteration is the date of issuance of the municipal building permit under which the equipment was installed or altered or, if a municipal building permit was not issued, the date that electrical consumption began for the construction of the building in which the equipment was installed.

(l) Standards adopted under ~~[by the]~~ commission rules may include and be guided by revised versions of ASME Code A17.1, ASME Code A18.1, and ASCE Code 21, as appropriate.

(m) The executive director may on application of a person and in accordance with procedures adopted under ~~[by the]~~ commission rules, grant a variance to allow the installation of new technology if the new component, system, subsystem, function, or device is equivalent or superior to the standards adopted under ~~[by the]~~ commission rules.

SECTION 6. Sections 754.0141(a), (b), (c), (e), and (f), Health and Safety Code, are amended to read as follows:

(a) Elevators, chairlifts, or platform lifts installed in a single-family dwelling on or after January 1, 2004, must comply with the ASME Code A17.1 or A18.1, as applicable, and must be inspected by a registered elevator [QEI-1 certified] inspector after the installation is complete. The inspector shall provide the dwelling owner a copy of the inspection report.

(b) The commission shall~~[-before January 1, 2004,]~~ adopt rules containing minimum safety standards that must be used by registered elevator [QEI-1 certified] inspectors when inspecting elevators, chairlifts, and platform lifts installed in single-family dwellings.

(c) A municipality may withhold a certificate of occupancy for a dwelling or for the installation of the elevator or chairlift until the owner provides a copy of the [QEI-1] inspection report to the municipality.

(e) On completing installation of equipment in a single-family dwelling, a contractor shall provide the dwelling owner with relevant information, in writing, about use, safety, and maintenance of the equipment, including the advisability of having the equipment periodically and timely inspected by a registered elevator [QEI-1 certified] inspector.

(f) An inspection by a registered elevator [QEI-1 certified] inspector of equipment in a single-family dwelling may be performed only at the request and with the consent of the owner. The owner of a single-family dwelling is not subject to Section 754.0231, 754.0232, 754.0233, 754.0234, or 754.0235 ~~[754.022, 754.023, or 754.024].~~

SECTION 7. Section 754.015, Health and Safety Code, is amended to read as follows:

Sec. 754.015. RULES. (a) The commission by rule shall provide for:

(1) an annual inspection and certification of the equipment covered by standards adopted under this chapter [subchapter];

(2) enforcement of those standards;

(3) registration, including certification, of elevator [qualified] inspectors [and contractors];

(4) registration of contractors;

(5) the procedures by which a certificate of compliance is issued and displayed [the form of inspection documents, contractor reports, and certificates of compliance];

(6) ~~[(5)]~~ notification to building owners, architects, and other building industry professionals regarding the necessity of annually inspecting equipment;

(7) ~~[(6)]~~ approval of continuing education programs for registered elevator ~~[QEI-1 certified]~~ inspectors;

(8) ~~[(7)]~~ standards of conduct for individuals who are registered under this chapter ~~[subchapter]~~;

(9) ~~[(8)]~~ general liability insurance written by an insurer authorized to engage in the business of insurance in this state or an eligible surplus lines insurer, as defined by Section 981.002, Insurance Code, as a condition of contractor registration with coverage of not less than:

(A) \$1 million for each single occurrence of bodily injury or death; and

(B) \$500,000 for each single occurrence of property damage;

(10) ~~[(9)]~~ the submission and review of plans for the installation or alteration of equipment; ~~[and]~~

(11) ~~[(10)]~~ continuing education requirements for renewal of contractor registration;

(12) maintenance control programs, maintenance, repair, and parts manuals, and product-specific inspection, testing, and maintenance procedures;

(13) the method and manner of reporting accidents and reportable conditions to the department; and

(14) an owner's designation of an agent for purposes of this chapter.

(b) The commission by rule may not:

(1) require inspections of equipment to be made more often than every 12 months, except as provided by Subsection (c); or

(2) require persons to post a bond or furnish insurance or to have minimum experience or education as a condition of certification or registration, except as otherwise provided by this chapter; ~~or~~

~~[(3) prohibit a QEI-1 certified inspector who is registered with the department from inspecting equipment].~~

(c) The commission by rule may require a reinspection or recertification of equipment if:

(1) the equipment has been altered;

(2) the equipment ~~[and]~~ poses a significant threat to passenger or worker safety; or

(3) ~~[(4)]~~ an annual inspection report indicates an existing violation has continued longer than permitted in a delay granted by the executive director.

(d) The executive director may charge a reasonable fee as set by the commission for:

(1) registering or renewing registration of an elevator inspector;

(2) registering or renewing registration of a contractor;

(3) applying for a certificate of compliance;

(4) filing an inspection report as required by Section 754.019(a)(3), 30 days or more after the date the report is due, for each day the report remains not filed after the date the report is due;

(5) submitting for review plans for the installation or alteration of equipment;

(6) reviewing and approving continuing education providers and courses for renewal of elevator inspector and contractor registrations ~~[registration]~~;

(7) applying for a waiver, new technology variance, or delay; and

(8) attending a continuing education program sponsored by the department for registered elevator [~~QEL~~] inspectors.

(e) The commission by rule may require inspection reports, other documents, and fees to be filed in a manner prescribed by the department, including electronically.

SECTION 8. Section 754.016, Health and Safety Code, is amended to read as follows:

Sec. 754.016. INSPECTION REPORTS AND CERTIFICATES OF COMPLIANCE. (a) Inspection reports and certificates of compliance required under this chapter [~~subchapter~~] must cover all equipment in a building or structure appurtenant to the building, including a parking facility, that are owned by the same person or persons.

(b) A registered elevator [~~An~~] inspector shall issue [~~date and sign~~] an inspection report [~~and shall issue the report~~] to the [~~building~~] owner not later than the fifth [~~10th~~] calendar day after the date of inspection in accordance with the procedures established by commission rule.

(c) The executive director shall issue [~~date and sign~~] a certificate of compliance [~~and shall issue the certificate~~] to the [~~building~~] owner. [~~The certificate of compliance shall state:~~

~~(1) that the equipment has been inspected by a certified inspector and found by the inspector to be in compliance, except for any delays or waivers granted by the executive director and stated in the certificate;~~

~~(2) the date of the last inspection and the due date for the next inspection;~~
and

~~(3) contact information at the department to report a violation of this subchapter.]~~

(d) The commission by rule shall:

(1) [~~specify what information must be contained in a certificate of compliance;~~

~~(2) describe the procedure by which a certificate of compliance is issued;~~

~~(3) require that a certificate of compliance for any equipment [related to an elevator] be posted in a publicly visible area of the building; and~~

(2) [~~(4)~~] determine what constitutes a "publicly visible area" under Subdivision (1) [~~(3)~~].

(e) The department shall prescribe the format and the required information contained in the inspection reports, the certificates of compliance, and other documents.

SECTION 9. The heading to Section 754.017, Health and Safety Code, is amended to read as follows:

Sec. 754.017. REGISTERED ELEVATOR [CERTIFIED] INSPECTORS.

SECTION 10. Sections 754.017(a), (b), and (d), Health and Safety Code, are amended to read as follows:

(a) In order to inspect equipment, an individual must:

(1) be registered with the department;

(2) attend educational programs approved by the department;

(3) be certified as an a [a-QEI-] inspector in accordance with the rules adopted by the commission [by an organization accredited by the American Society of Mechanical Engineers]; [and]

(4) comply with the continuing education requirements established by commission rule for registration renewal; and

(5) pay all applicable fees.

(b) A person assisting a registered elevator [certified] inspector and working under the direct, on-site supervision of the inspector is not required to be registered [certified].

(d) A registered elevator [certified] inspector may not inspect equipment if the inspector or the inspector's employer has a financial or personal conflict of interest or the appearance of impropriety related to the inspection of that equipment [may not be required to attend more than seven hours of continuing education during each licensing period].

SECTION 11. Sections 754.0171(a) and (f), Health and Safety Code, are amended to read as follows:

(a) A person may not install, repair, alter, test, or maintain equipment without registering as a contractor with the department as required by this chapter [subchapter].

(f) Installation, repair, alteration, testing, and maintenance standards for contractors must be consistent with ASME Code A17.1, ASME Code A17.3, ASME Code A18.1, and ASCE Code 21.

SECTION 12. Section 754.0172, Health and Safety Code, is amended to read as follows:

Sec. 754.0172. INSPECTION FEE. The amount charged for an inspection or the performance of an inspection of equipment under this chapter [subchapter] may not be contingent on the existence of a maintenance contract between the person performing the inspection and any other person.

SECTION 13. The heading to Section 754.0174, Health and Safety Code, is amended to read as follows:

Sec. 754.0174. CONTINUING EDUCATION FOR RENEWAL OF ELEVATOR INSPECTOR AND CONTRACTOR REGISTRATIONS.

SECTION 14. Section 754.0174, Health and Safety Code, is amended by adding Subsection (a-1) and amending Subsection (b) to read as follows:

(a-1) Each registered elevator inspector must complete continuing education requirements set by commission rule before the inspector may renew the inspector's registration.

(b) A provider of continuing education under this section must:

(1) register with the department; and

(2) comply with rules adopted by the commission relating to continuing education for a registered elevator inspector or designated responsible party, as applicable.

SECTION 15. Section 754.018, Health and Safety Code, is amended to read as follows:

Sec. 754.018. POWERS OF MUNICIPALITIES. Subject to Section 754.014(h), if a municipality operates a program for the installation, maintenance, alteration, inspection, testing, or certification of equipment, this chapter [~~subchapter~~] shall not apply to the equipment in that municipality, provided that the standards of installation, maintenance, alteration, inspection, testing, and certification are at least equivalent to those contained in this chapter [~~subchapter~~].

SECTION 16. The heading to Section 754.019, Health and Safety Code, is amended to read as follows:

Sec. 754.019. DUTIES OF [~~REAL PROPERTY~~] OWNERS.

SECTION 17. Sections 754.019(a), (b), and (e), Health and Safety Code, are amended to read as follows:

(a) The owner [~~of real property on which equipment covered by this subchapter is located~~] shall:

(1) have the equipment inspected annually by a registered elevator [~~certified~~] inspector;

(2) obtain an inspection report from the inspector evidencing that all equipment in a building on the real property was inspected in accordance with this chapter [~~subchapter~~] and rules adopted under this chapter [~~subchapter~~];

(3) file with the executive director each inspection report, and all applicable fees, not later than the 30th calendar [~~60th~~] day after the date on which an inspection is made under this chapter [~~subchapter~~];

(4) display the certificate of compliance for the equipment in a publicly visible area as defined by commission rule[:

~~[(A) in a publicly visible area of the building, as determined by commission rule under Section 754.016, if the certificate relates to an elevator;~~

~~[(B) in the escalator box if the certificate relates to an escalator; or~~

~~[(C) in a place designated by the executive director if the certificate relates to equipment other than an elevator or escalator]; and~~

(5) maintain the equipment in compliance with the standards and codes adopted under commission rules [~~display the inspection report at the locations designated in Subdivision (4) until a certificate of compliance is issued~~].

(b) When an inspection report is filed, the owner shall submit to the executive director, as applicable:

(1) verification that any deficiencies in the registered elevator inspector's report have been remedied or that a bona fide contract to remedy the deficiencies has been entered into; or

(2) any application for delay or waiver of an applicable standard.

(e) An owner shall report to the department each accident involving equipment not later than 24 [~~72~~] hours following the accident.

SECTION 18. Section 754.020, Health and Safety Code, is amended to read as follows:

Sec. 754.020. CHIEF ELEVATOR INSPECTOR. The executive director may appoint a chief elevator inspector to administer the equipment inspection and registration program. The chief elevator inspector:

(1) may not have a financial or commercial interest in the manufacture, maintenance, repair, inspection, installation, or sale of equipment; and

(2) must possess the ~~[a-QEI-1]~~ certification or obtain the certification required under Section 754.017 within six months after becoming chief elevator inspector.

SECTION 19. Section 754.021, Health and Safety Code, is amended to read as follows:

Sec. 754.021. LIST OF REGISTERED ELEVATOR INSPECTORS AND CONTRACTORS; PERSONNEL. The executive director shall:

(1) compile a list of elevator ~~[certified]~~ inspectors and contractors who are registered with the department; and

(2) employ personnel who are necessary to enforce this chapter ~~[subchapter]~~.

SECTION 20. Chapter 754, Health and Safety Code, is amended by adding Sections 754.0231, 754.0232, 754.0233, 754.0234, and 754.0235 to read as follows:

Sec. 754.0231. INSPECTIONS AND INVESTIGATIONS. (a) Except as provided by Subsection (b), the department may conduct an inspection or investigation of equipment regulated under this chapter in accordance with Chapter 51, Occupations Code. The department shall be granted access to any location in the building that is inaccessible to the public in order to conduct a full inspection or investigation of the equipment.

(b) If there is good cause for the executive director to believe that equipment on the property poses an imminent and significant danger or that an accident involving equipment occurred on the property, the executive director or the executive director's designee may at any time enter the property to inspect the equipment or investigate the danger or accident. The executive director or the executive director's designee must be granted access to any location in the building that is inaccessible to the public in order to conduct a full inspection or investigation.

Sec. 754.0232. REGISTRATION PROCEEDINGS. (a) The commission or executive director may deny, suspend, or revoke a registration under this chapter and may assess an administrative penalty for:

- (1) obtaining registration by fraud or false representation;
- (2) falsifying a report submitted to the executive director; or
- (3) violating this chapter or a rule adopted under this chapter.

(b) Proceedings for the denial, suspension, or revocation of a registration and appeals from these proceedings are governed by Chapter 2001, Government Code.

Sec. 754.0233. INJUNCTIVE RELIEF; CIVIL PENALTY. (a) The attorney general or the executive director may institute an action for injunctive relief to prevent or restrain a violation or threatened violation of this chapter or a rule adopted under this chapter.

(b) The attorney general or the executive director may institute an action to collect a civil penalty from a person that appears to be violating or threatening to violate this chapter or a rule adopted under this chapter. A civil penalty assessed under this subsection may not exceed \$5,000 per day for each violation.

(c) An action filed under this section must be filed in a district court in Travis County.

(d) The attorney general and the department may recover reasonable expenses incurred in obtaining injunctive relief or civil penalties under this section, including court costs, reasonable attorney's fees, investigative costs, witness fees, and deposition expenses.

Sec. 754.0234. EMERGENCY ORDERS. (a) The executive director may issue an emergency order as necessary to enforce this chapter if the executive director determines that an emergency exists requiring immediate action to protect the public health and safety.

(b) The executive director shall issue an emergency order in accordance with Chapter 51, Occupations Code.

Sec. 754.0235. ORDERS TO DISCONNECT POWER TO OR LOCK OUT EQUIPMENT. (a) An emergency order issued in accordance with Section 754.0234 may also direct an owner to disconnect power to or lock out equipment if:

(1) the department determines imminent and significant danger to passenger or worker safety exists if action is not taken immediately; or

(2) an annual inspection has not been performed in more than two years.

(b) If an emergency order to disconnect power or lock out equipment is issued, the owner may have the power reconnected or the equipment unlocked only if a registered elevator inspector or contractor or a department representative verifies in writing to the department that the imminent and significant danger has been removed by repair, replacement, or other means.

(c) If an emergency order to disconnect power or lock out equipment is issued and the owner later notifies the department that the imminent and significant danger no longer exists, the executive director or the executive director's designee shall, after the requirements of Subsection (b) are satisfied, issue written permission to reconnect power or unlock the equipment and notify the owner.

SECTION 21. Section 754.025, Health and Safety Code, is amended to read as follows:

Sec. 754.025. APPLICATION OF CERTAIN LAW. ~~[(a) Chapter 53, Occupations Code, applies to a registration under this subchapter.~~

~~[(b)] Sections 51.401 and 51.404, Occupations Code, do not apply to this chapter, except those sections do apply to Sections 754.017 and 754.0171 [subchapter].~~

SECTION 22. The following provisions of the Health and Safety Code are repealed:

- (1) Subchapter A, Chapter 754;
- (2) the heading to Subchapter B, Chapter 754;
- (3) Section 754.014(i);
- (4) Sections 754.0171(d) and (e); and
- (5) Sections 754.022, 754.023, and 754.024.

SECTION 23. (a) The Texas Commission of Licensing and Regulation shall adopt rules implementing Chapter 754, Health and Safety Code, as amended by this Act, not later than January 1, 2014.

(b) Sections 754.016(b) and 754.019(a)(3), Health and Safety Code, as amended by this Act, apply only to an inspection initiated on or after January 1, 2014.

(c) The repeal by this Act of Subchapter A, Chapter 754, Health and Safety Code, and Section 754.024, Health and Safety Code, does not apply to an offense committed under Section 754.003 or 754.024, Health and Safety Code, before the effective date of the repeal. An offense committed before the effective date of the repeal is governed by Section 754.003 or 754.024, Health and Safety Code, as it existed on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of the repeal if any element of the offense occurred before that date.

SECTION 24. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 673** (house committee printing) by adding the following SECTION, appropriately numbered, and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Chapter 754, Health and Safety Code, is amended by adding Section 754.0112 to read as follows:

Sec. 754.0112. INSTITUTION OF HIGHER EDUCATION: EMPLOYEE DUTIES AND INSURANCE REQUIREMENT. (a) In this section, "institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(b) Notwithstanding any contrary provision of this chapter, this chapter does not prohibit a registered elevator inspector or registered contractor from performing an activity regulated by this chapter or the rules adopted under this chapter if the inspector or contractor is performing the activity as an employee of an institution of higher education.

(c) Notwithstanding any contrary provision of this chapter, this chapter does not prohibit a registered elevator inspector or registered contractor performing an activity described by Subsection (b) as an employee of an institution of higher education from providing written evidence of self-insurance coverage to satisfy an insurance requirement under this chapter or rules adopted under this chapter.

The amendments were read.

Senator Carona moved to concur in the House amendments to **SB 673**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 742 WITH HOUSE AMENDMENTS

Senator Carona called **SB 742** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 742** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to reports of missing children, missing persons, or attempted child abductions and to education and training for peace officers regarding missing or exploited children.

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

SECTION 1. Article 63.001, Code of Criminal Procedure, is amended by amending Subdivision (1) and adding Subdivision (1-a) to read as follows:

(1) "Abduct" has the meaning assigned by Section 20.01, Penal Code.

(1-a) "Child" means a person under 18 years of age.

SECTION 2. Subchapter A, Chapter 63, Code of Criminal Procedure, is amended by adding Article 63.0016 to read as follows:

Art. 63.0016. ATTEMPTED CHILD ABDUCTION BY RELATIVE. For purposes of this chapter, "attempted child abduction" does not include an attempted abduction in which the actor was a relative, as defined by Section 20.01, Penal Code, of the person intended to be abducted.

SECTION 3. Article 63.003, Code of Criminal Procedure, is amended to read as follows:

Art. 63.003. FUNCTION OF CLEARINGHOUSE. (a) The clearinghouse is a central repository of information on missing children, ~~and~~ missing persons, and attempted child abductions.

(b) The clearinghouse shall:

(1) establish a system of intrastate communication of information relating to missing children and missing persons;

(2) provide a centralized file for the exchange of information on missing children, missing persons, and unidentified dead bodies within the state;

(3) communicate with the national crime information center for the exchange of information on missing children and missing persons suspected of interstate travel;

(4) collect, process, maintain, and disseminate accurate and complete information on missing children and missing persons;

(5) provide a statewide toll-free telephone line for the reporting of missing children and missing persons and for receiving information on missing children and missing persons; ~~and~~

(6) provide and disseminate to legal custodians, law enforcement agencies, and the Texas Education Agency information that explains how to prevent child abduction and what to do if a child becomes missing; and

(7) receive and maintain information on attempted child abductions in this state.

SECTION 4. Article 63.004(a), Code of Criminal Procedure, is amended to read as follows:

(a) The Department of Public Safety shall distribute missing children and missing person report forms. The forms must be in a format that will allow a seamless transfer of that information to the national crime information center.

SECTION 5. Subchapter A, Chapter 63, Code of Criminal Procedure, is amended by adding Article 63.0041 to read as follows:

Art. 63.0041. REPORTING OF ATTEMPTED CHILD ABDUCTION. A law enforcement officer or local law enforcement agency reporting an attempted child abduction to the clearinghouse shall make the report by use of the Texas Law

Enforcement Telecommunications System or a successor system of telecommunication used by law enforcement agencies and operated by the Department of Public Safety.

SECTION 6. Article 63.009, Code of Criminal Procedure, is amended by adding Subsection (a-1) to read as follows:

(a-1) A local law enforcement agency, on receiving a report of an attempted child abduction, shall immediately, but not later than eight hours after receiving the report, provide any relevant information regarding the attempted child abduction to the clearinghouse.

SECTION 7. Subchapter A, Chapter 63, Code of Criminal Procedure, is amended by adding Article 63.0091 to read as follows:

Art. 63.0091. LAW ENFORCEMENT REQUIREMENTS REGARDING REPORTS OF CERTAIN MISSING CHILDREN. (a) The public safety director of the Department of Public Safety shall adopt rules regarding the procedures for a local law enforcement agency on receiving a report of a missing child who:

(1) had been reported missing on four or more occasions in the 24-month period preceding the date of the current report; or

(2) is in foster care or in the conservatorship of the Department of Family and Protective Services and had been reported missing on two or more occasions in the 24-month period preceding the date of the current report.

(b) The rules adopted under this article must require that in entering information regarding the report into the national crime information center missing person file as required by Article 63.009(a)(3) for a missing child described by Subsection (a), the local law enforcement agency shall indicate, in the manner specified in the rules, that the child is endangered and include relevant information regarding the prior occasions on which the child was reported missing.

(c) If, at the time the initial entry into the national crime information center missing person file is made, the local law enforcement agency has not determined that the requirements of this article apply to the report of the missing child, the information required by Subsection (b) must be added to the entry promptly after the agency investigating the report determines that the missing child is described by Subsection (a).

SECTION 8. Article 63.013, Code of Criminal Procedure, is amended to read as follows:

Art. 63.013. INFORMATION TO CLEARINGHOUSE. Each law enforcement agency shall provide to the missing children and missing persons information clearinghouse:

(1) any information that would assist in the location or identification of any missing child who has been reported to the agency as missing; and

(2) any information regarding an attempted child abduction that has been reported to the agency or that the agency has received from any person or another agency.

SECTION 9. Subchapter A, Chapter 411, Government Code, is amended by adding Section 411.0133 to read as follows:

Sec. 411.0133. MISSING OR EXPLOITED CHILDREN PREVENTION GRANTS. (a) In this section, "nonprofit organization" has the meaning assigned by Section 403.351.

(b) This section applies to a nonprofit organization that is formed to offer programs and provide information to parents or other legal custodians, children, schools, public officials, organizations serving youths, nonprofit organizations, and the general public concerning child safety and Internet safety and the prevention of child abductions and child sexual exploitation.

(c) The department may award a grant to a nonprofit organization described by Subsection (b) that is operating in this state to provide programs and information described by that subsection to assist the department in the performance of the department's duties related to missing or exploited children, including any duty related to the missing children and missing persons information clearinghouse under Chapter 63, Code of Criminal Procedure.

(d) The department may adopt rules to implement this section.

SECTION 10. Section 1701.402, Occupations Code, is amended by adding Subsection (k) to read as follows:

(k) As a requirement for an intermediate or advanced proficiency certificate issued by the commission on or after January 1, 2015, an officer must complete an education and training program on missing and exploited children. The commission by rule shall establish the program. The program must:

(1) consist of at least four hours of training;

(2) include instruction on reporting an attempted child abduction to the missing children and missing persons information clearinghouse under Chapter 63, Code of Criminal Procedure;

(3) include instruction on responding to and investigating situations in which the Internet is used to commit crimes against children; and

(4) include a review of the substance of Chapters 20 and 43, Penal Code.

SECTION 11. Article 63.001(5), Code of Criminal Procedure, is repealed.

SECTION 12. Not later than January 1, 2014:

(1) the Commission on Law Enforcement Officer Standards and Education shall adopt the rules necessary to implement Section 1701.402(k), Occupations Code, as added by this Act; and

(2) the Department of Public Safety of the State of Texas and the public safety director of the department shall adopt rules and forms necessary to implement Chapter 63, Code of Criminal Procedure, as amended by this Act.

SECTION 13. (a) The change in law made by this Act in adding Article 63.0091, Code of Criminal Procedure, applies to a missing child report that is received by a law enforcement agency on or after January 1, 2014.

(b) The change in law made by this Act in adding Article 63.009(a-1), Code of Criminal Procedure, and amending Article 63.013, Code of Criminal Procedure, applies to an attempted child abduction that is reported to a law enforcement agency on or after January 1, 2014.

SECTION 14. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 742** (house committee report) as follows:

- (1) Strike page 2, lines 22 through 27.
- (2) Strike page 6, lines 14 and 15.
- (3) Add the following appropriately numbered SECTION to the bill:

SECTION _____. Article 63.001(5), Code of Criminal Procedure, is amended to read as follows:

(5) "Missing child or missing person report" [~~or "report"~~] means information that is:

(A) given to a law enforcement agency on a form used for sending information to the national crime information center; and

(B) about a child or missing person whose whereabouts are unknown to the reporter and who is alleged in the form by the reporter to be missing.

- (4) Renumber the SECTIONS of the bill appropriately.

The amendments were read.

Senator Carona moved to concur in the House amendments to **SB 742**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 1251 WITH HOUSE AMENDMENT

Senator Carona called **SB 1251** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1251** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to authorized charges and terms for certain consumer loans.

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

SECTION 1. Section 342.002, Finance Code, is amended by adding Subsection (d) to read as follows:

(d) Interest under the scheduled installment earnings method or true daily earnings method may not be compounded.

SECTION 2. The heading to Section 342.201, Finance Code, is amended to read as follows:

Sec. 342.201. MAXIMUM INTEREST CHARGE AND ADMINISTRATIVE FEE.

SECTION 3. Section 342.201, Finance Code, is amended by amending Subsection (f) and adding Subsection (g) to read as follows:

(~~e~~) A loan contract under this subchapter may provide for an administrative fee in an amount not to exceed \$25 for a loan of more than \$1,000 or \$20 for a loan of \$1,000 or less. The administrative fee is considered earned when the loan is made or refinanced and is not subject to refund. An administrative fee is not interest. A lender refinancing the loan may not contract for or receive an administrative fee for the loan more than once in any 180-day period, except that if the loan has an interest charge

authorized by Subsection (e) the lender may not contract for or receive the administrative fee more than once in any 365-day period. One dollar of each administrative fee may be deposited with the comptroller for use in carrying out the finance commission's responsibilities under Section 11.3055.

(g) The finance commission by rule may prescribe a reasonable maximum amount of an administrative fee for a loan contract under this subchapter that is greater than the maximum amount authorized by this section for the amount of the loan.

SECTION 4. Section 342.252, Finance Code, is amended to read as follows:

Sec. 342.252. ALTERNATE CHARGES [~~INTEREST CHARGE~~]. (a) Instead of the charges authorized by Section 342.201, a loan contract may provide for:

(1) on a cash advance of less than \$30, an acquisition charge that is not more than \$1 for each \$5 of the cash advance;

(2) on a cash advance equal to or more than \$30 but not more than \$100:

(A) an acquisition charge that is not more than the amount equal to one-tenth of the amount of the cash advance; and

(B) an installment account handling charge that is not more than:

(i) \$3 a month if the cash advance is not more than \$35;

(ii) \$3.50 a month if the cash advance is more than \$35 but not more than \$70; or

(iii) \$4 a month if the cash advance is more than \$70; or

(3) on a cash advance of more than \$100:

(A) an acquisition charge that is not more than \$10; and

(B) an installment account handling charge that is not more than the ratio of \$4 a month for each \$100 of cash advance.

(b) For an acquisition charge authorized by this subchapter, the finance commission by rule may prescribe a reasonable maximum amount for an acquisition charge that is greater than the maximum amount authorized by the applicable section of this subchapter for the amount of the cash advance.

(c) An acquisition charge under this subchapter is not interest.

SECTION 5. Section 342.255, Finance Code, is amended to read as follows:

Sec. 342.255. MAXIMUM LOAN TERM. The maximum scheduled term of a loan made under this subchapter is:

(1) for a loan of \$100 or less, the lesser of:

(A) one month for each multiple of \$10 of cash advance; or

(B) six months; and

(2) for a loan of more than \$100, one month for each multiple of \$20 of cash advance.

SECTION 6. Section 342.352(a), Finance Code, is amended to read as follows:

(a) This section applies to a loan contract:

(1) that includes precomputed interest and to which Section 342.351 does not apply;

(2) that includes interest contracted for under Section 342.201 or 342.260;

or

(3) that has a term of more than 60 months.

SECTION 7. Subchapter F, Chapter 342, Finance Code, is amended by adding Section 342.260 to read as follows:

Sec. 342.260. ALTERNATE INTEREST CHARGE COMPUTATION METHODS. (a) A loan contract under this subchapter may provide for an interest charge computed using the true daily earnings method or the scheduled installment earnings method that does not exceed the equivalent rate or effective return of the installment account handling charge for the original scheduled term of the loan.

(b) The principal balance of a loan contract authorized by this section may not include the acquisition charge, installment account handling charge, default charges, or deferment charges or the return check fees authorized by Section 3.506, Business & Commerce Code.

(c) Interest may accrue on the principal balance from time to time unpaid at the rate provided for by the contract until the date of payment in full or demand for payment in full.

(d) A payment on a loan contract authorized by this section shall be applied to the borrower's account in the following order or, at the lender's option, under another method of applying a payment that is more favorable to the borrower:

(1) the straight line allocation of the acquisition charge using the original scheduled term of the loan based on the proportional scheduled payment that was paid or scheduled to be paid;

(2) default charges authorized by Section 342.257;

(3) return check fees authorized by Section 3.506, Business & Commerce Code;

(4) any other charges authorized by this subchapter;

(5) accrued interest authorized by this section; and

(6) principal.

SECTION 8. The changes in law made by this Act apply only to a loan made on or after the effective date of this Act. A loan made before the effective date of this Act is governed by the law in effect on the date the loan was made, and the former law is continued in effect for that purpose.

SECTION 9. This Act takes effect September 1, 2013.

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 1251**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 1756 WITH HOUSE AMENDMENT

Senator Uresti called **SB 1756** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 1756** (house committee report) on page 2, line 13, by striking "proceeded" and substituting "processed".

The amendment was read.

Senator Uresti moved to concur in the House amendment to **SB 1756**.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Seliger.

HOUSE BILL 2139 ON SECOND READING

On motion of Senator Ellis and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2139** at this time on its second reading:

HB 2139, Relating to the authority of the Near Northside Management District to undertake tax increment financing.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2139 ON THIRD READING

Senator Ellis moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2139** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE HOUSE BILL 2294 ON SECOND READING

Senator Carona moved to suspend the regular order of business to take up for consideration **CSHB 2294** at this time on its second reading:

CSHB 2294, Relating to an exemption from air conditioning and refrigeration contracting regulation for installation of a thermostat.

The motion prevailed.

Senators Garcia, Seliger, and Watson asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2294** (senate committee report) in SECTION 1 of the bill, in amended Section 1302.002(2), Occupations Code (page 1, lines 31 through 35), by striking the underlined text and substituting the following:

Notwithstanding any other provision of this chapter, the term does not include the performance of or an offer to perform the installation, repair, replacement, or modification of a thermostat or other temperature control interface by a person licensed or registered under Chapter 1702.

The amendment to **CSHB 2294** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Carona and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 2294 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Garcia, Hegar, Seliger, Watson.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2294 ON THIRD READING**

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2294** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Taylor, Uresti, Van de Putte, West, Whitmire, Williams, Zaffirini.

Nays: Garcia, Seliger, Watson.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Hancock, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Taylor, Uresti, Van de Putte, West, Whitmire, Williams, Zaffirini.

Nays: Garcia, Hegar, Seliger, Watson.

HOUSE BILL 1122 ON SECOND READING

Senator West moved to suspend the regular order of business to take up for consideration **HB 1122** at this time on its second reading:

HB 1122, Relating to a pilot program for a three-year high school diploma plan and cost-neutral expansion of full-day prekindergarten programs.

The motion prevailed.

Senators Birdwell, Campbell, Fraser, Hancock, Nelson, Nichols, and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator West offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1122** (senate committee printing) as follows:

(1) In SECTION 1 of the bill, in added Section 28.0255(c), Education Code (page 1, line 39), strike the colon.

(2) In SECTION 1 of the bill, strike added Section 28.0255(c)(1), Education Code (page 1, lines 40-42).

(3) In SECTION 1 of the bill, in added Section 28.0255(c)(2), Education Code (page 1, line 43), strike "(2)".

(4) In SECTION 1 of the bill, strike added Section 28.0255(f), Education Code (page 2, lines 1-5), and substitute the following:

(f) The school district shall submit to the commissioner for approval the district's proposal regarding the scope of the program and the program curriculum requirements. The school district shall also submit the proposed curriculum requirements to the State Board of Education for comment. The district may not implement the program before obtaining the commissioner's approval of the scope of the program and the program curriculum requirements.

The amendment to **HB 1122** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator West and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 1122 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Fraser, Hancock, Nelson, Nichols, Schwertner.

HOUSE BILL 1122 ON THIRD READING

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1122** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Patrick, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Nelson, Nichols, Schwertner.

The bill was read third time and was passed by the following vote: Yeas 24, Nays 7.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hegar, Hinojosa, Huffman, Lucio, Patrick, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Fraser, Hancock, Nelson, Nichols, Schwertner.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER
Austin, Texas
Monday, May 20, 2013 - 2

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

HCR 80 Anchia

Requesting the lieutenant governor and the speaker of the house of representatives to create a joint interim committee to study the effects on international trade of wait times at points of entry between the United States and Mexico.

THE HOUSE HAS CONCURRED IN THE SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

HB 139 (138 Yeas, 6 Nays, 2 Present, not voting)

HB 338 (144 Yeas, 0 Nays, 2 Present, not voting)

HB 347 (105 Yeas, 37 Nays, 2 Present, not voting)

HB 788 (139 Yeas, 5 Nays, 2 Present, not voting)

HB 1227 (144 Yeas, 1 Nays, 2 Present, not voting)

HB 1296 (144 Yeas, 0 Nays, 3 Present, not voting)

HB 1554 (133 Yeas, 10 Nays, 2 Present, not voting)

HB 2392 (144 Yeas, 1 Nays, 4 Present, not voting)

HB 2725 (147 Yeas, 0 Nays, 2 Present, not voting)

HB 2772 (128 Yeas, 16 Nays, 2 Present, not voting)

THE HOUSE HAS REFUSED TO CONCUR IN THE SENATE AMENDMENTS TO THE FOLLOWING MEASURES AND REQUESTS THE APPOINTMENT OF A CONFERENCE COMMITTEE TO ADJUST THE DIFFERENCES BETWEEN THE TWO HOUSES:

HB 396 (non-record vote)

House Conferees: Thompson, Senfronia - Chair/Burnam/Davis, Sarah/Howard/Miller, Rick

HB 429 (non-record vote)

House Conferees: Guillen - Chair/Flynn/Larson/Lozano/Muñoz, Jr.

HB 773 (non-record vote)

House Conferees: Farney - Chair/Aycock/Branch/Deshotel/Lucio III

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 4 (144 Yeas, 4 Nays, 2 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

HOUSE BILL 3483 ON SECOND READING

Senator Watson moved to suspend the regular order of business to take up for consideration **HB 3483** at this time on its second reading:

HB 3483, Relating to requirements for a driver education course and the eligibility of persons under 18 years of age to operate a motor vehicle at certain times.

The motion prevailed.

Senators Campbell, Hancock, and Hegar asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Watson offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3483** (Senate committee printing) by adding the appropriately number SECTIONs of the bill and renumbering the existing SECTIONs of the bill accordingly:

SECTION _____. The heading to Section 521.1655, Transportation Code, is amended to read as follows:

Sec. 521.1655. TESTING BY DRIVER EDUCATION SCHOOL AND CERTAIN DRIVER EDUCATION COURSE PROVIDERS.

SECTION _____. Section 521.1655, Transportation Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) A driver education course provider approved under Section 521.205 may administer to a student of that course the highway sign and traffic law parts of the examination required by Section 521.161.

SECTION _____. Section 521.205(c), Transportation Code, is amended to read as follows:

(c) The rules must provide a method by which:

- (1) approval of a course is obtained;
- (2) an applicant submits proof of completion of the course; ~~and~~
- (3) approval for delivering course materials by an alternative method, including electronic means, is obtained;

(4) a provider of a course approved under this section may administer to an applicant the highway sign and traffic law parts of the examination as provided by Section 521.1655(a-1) through electronic means; and

(5) an applicant submits proof of passage of an examination administered under Subdivision (4).

SECTION _____. The Department of Public Safety shall adopt the rules required by Section 521.205, Transportation Code, as amended by this Act, not later than January 1, 2014.

The amendment to **HB 3483** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Watson and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3483 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Campbell, Hancock, Hegar.

HOUSE BILL 3483 ON THIRD READING

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3483** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Hancock, Hegar.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

HOUSE BILL 394 ON SECOND READING

Senator Van de Putte moved to suspend the regular order of business to take up for consideration **HB 394** at this time on its second reading:

HB 394, Relating to limits on prizes for bingo games.

The motion prevailed by the following vote: Yeas 22, Nays 9.

Yeas: Carona, Davis, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Lucio, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Deuell, Hancock, Huffman, Nelson, Nichols, Patrick, Paxton.

The bill was read second time and was passed to third reading by the following vote: Yeas 21, Nays 10.

Yeas: Carona, Davis, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hinojosa, Lucio, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Deuell, Hancock, Hegar, Huffman, Nelson, Nichols, Patrick, Paxton.

HOUSE BILL 3106 ON SECOND READING

Senator Carona moved to suspend the regular order of business to take up for consideration **HB 3106** at this time on its second reading:

HB 3106, Relating to compensatory payments made in connection with the issuance of certain title insurance policies.

The motion prevailed.

Senator Paxton asked to be recorded as "Present-not voting" on suspension of the regular order of business.

The bill was read second time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3106** (senate committee printing) in SECTION 1 of the bill, in added Section 2502.057, Insurance Code (page 1, between lines 55 and 56), by adding the following:

(e) This section does not apply to a payment to a reinsurer for the assumption of reinsurance described by Subchapter G, Chapter 2551.

The amendment to **HB 3106** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Present-not voting: Paxton.

On motion of Senator Carona and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3106 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Present-not voting: Paxton.

HOUSE BILL 3106 ON THIRD READING

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3106** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0, Present-not voting 1.

Present-not voting: Paxton.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0, Present-not voting 1. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 2585 ON SECOND READING**

Senator Paxton moved to suspend the regular order of business to take up for consideration **CSHB 2585** at this time on its second reading:

CSHB 2585, Relating to the reimbursement of utilities for relocation of utility facilities following improvement or construction of certain tolled highways.

The motion prevailed by the following vote: Yeas 26, Nays 4, Present-not voting 1.

Yeas: Birdwell, Campbell, Carona, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Lucio, Nelson, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Ellis, Garcia, Huffman, Nichols.

Present-not voting: Davis.

The bill was read second time.

Senator Nichols offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2585** (senate committee printing) as follows:

(1) Strike the introductory language in SECTION 1 of the bill and substitute:

"SECTION 1. Section 203.092, Transportation Code, is amended by amending Subsections (a-1), (a-2), and (a-3), and adding Subsection (a-4) to read as follows:".

(2) Immediately before SECTION 2, insert Subsection (a-4), Section 203.092, to read as follows:

(a-4) Reimbursement by the department under Subsection (a-1), (a-2), or (a-3) shall be subject to the utility's completion of the relocation of the utility facility by the date specified by the department.

The amendment to **CSHB 2585** was read.

On motion of Senator Paxton, Floor Amendment No. 1 was tabled by the following vote: Yeas 20, Nays 10, Present-not voting 1.

Yeas: Birdwell, Carona, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hinojosa, Lucio, Patrick, Paxton, Rodríguez, Schwertner, Taylor, Uresti, Van de Putte, Whitmire, Williams, Zaffirini.

Nays: Campbell, Ellis, Garcia, Hegar, Huffman, Nelson, Nichols, Seliger, Watson, West.

Present-not voting: Davis.

Senator Nichols offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 2585** (Senate committee printing) by striking SECTION 1 of the bill (page 1, lines 25-43) and substituting the following:

SECTION 1. Chapter 372, Transportation Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. UTILITIES

Sec. 372.101. COSTS OF RELOCATION. (a) A toll project entity and a utility shall share equally the cost of the relocation of a utility facility that is required by:

(1) the improvement of a nontolled highway to add one or more tolled lanes;

(2) the improvement of a nontolled highway that has been converted to a toll project; or

(3) by construction on a new location of a toll project or the expansion of such a toll project.

(b) Section 203.092(d) applies in determining the cost of relocation for the purposes of this section.

(c) If this section conflicts with a provision of Section 203.092 or Chapter 251, 284, 366, or 370, this section controls to the extent of the conflict.

The amendment to **CSHB 2585** was read.

On motion of Senator Paxton, Floor Amendment No. 2 was tabled by the following vote: Yeas 21, Nays 9, Present-not voting 1.

Yeas: Birdwell, Carona, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hinojosa, Lucio, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Whitmire, Williams, Zaffirini.

Nays: Campbell, Ellis, Garcia, Hegar, Huffman, Nelson, Nichols, Watson, West.

Present-not voting: Davis.

Senator Nichols offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 2585** (Senate Committee Report version), by striking SECTION 1 of the bill, and replacing as follows:

SECTION 1. Sections 203.092(a-1), (a-2), and (a-3), Transportation Code, are amended to read as follows:

(a-1) Notwithstanding Subsection (a)(3), the department and the utility shall share equally the cost of the relocation of a utility facility that is made before September 1, 2017 [~~2013~~], and required by the improvement of a nontolled highway to add one or more tolled lanes. This subsection expires September 1, 2017 [~~2013~~].

(a-2) Notwithstanding Subsection (a)(3), the department and the utility shall share equally the cost of the relocation of a utility facility that is made before September 1, 2017 [~~2013~~], and required by the improvement of a nontolled highway that has been converted to a turnpike project or toll project. This subsection expires September 1, 2017 [~~2013~~].

(a-3) Notwithstanding Subsection (a)(3), the department and the utility shall share equally the cost of the relocation of a utility facility that is made before September 1, 2017 [~~2013~~], and required by the construction on a new location of a turnpike project or toll project or the expansion of such a turnpike project or toll project. This subsection expires September 1, 2017 [~~2013~~].

The amendment to **CSHB 2585** was read.

On motion of Senator Paxton, Floor Amendment No. 3 was tabled by the following vote: Yeas 16, Nays 14, Present-not voting 1.

Yeas: Carona, Duncan, Eltife, Estes, Fraser, Hancock, Hinojosa, Lucio, Patrick, Paxton, Rodríguez, Seliger, Taylor, Uresti, Whitmire, Williams.

Nays: Birdwell, Campbell, Deuell, Ellis, Garcia, Hegar, Huffman, Nelson, Nichols, Schwertner, Van de Putte, Watson, West, Zaffirini.

Present-not voting: Davis.

CSHB 2585 was passed to third reading by the following vote: Yeas 26, Nays 4, Present-not voting 1.

Yeas: Birdwell, Campbell, Carona, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Lucio, Nelson, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Ellis, Garcia, Huffman, Nichols.

Present-not voting: Davis.

COMMITTEE SUBSTITUTE HOUSE BILL 2585 ON THIRD READING

Senator Paxton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2585** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 4, Present-not voting 1.

Yeas: Birdwell, Campbell, Carona, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Lucio, Nelson, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Ellis, Garcia, Huffman, Nichols.

Present-not voting: Davis.

The bill was read third time and was passed by the following vote: Yeas 26, Nays 4, Present-not voting 1. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 3093 ON SECOND READING

On motion of Senator Zaffirini and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 3093** at this time on its second reading:

CSHB 3093, Relating to the powers and duties of the Department of Information Resources and the Legislative Budget Board regarding information resources technologies of state agencies.

The bill was read second time.

Senator Zaffirini offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3093** (Senate Committee printing) as follows:

(1) In SECTION 1 of the bill strike the words "and Legislature Budget Board," (page 1, lines 26 - 27).

(2) Strike SECTION 3 of the bill (page 2, line 35, through page 3, line 30) and renumber the subsequent sections appropriately.

(3) Strike SECTION 5 of the bill (page 3, line 47, through page 4, line 24) and renumber the subsequent sections appropriately.

The amendment to **CSHB 3093** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Uresti offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 3093** (senate committee report) by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS accordingly:

SECTION _____. Subchapter F, Chapter 2054, Government Code, is amended by adding Section 2054.133 to read as follows:

Sec. 2054.133. ELECTRONIC VOTER REGISTRATION. (a) The secretary of state, working in conjunction with the Department of Information Resources, shall implement a program to allow a person to complete a voter registration application over the Internet from the official website of this state. The websites of the secretary of state and the Department of Public Safety must also provide a link to the location of the application on the official website of this state.

(b) An applicant for electronic voter registration who has an unexpired driver's license or personal identification card issued in this state must:

(1) attest to the truth of the information provided on the application by affirmatively accepting the information as true; and

(2) affirmatively consent to the use of the signature on the applicant's driver's license or personal identification card for voter registration purposes.

(c) An applicant for electronic voter registration who does not have an unexpired driver's license or personal identification card issued in this state must:

(1) attest to the truth of the information provided on the application by affirmatively accepting the information as true; and

(2) print a registration application from the website the applicant is using to register, sign the application, and mail it to the registrar.

(d) For each application submitted under Subsection (b), the program shall require that a digital copy of the applicant's signature be obtained from the Department of Public Safety.

(e) For each application submitted under Subsection (c), the program shall provide the applicant with:

(1) a registration application that the applicant can print from the registration website, sign, and mail to the registrar as required under Subsection (c)(2); and

(2) information about how the applicant can obtain a driver's license or personal identification card from the Department of Public Safety.

(f) An application submitted under this section is considered for all purposes as an application submitted by mail under Title 2, Election Code.

(g) The secretary of state shall adopt rules as necessary to implement this section, including rules to provide for additional security measures necessary to ensure the accuracy and integrity of applications submitted electronically.

(h) The rules adopted under Subsection (g) must require that:

(1) the Internet website through which a person may complete a voter registration application include a description of the offense described by Section 13.007, Election Code, in a conspicuous location on the website near the place where the person begins or submits the application; and

(2) the state electronic Internet portal project be used to authenticate the identity of a person who submits an application electronically under this section.

The amendment to **CSHB 3093** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2 except as follows:

Nays: Campbell, Fraser, Nelson, Schwertner, Taylor.

On motion of Senator Zaffirini and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 3093 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Campbell, Fraser, Schwertner, Taylor.

COMMITTEE SUBSTITUTE HOUSE BILL 3093 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3093** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodriguez, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Fraser, Schwertner, Taylor.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

(President in Chair)

HOUSE BILL 581 ON SECOND READING

Senator Lucio moved to suspend the regular order of business to take up for consideration **HB 581** at this time on its second reading:

HB 581, Relating to the waiver of sovereign immunity in certain employment lawsuits by nurses and in certain employment discrimination actions in connection with a workers' compensation claim.

The motion prevailed by the following vote: Yeas 21, Nays 10.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Lucio, Rodríguez, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger.

The bill was read second time.

Senator Lucio offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 581** (senate committee printing) as follows:

(1) In the recital to SECTION 3 of the bill (page 2, line 2), strike "and (j)" and substitute "(j), (k), and (l)".

(2) In SECTION 3 of the bill, in proposed Section 301.413(g), Occupations Code (page 2, line 3), strike "A" and substitute "Subject to Subsection (h), a".

(3) In SECTION 3 of the bill, in amended Section 301.413, Occupations Code (page 2, between lines 17 and 18), insert the following new Subsections (h) and (i) and reletter the subsequent subsections of that section accordingly:

(h) Relief may be granted in a lawsuit brought under Subsection (g) for an alleged violation of Subsection (b)(1) based on a report made by a nurse under Section 301.4025(b) only if the nurse:

(1) made the report:

(A) in writing, which may be provided electronically; or

(B) verbally, if authorized by the nurse's employer or another entity at which the nurse is authorized to practice;

(2) made the report to:

(A) the nurse's supervisor;

(B) a committee authorized under state or federal law to receive reports under Section 301.4025(b); or

(C) an individual or committee authorized by the nurse's employer or another entity at which the nurse is authorized to practice; and

(3) made the report not later than:

(A) the fifth day after the date the nurse became aware of the situation if the situation involves a single incident; or

(B) the fifth day after the date the nurse became aware of the most recent occurrence of the situation if the situation involves multiple incidents or a pattern of behavior.

(i) For purposes of Subsection (h), "supervisor" means an individual who has authority over the responsibilities of the nurse making the report or an individual who is in the nurse's chain of command.

(4) Strike SECTION 1 of the bill, adding Section 451.0025, Labor Code (page 1, lines 23 through 36).

(5) Strike SECTION 2 of the bill, amending Section 504.002, Labor Code (page 1, lines 37 through 61).

(6) Strike SECTION 4 of the bill (page 2, lines 34 through 40).

(7) Renumber the SECTIONS of the bill appropriately.

The amendment to **HB 581** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Lucio and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 581 as amended was passed to third reading by the following vote: Yeas 21, Nays 10.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Lucio, Rodriguez, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger.

HOUSE BILL 3523 ON SECOND READING

Senator Paxton moved to suspend the regular order of business to take up for consideration **HB 3523** at this time on its second reading:

HB 3523, Relating to punishment for the offense of driving a commercial motor vehicle without a commercial driver's license.

The motion prevailed.

Senator Birdwell asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Paxton offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3523** (senate committee printing) in SECTION 1 of the bill as follows:

(1) In Section 522.011(c), Transportation Code (page 1, line 29), strike "[Class E]" and insert "Class C".

(2) In Section 522.011(c), Transportation Code (page 1, line 30), strike "punishable by a fine not to exceed \$1,000".

The amendment to **HB 3523** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Nichols offered the following amendment to the bill:

Floor Amendment No. 2

Amend **HB 3523** (senate committee printing) as follows:

(1) Strike the recital to SECTION 1 of the bill, and substitute the following: Section 522.011, Transportation Code, is amended by amending Subsections (a) and (c) and adding Subsections (e) and (f) to read as follows:

(2) In SECTION 1 of the bill, immediately preceding amended Section 522.011(c), Transportation Code (page 1, between lines 23 and 24), insert the following:

(a) A person may not drive a commercial motor vehicle unless:

(1) the person:

(A) has in the person's immediate possession a commercial driver's license issued by the department appropriate for the class of vehicle being driven; and

(B) is not disqualified or subject to an out-of-service order;

(2) the person:

(A) has in the person's immediate possession a commercial ~~driver~~ learner's permit and driver's license issued by the department; and

(B) is accompanied by the holder of a commercial driver's license issued by the department with any necessary endorsements appropriate for the class of vehicle being driven, and the license holder:

(i) for the purpose of giving instruction in driving the vehicle, at all times occupies a seat beside the permit holder or, in the case of a passenger vehicle, directly behind the driver in a location that allows for direct observation and supervision of the permit holder ~~[for the purpose of giving instruction in driving the vehicle]~~; and

(ii) is not disqualified or subject to an out-of-service order; or

(3) the person is authorized to drive the vehicle under Section 522.015.

(3) In SECTION 1 of the bill, immediately following amended Section 522.011(c), Transportation Code (page 1, between lines 29 and 30), insert the following:

(e) It is a defense to prosecution for a violation of Subsection (a)(2)(A) if the person charged produces in court a commercial learner's permit or driver's license, as appropriate, that:

(1) was issued to the person; and

(2) was valid when the offense was committed.

(f) The court may assess a defendant an administrative fee not to exceed \$10 if a charge under this section is dismissed because of the defense listed under Subsection (e).

(4) Strike SECTION 2 of the bill (page 1, lines 30 to 37).

(5) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 522.003, Transportation Code, is amended by amending Subdivisions (4), (12), (22), (23), and (25) and adding Subdivisions (22-a) and (23-a) to read as follows:

(4) "Commercial [~~driver~~] learner's permit" means a permit [commercial driver's license] that restricts the holder to driving a commercial motor vehicle as provided by Section 522.011(a)(2)(B).

(12) "Driver's license" has the meaning assigned by Section 521.001, except the term does not include a commercial learner's permit unless otherwise provided by this chapter.

(22) "Non-domiciled [~~Nonresident~~] commercial driver's license" means a commercial driver's license issued by a state to an individual who is domiciled [resides] in a foreign jurisdiction.

(22-a) "Non-domiciled commercial learner's permit" means a commercial learner's permit issued by a state to an individual who is domiciled in a foreign jurisdiction.

(23) "Out-of-service order" means:

(A) a temporary prohibition against driving a commercial motor vehicle issued under Section 522.101, the law of another state, [~~or~~] 49 C.F.R. Section 383.5, 386.72, 392.5, 392.9a, 395.13, or 396.9, a law compatible with those federal regulations, or the North American Uniform Out-of-Service Criteria; or

(B) a declaration by the Federal Motor Carrier Safety Administration or an authorized enforcement officer of a state or local jurisdiction that a driver, commercial motor vehicle, or motor carrier operation is out of service under 49 C.F.R. Section 383.5, 386.72, 392.5, 392.9a, 395.13, or 396.9, a law compatible with those federal regulations, or the North American Uniform Out-of-Service Criteria.

(23-a) "Person" includes the United States, a state, or a political subdivision of a state.

(25) "Serious traffic violation" means:

(A) a conviction arising from the driving of a motor vehicle, other than a parking, vehicle weight, or vehicle defect violation, for:

(i) excessive speeding, involving a single charge of driving 15 miles per hour or more above the posted speed limit;

(ii) reckless driving, as defined by state or local law;

(iii) a violation of a state or local law related to motor vehicle traffic control, including a law regulating the operation of vehicles on highways, arising in connection with a fatal accident;

(iv) improper or erratic traffic lane change;

(v) following the vehicle ahead too closely; [~~or~~]

(vi) a violation of Sections 522.011 or 522.042; or

(vii) a violation of a state or local law or ordinance prohibiting texting while driving or restricting or prohibiting the use of a wireless communication device while operating a commercial motor vehicle; or

(B) a violation of Section 522.015.

SECTION _____. Section 522.013, Transportation Code, is amended to read as follows:

Sec. 522.013. NON-DOMICILED [NONRESIDENT] LICENSE OR PERMIT.

(a) The department may issue a non-domiciled ~~[nonresident]~~ commercial driver's license or commercial learner's permit to a person domiciled in ~~[resident of]~~ a foreign jurisdiction if the secretary has determined that the commercial motor vehicle testing and licensing standards in the foreign jurisdiction do not meet the testing standards established by 49 C.F.R. Part 383.

(b) An applicant for a non-domiciled commercial driver's license must surrender any non-domiciled ~~[nonresident]~~ commercial driver's license issued by another state.

(c) Before issuing a non-domiciled ~~[nonresident]~~ commercial driver's license, the department must establish the practical capability of disqualifying the person under the conditions applicable to a commercial driver's license issued to a resident of this state. Before issuing a non-domiciled commercial learner's permit, the department must establish the practical capability of disqualifying the person under the conditions applicable to a commercial learner's permit issued to a resident of this state.

(d) "Non-domiciled" ["Nonresident"] must appear on the face of a license or permit issued under this section.

(e) The department may issue a temporary non-domiciled ~~[nonresident]~~ commercial driver's license to a person who does not present a social security card as required by Section 522.021(a-1)(1) but who otherwise meets the requirements for a non-domiciled ~~[nonresident]~~ commercial driver's license, including the requirement that the commercial motor vehicle testing and licensing standards of the country of which the applicant is domiciled ~~[a resident]~~ not meet the testing and licensing standards established by 49 C.F.R. Part 383. A license issued under this subsection:

(1) expires on the earlier of:

(A) the 60th day after the date the license is issued; or

(B) ~~[the expiration date of the visa presented under Section 522.021(a-1)(2)(B)]; or~~

~~[(C) the expiration date of the Form I-94 Arrival/Departure record, or a successor document, presented under Section 522.021(a-1)(2)(A) [522.021(a-1)(2)(C)]; and~~

(2) may not be renewed.

(f) The department may not issue more than one temporary non-domiciled ~~[nonresident]~~ commercial driver's license to a person.

SECTION ____ . Section 522.014, Transportation Code, is amended to read as follows:

Sec. 522.014. PERMIT. (a) The department may issue a commercial ~~[driver]~~ learner's permit to an individual who:

(1) has been issued a driver's license by the department; and

(2) has passed the vision and written tests required for ~~[a Texas driver's license appropriate for]~~ the class of vehicle to be driven.

(b) A commercial learner's permit must be a separate document from a driver's license or a commercial driver's license.

(c) The issuance of a commercial learner's permit is required for:

(1) the initial issuance of a commercial driver's license; or

(2) the upgrade in classification of a commercial driver's license that requires a skills test.

(d) A commercial learner's permit holder may not take a commercial driver's license skills test before the 15th day after the date of the issuance of the permit.

SECTION _____. Section 522.015, Transportation Code, is amended to read as follows:

Sec. 522.015. LICENSE OR PERMIT ISSUED BY OTHER JURISDICTION.

A person may drive a commercial motor vehicle in this state if:

(1) the person has a commercial driver's license or a commercial ~~driver~~ learner's permit issued by:

(A) another state in accordance with the minimum federal standards for the issuance of a commercial motor vehicle driver's license; or

(B) a foreign jurisdiction the testing and licensing standards of which the United States Department of Transportation has determined meet the requirements of the federal act;

(2) the person's license or permit is appropriate for the class of vehicle being driven;

(3) the person is not disqualified from driving a commercial motor vehicle and is not subject to an out-of-service order; ~~and~~

(4) the person has not had a domicile in this state for more than 30 days; and

(5) if the person has a permit, the person also has a driver's license issued by the same jurisdiction that issued the permit.

SECTION _____. Sections 522.021(a), (a-1), and (d), Transportation Code, are amended to read as follows:

(a) An application for a commercial driver's license or commercial ~~driver~~ learner's permit must include:

(1) the full name and current residence and mailing address of the applicant;

(2) a physical description of the applicant, including sex, height, and eye color;

(3) the applicant's date of birth;

(4) the applicant's social security number, unless the application is for a non-domiciled ~~nonresident~~ commercial driver's license and the applicant is domiciled in ~~a resident of~~ a foreign jurisdiction;

(5) certifications, including those required by 49 C.F.R. Section 383.71(a); and

(6) any other information required by the department.

(a-1) If the application is for a non-domiciled ~~nonresident~~ commercial driver's license and the applicant is domiciled in ~~a resident of~~ a foreign jurisdiction that does not meet the testing and licensing standards established by 49 C.F.R. Part 383, the applicant must present:

(1) a social security card issued to the applicant; ~~and~~

(2) either [each of the following]:

(A) an unexpired foreign [a] passport issued to the applicant and a Form I-94 Arrival/Departure record or a successor document [by the country of which the applicant is a resident]; or

(B) an unexpired employment authorization document [a Temporary Worker visa]; and

(3) documentation demonstrating proof of Texas residence as provided by Section 522.0225 [(C) a Form I-94 Arrival/Departure record or a successor document].

(d) A person who knowingly falsifies information or a certification required by Subsection (a) commits an offense and is subject to a 60-day disqualification [~~cancellation~~] of the person's commercial driver's license, commercial [~~driver~~] learner's permit, or application. An offense under this subsection is a Class C misdemeanor.

SECTION _____. Section 522.022, Transportation Code, is amended to read as follows:

Sec. 522.022. LICENSE REQUIREMENTS. The department may not issue a commercial driver's license other than a non-domiciled [~~nonresident~~] license to a person unless the person:

- (1) has a domicile in this state;
- (2) has passed knowledge and skills tests for driving a commercial motor vehicle that comply with minimal federal standards established by 49 C.F.R. Part 383, Subparts G and H; and
- (3) has satisfied the requirements imposed by the federal act, federal regulation, or state law.

SECTION _____. Section 522.023, Transportation Code, is amended by adding Subsection (j) to read as follows:

(j) The department may administer a skills test to a person who holds a commercial learner's permit issued by another state or jurisdiction.

SECTION _____. Section 522.025, Transportation Code, is amended to read as follows:

Sec. 522.025. LIMITATIONS ON ISSUANCE OF LICENSE OR PERMIT. (a) The department may not issue a commercial driver's license or commercial [~~driver~~] learner's permit to a person who is disqualified from driving a commercial motor vehicle or while the person's driver's license or driving privilege is suspended, revoked, or canceled in any state.

(b) The department may not issue a commercial driver's license to a person who has a driver's license, commercial driver's license, or commercial [~~driver~~] learner's permit issued by another state unless the person surrenders the license or permit. The department shall notify [~~return a surrendered license or permit to~~] the issuing state of the surrendered license or permit [~~for cancellation~~].

SECTION _____. Section 522.027, Transportation Code, is amended to read as follows:

Sec. 522.027. MINIMUM AGE. The department may not issue a commercial driver's license or a commercial [~~driver~~] learner's permit to a person who is younger than 18 years of age.

SECTION _____. Section 522.028, Transportation Code, is amended to read as follows:

Sec. 522.028. CHECK OF DRIVING RECORD. Before issuing a commercial driver's license or commercial learner's permit, the department shall check the applicant's driving record as required by 49 C.F.R. Section 383.73.

SECTION _____. Section 522.029, Transportation Code, is amended by amending Subsections (a), (b), (c), (h), (j), and (k) and adding Subsections (h-1) and (l) to read as follows:

(a) The fee for a commercial driver's license [~~or commercial driver learner's permit~~] issued by the department is \$60, except as provided by Subsections (f), (h), (j), and (k).

(b) The fee for a commercial driver's license [~~or commercial driver learner's permit~~] shall be reduced by \$4 for each remaining year of validity of a driver's license, other than a commercial driver's license [~~or commercial driver learner's permit~~] issued by the department to the applicant.

(c) The fee for a duplicate commercial driver's license or commercial [~~driver~~] learner's permit is \$10.

(h) The fee for a commercial driver's license [~~or commercial driver learner's permit~~] issued under Section 522.033 is \$20.

(h-1) The fee for the issuance or renewal of a commercial learner's permit is \$24.

(j) The fee for issuance or renewal of a commercial driver's license [~~or commercial driver learner's permit~~] is \$25 for a license with an expiration date established under Section 522.054.

(k) The fee for a non-domiciled [~~nonresident~~] commercial driver's license or a non-domiciled commercial learner's permit is \$120. The fee for a temporary non-domiciled [~~nonresident~~] commercial driver's license is \$20.

(l) The fee for the administration of a skills test to a person who is not domiciled in this state is \$60.

SECTION _____. Section 522.029(f), Transportation Code, as added by Chapter 1372 (H.B. 1200), Acts of the 75th Legislature, Regular Session, 1997, is amended to read as follows:

(f) If a commercial driver's license [~~or commercial driver learner's permit~~] includes an authorization to operate a motorcycle or moped, the fee for the driver's license [~~or permit~~] is increased by \$8.

SECTION _____. Section 522.030(a), Transportation Code, is amended to read as follows:

(a) A commercial driver's license or commercial learner's permit must:

(1) be marked:

(A) "Commercial Driver License" or "CDL" for a commercial driver's license; or

(B) "Commercial Learner's Permit" or "CLP" for a commercial learner's permit;

(2) be, to the extent practicable, tamper-proof; and

(3) include:

(A) the name and domicile [~~mailing~~] address of the person to whom it is issued;

(B) the person's [~~color~~] photograph;

(C) a physical description of the person, including sex, height, and eye color;

(D) the person's date of birth;

- (E) a number or identifier the department considers appropriate;
- (F) the person's signature;
- (G) each class of commercial motor vehicle that the person is authorized to drive, with any endorsements or restrictions;
- (H) the name of this state; and
- (I) the dates between which the license is valid.

SECTION _____. Sections 522.032(a) and (b), Transportation Code, are amended to read as follows:

(a) The holder of a commercial driver's license or commercial [~~driver~~] learner's permit who changes the holder's name or mailing address must apply for a duplicate license or permit not later than the 30th day after the date of the change in the manner provided by Section 521.054.

(b) The holder of a commercial driver's license or commercial [~~driver~~] learner's permit who changes the holder's residence address shall notify the department not later than the 30th day after the date of the change.

SECTION _____. Section 522.033, Transportation Code, is amended to read as follows:

Sec. 522.033. COMMERCIAL DRIVER'S LICENSE ISSUED TO CERTAIN SEX OFFENDERS. (a) The department may issue an original or renewal commercial driver's license or commercial [~~driver~~] learner's permit to a person whose driver's license or personal identification certificate record indicates that the person is subject to the registration requirements of Chapter 62, Code of Criminal Procedure, only if the person is otherwise eligible for the commercial driver's license or commercial [~~driver~~] learner's permit and:

(1) applies in person for the issuance of a license or permit under this section; and

(2) pays a fee of:

- (A) \$20 for a commercial driver's license; or
- (B) \$24 for a commercial learner's permit.

(b) Notwithstanding Sections 522.013 and [Section] 522.051, a commercial driver's license [~~or commercial driver learner's permit~~] issued under this section, including a renewal, duplicate, or corrected license, expires[~~:~~

~~[(1) if the license or permit holder is a citizen, national, or legal permanent resident of the United States or a refugee or asylee lawfully admitted into the United States,] on the first birthday of the license holder occurring after the date of application, except that the initial license issued under this section expires on the second birthday of the license holder occurring after the date of application[~~:-~~~~

~~[(2) if the applicant is not described by Subdivision (1), on the earlier of:~~

~~[(A) the expiration date of the applicant's authorized stay in the United States; or~~

~~[(B) the first birthday of the license holder occurring after the date of application, except that the initial license issued under this section expires on the second birthday of the license holder occurring after the date of application].~~

SECTION _____. Sections 522.034(a) and (b), Transportation Code, are amended to read as follows:

(a) An applicant for an original commercial driver's license [~~or commercial driver learner's permit~~] that includes an authorization to operate a motorcycle must furnish to the department evidence satisfactory to the department that the applicant has successfully completed a basic motorcycle operator training course approved by the department under Chapter 662.

(b) The department may not issue an original commercial driver's license [~~or commercial driver learner's permit~~] that includes an authorization to operate a motorcycle to an applicant who fails to comply with Subsection (a).

SECTION _____. Sections 522.041(a) and (e), Transportation Code, are amended to read as follows:

(a) The department may issue a Class A, Class B, or Class C commercial driver's license or commercial learner's permit.

(e) The holder of a commercial driver's license or commercial learner's permit may drive any vehicle in the class for which the license or permit is issued and lesser classes of vehicles except a motorcycle or moped. The holder may drive a motorcycle only if authorization to drive a motorcycle is shown on the commercial driver's license and the requirements for issuance of a motorcycle license have been met.

SECTION _____. Section 522.042, Transportation Code, is amended by amending Subsections (b) and (c) and adding Subsections (d), (e), and (f) to read as follows:

(b) The department may issue a commercial learner's permit with endorsements authorizing the driving of a passenger vehicle, a school bus, or a tank vehicle.

(c) An endorsement under Subsection (b) for a passenger vehicle or a school bus allows a permit holder to operate a vehicle with only the following passengers:

(1) federal or state auditors and inspectors, test examiners, or other permit holders; and

(2) the commercial driver's license holder required under Section 522.011(a)(2)(B).

(d) An endorsement under Subsection (b) for a tank vehicle allows a permit holder to operate only an empty tank vehicle that has been purged of any hazardous materials.

(e) The holder of a commercial driver's license or commercial learner's permit may not drive a vehicle that requires an endorsement unless the proper endorsement appears on the license or permit.

(f) [~~(e)~~] A person commits an offense if the person violates Subsection (c), (d), or (e) [~~(b)~~]. An offense under this section is a Class C misdemeanor.

SECTION _____. Section 522.051, Transportation Code, is amended by amending Subsections (a), (b), (c), (d), and (f) and adding Subsection (h) to read as follows:

(a) Except as provided by Subsection (f) and Sections 522.013(e), 522.033, and 522.054, an original commercial driver's license [~~or commercial driver learner's permit~~] expires five years after the applicant's next birthday.

(b) Except as provided by Section 522.054, a commercial driver's license [~~or commercial driver learner's permit~~] issued to a person holding a Texas Class A, B, C, or M license that would expire one year or more after the date of issuance of the commercial driver's license [~~or commercial driver learner's permit~~] expires five years after the applicant's next birthday.

(c) Except as provided by Section 522.054, a commercial driver's license [~~or commercial driver learner's permit~~] issued to a person holding a Texas Class A, B, C, or M license that would expire less than one year after the date of issuance of the commercial driver's license [~~or commercial driver learner's permit~~] or that has been expired for less than one year expires five years after the expiration date shown on the Class A, B, C, or M license.

(d) Except as provided by Section 522.054, a commercial driver's license [~~or commercial driver learner's permit~~] issued to a person holding a Texas Class A, B, C, or M license that has been expired for at least one year but not more than two years expires five years after the applicant's last birthday.

(f) Except as provided by Section 522.013, a non-domiciled [~~nonresident~~] commercial driver's license other than a temporary non-domiciled [~~nonresident~~] commercial driver's license under Section 522.013(e) expires on [~~the earlier of~~]:

(1) the earlier of:

(A) the first birthday of the license holder occurring after the fifth anniversary of the date of the application; or

(B) the expiration date of the license holder's lawful presence in the United States as determined by the appropriate United States agency in compliance with federal law [~~the expiration date of the visa presented under Section 522.021(a-1)(2)(B)~~]; or

(2) the first anniversary of the date of issuance, if there is no definitive expiration date for the applicant's authorized stay in the United States [~~expiration date of the Form I-94 Arrival/Departure record, or a successor document, presented under Section 522.021(a-1)(2)(C)~~].

(h) A commercial learner's permit expires on the earlier of:

(1) the expiration date of the driver's license or commercial driver's license;
or

(2) the 181st day after the date of issuance.

SECTION _____. Section 522.052(e), Transportation Code, is amended to read as follows:

(e) A commercial driver learner's permit may [~~not~~] be renewed once for an additional 180 days without requiring the applicant to retake the general and endorsement knowledge tests.

SECTION _____. Section 522.054(a), Transportation Code, is amended to read as follows:

(a) Each original commercial driver's license [~~and commercial driver learner's permit~~] of a person 85 years of age or older expires on the license holder's second birthday after the date of the license application.

SECTION _____. Section 522.0541, Transportation Code, is amended to read as follows:

Sec. 522.0541. DENIAL OF RENEWAL OF COMMERCIAL DRIVER LICENSE OR LEARNER PERMIT. (a) In the manner ordered by a court in another state in connection with a matter involving the violation of a state law or local ordinance relating to motor vehicle traffic control and on receipt of the necessary information from the other state, the department may deny renewal of the commercial driver's license or commercial learner's permit issued to a person by the department for the person's:

- (1) failure to appear in connection with a complaint or citation; [~~or~~]
- (2) failure to pay or satisfy a judgment ordering the payment of a fine and costs; or
- (3) failure to answer a citation or to pay fines, penalties, or costs related to the original violation.

(b) The information necessary under Subsection (a) may be transmitted through the commercial driver's license information system and must include:

- (1) the name, date of birth, and the commercial driver's license number of the license held by the person;
- (2) notice that the person failed to appear as required by law or failed to satisfy a judgment that ordered the payment of a fine and costs in the manner ordered by the court;
- (3) the nature of the violation; and
- (4) any other information required by the department.

(c) The department shall apply any notification received under Subsection (a) as a conviction to the person's driving record.

SECTION _____. Section 522.055, Transportation Code, is amended to read as follows:

Sec. 522.055. CLEARANCE NOTICE TO DEPARTMENT. On receipt of notice from the other state that the grounds for denial of the renewal of the commercial driver's license or commercial learner's permit based on the [~~license~~] holder's previous failure to appear or failure to pay a fine and costs previously reported by that state under Section 522.0541 have ceased to exist, the department shall renew the person's commercial driver's license or commercial learner's permit.

SECTION _____. Sections 522.061(a), (b), and (c), Transportation Code, are amended to read as follows:

(a) A person who holds or is required to hold a commercial driver's license or a commercial learner's permit under this chapter and who is convicted in another state of violating a state law or local ordinance relating to motor vehicle traffic control shall notify the department in the manner specified by the department not later than the seventh day after the date of conviction.

(b) A person who holds or is required to hold a commercial driver's license or commercial learner's permit under this chapter and who is convicted in this state or another state of violating a state law or local ordinance relating to motor vehicle traffic control, including a law regulating the operation of vehicles on highways, shall notify the person's employer in writing of the conviction not later than the seventh day after the date of conviction.

(c) A notification to the department or an employer must be in writing and must contain:

- (1) the driver's full name;
- (2) the driver's license or permit number;
- (3) the date of conviction;
- (4) the nature of the violation;
- (5) a notation of whether the violation was committed in a commercial motor vehicle;
- (6) the location where the offense was committed; and
- (7) the driver's signature.

SECTION _____. Section 522.062(a), Transportation Code, is amended to read as follows:

(a) If a person holds a driver's license, commercial driver's license, or commercial learner's permit issued by another state and is finally convicted of a violation of a state traffic law or local traffic ordinance that was committed in a commercial motor vehicle, the department shall notify the driver's licensing authority in the issuing state of that conviction, in the time and manner required by 49 U.S.C. Section 31311.

SECTION _____. Section 522.071(a), Transportation Code, as amended by Chapters 424 (S.B. 1372) and 499 (S.B. 333), Acts of the 80th Legislature, Regular Session, 2007, is reenacted and amended to read as follows:

(a) A person commits an offense if the person drives a commercial motor vehicle on a highway:

(1) after the person has been denied the issuance of a license or permit, unless the person has a driver's license appropriate for the class of vehicle being driven that was subsequently issued;

(2) during a period that a disqualification of the person's driver's license, permit, or privilege is in effect;

(3) while the person's driver's license or permit is expired, if the license or permit expired during a period of disqualification;

(4) during a period that the person was subject to an order prohibiting the person from obtaining a driver's license or permit; or

(5) during a period in which the person, the person's employer, or the vehicle being operated is subject to an out-of-service order.

SECTION _____. Section 522.071(b), Transportation Code, is amended to read as follows:

(b) It is not a defense to prosecution that the person had not received notice of a disqualification imposed as a result of a conviction that results in an automatic disqualification of the person's driver's license, permit, or privilege.

SECTION _____. Sections 522.081(a), (b), (e), and (g), Transportation Code, are amended to read as follows:

(a) This subsection applies to a violation committed while operating any motor vehicle, including a commercial motor vehicle. A person who holds a commercial driver's license or commercial learner's permit is disqualified from driving a commercial motor vehicle for:

(1) 60 days if convicted of:

(A) two serious traffic violations that occur within a three-year period;

or

(B) one violation of a law that regulates the operation of a motor vehicle at a railroad grade crossing; or

(2) 120 days if convicted of:

(A) three serious traffic violations arising from separate incidents occurring within a three-year period; or

(B) two violations of a law that regulates the operation of a motor vehicle at a railroad grade crossing that occur within a three-year period.

(b) Except as provided by this subsection, this [This] subsection applies to a violation committed while operating any type of motor vehicle, including a commercial motor vehicle~~[except as provided by this subsection]~~. A person who holds a commercial driver's license or commercial learner's permit is disqualified from driving a commercial motor vehicle for one year:

(1) if convicted of three violations of a law that regulates the operation of a motor vehicle at a railroad grade crossing that occur within a three-year period; or

(2) on first conviction of:

(A) driving a motor vehicle under the influence of alcohol or a controlled substance, including a violation of Section 49.04, 49.045, or 49.07, Penal Code;

(B) leaving the scene of an accident involving a motor vehicle driven by the person;

(C) using a motor vehicle in the commission of a felony, other than a felony described by Subsection (d)(2);

(D) causing the death of another person through the negligent or criminal operation of a motor vehicle; or

(E) driving a commercial motor vehicle while the person's commercial driver's license or commercial learner's permit is revoked, suspended, or canceled, or while the person is disqualified from driving a commercial motor vehicle, for an action or conduct that occurred while operating a commercial motor vehicle;

(3) for refusing to submit to a test under Chapter 724 to determine the person's alcohol concentration or the presence in the person's body of a controlled substance or drug while operating a motor vehicle in a public place; or

(4) if an analysis of the person's blood, breath, or urine under Chapter 522, 524, or 724 determines that the person:

(A) had an alcohol concentration of 0.04 or more, or that a controlled substance or drug was present in the person's body, while operating a commercial motor vehicle in a public place; or

(B) had an alcohol concentration of 0.08 or more while operating a motor vehicle, other than a commercial motor vehicle, in a public place.

(e) A person may not be issued a commercial driver's license or a commercial learner's permit and is disqualified from operating a commercial motor vehicle if, in connection with the person's operation of a commercial motor vehicle, the person commits an offense or engages in conduct that would disqualify the holder of a commercial driver's license from operating a commercial motor vehicle, or is determined to have had an alcohol concentration of 0.04 or more or to have had a

controlled substance or drug present in the person's body. The period of prohibition under this subsection is equal to the appropriate period of disqualification required by Subsections (a)-(d).

(g) A person who holds a commercial driver's license or commercial learner's permit is disqualified from operating a commercial motor vehicle if the person's driving is determined to constitute an imminent hazard under 49 C.F.R. Section 383.52. The disqualification is for the disqualification period imposed under that section and shall be noted on the person's driving record.

SECTION _____. Section 522.084, Transportation Code, is amended to read as follows:

Sec. 522.084. NOTIFICATION TO OTHER JURISDICTION. After disqualifying a person who has a domicile in another state or in a foreign jurisdiction, the department shall give notice of that fact to the licensing authority of the state that issued the person's driver's license, commercial driver's license, or commercial [driver] learner's permit.

SECTION _____. Section 522.087, Transportation Code, is amended by adding Subsection (d) to read as follows:

(d) A disqualification imposed under Section 522.081(a)(1)(B) or 522.081(b)(2) or (d)(2) takes effect on the 10th day after the date the department issues the order of disqualification.

SECTION _____. Section 522.089, Transportation Code, is amended to read as follows:

Sec. 522.089. EFFECT OF SUSPENSION, REVOCATION, CANCELLATION, OR DENIAL OF LICENSE OR PERMIT UNDER OTHER LAW. (a) A suspension, revocation, cancellation, or denial of a driver's license, permit, or privilege under Chapter 521 or another law of this state disqualifies the person under this chapter.

(b) If the department disqualifies a person under this chapter [disqualifies a person] for a longer period than the other law, the person is disqualified for the longer period.

SECTION _____. Effective January 30, 2014, Subchapter H, Chapter 522, Transportation Code, is amended by adding Section 522.093 to read as follows:

Sec. 522.093. SELF-CERTIFICATION OF MEDICAL STATUS. The department shall remove the commercial driver's license privilege from the holder of a commercial driver's license or a commercial learner's permit if the holder:

(1) fails to provide the department a self-certification of operating status; or
(2) fails to provide and maintain with the department a current medical examiner's certificate that is required based on the self-certification.

SECTION _____. Section 522.105(a), Transportation Code, is amended to read as follows:

(a) On receipt of a report under Section 522.104, the department shall disqualify the person from driving a commercial motor vehicle under Section 522.081 beginning on the 45th day after the date the report is received unless a hearing is granted.

SECTION _____. Section 524.001(10), Transportation Code, is amended to read as follows:

(10) "Driver's license" has the meaning assigned by Section 521.001. The term includes a commercial driver's license or a commercial [~~driver~~] learner's permit issued under Chapter 522.

SECTION _____. Section 543.007, Transportation Code, is amended to read as follows:

Sec. 543.007. NOTICE TO APPEAR: COMMERCIAL VEHICLE OR LICENSE. A notice to appear issued to the operator of a commercial motor vehicle or holder of a commercial driver's license or commercial [~~driver~~] learner's permit, for the violation of a law regulating the operation of vehicles on highways, must contain the information required by department rule, to comply with Chapter 522 and the federal Commercial Motor Vehicle Safety Act of 1986 (Title 49, U.S.C. Section 2701 et seq.).

SECTION _____. Section 543.202(b), Transportation Code, is amended to read as follows:

(b) The record must be made on a form or by a data processing method acceptable to the department and must include:

- (1) the name, address, physical description, including race or ethnicity, date of birth, and driver's license number of the person charged;
- (2) the registration number of the vehicle involved;
- (3) whether the vehicle was a commercial motor vehicle as defined by Chapter 522 or was involved in transporting hazardous materials;
- (4) the person's social security number, if the person was operating a commercial motor vehicle or was the holder of a commercial driver's license or commercial [~~driver~~] learner's permit;
- (5) the date and nature of the offense, including whether the offense was a serious traffic violation as defined by Chapter 522;
- (6) whether a search of the vehicle was conducted and whether consent for the search was obtained;
- (7) the plea, the judgment, whether the individual was adjudicated under Article 45.0511, Code of Criminal Procedure, and whether bail was forfeited;
- (8) the date of conviction; and
- (9) the amount of the fine or forfeiture.

SECTION _____. Subchapter I, Chapter 545, Transportation Code, is amended by adding Section 545.4255 to read as follows:

Sec. 545.4255. CERTAIN COMMUNICATIONS BY OPERATOR OF COMMERCIAL MOTOR VEHICLE PROHIBITED; OFFENSE. (a) In this section:

(1) "Driving" means operating a vehicle on a highway, including while temporarily stopped because of traffic, a traffic control device, or other momentary delays. The term does not include stationary operation of the vehicle alongside or off of a highway in a safe location.

(2) "Text message" means a message generated by manually entering alphanumeric characters into an electronic device. The term includes a short message service, e-mail, instant message, a command or request to access an Internet website, a voice communication using a wireless communication device that requires pressing more than one button to initiate or terminate, or any other form of electronic text for present or future communication.

(b) The operator of a commercial motor vehicle may not generate, send, or read a text message while driving the vehicle.

(c) A person who violates Subsection (b) commits an offense. An offense under this subsection is a Class C misdemeanor.

(d) This section does not apply to:

(1) an operator of a commercial motor vehicle who:

(A) inputs, selects, or reads information on a global positioning or navigation system;

(B) presses a single button to initiate or terminate a voice communication using a wireless communication device;

(C) uses a device capable of performing multiple functions, such as a fleet management system, dispatch service, smart phone, citizens band radio, or music player, in a manner that is not prohibited by this section; or

(D) communicates with law enforcement officials or other emergency services personnel; or

(2) a law enforcement officer, firefighter, or operator of an authorized emergency vehicle communicating while engaged in the performance of official duties.

SECTION _____. Article 62.060(a), Code of Criminal Procedure, is amended to read as follows:

(a) A person subject to registration under this chapter shall apply to the department in person for the issuance of, as applicable, an original or renewal driver's license under Section 521.272, Transportation Code, an original or renewal personal identification certificate under Section 521.103, Transportation Code, or an original or renewal commercial driver's license or commercial [~~driver~~] learner's permit under Section 522.033, Transportation Code, not later than the 30th day after the date:

(1) the person is released from a penal institution or is released by a court on community supervision or juvenile probation; or

(2) the department sends written notice to the person of the requirements of this article.

SECTION _____. Section 522.029(f), Transportation Code, as added by Chapter 1156 (S.B. 99), Acts of the 75th Legislature, Regular Session, 1997, is repealed.

SECTION _____. (a) The changes in law made by this Act to Sections 522.011, 522.042, and 522.071, Transportation Code, apply only to an offense that is committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this subsection, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

(b) The change in law made by this Act to Section 522.021, Transportation Code, applies only to an application for a license that is filed on or after the effective date of this Act.

(c) The changes in law made by this Act to Sections 522.029, 522.033, and 522.051, Transportation Code, apply only to a license or permit that is issued on or after the effective date of this Act.

The amendment to **HB 3523** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

On motion of Senator Paxton and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3523 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hegar.

HOUSE BILL 3523 ON THIRD READING

Senator Paxton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3523** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1.

Nays: Hegar.

MOMENT OF SILENCE OBSERVED

At the request of Senator Patrick, the Senate observed a moment of silence in honor of those affected by the tornadoes in Oklahoma.

BILLS AND RESOLUTIONS SIGNED

The President announced the signing of the following enrolled bills and resolutions in the presence of the Senate after the captions had been read:

HB 120, HB 150, HB 154, HB 220, HB 241, HB 242, HB 252, HB 308, HB 333, HB 402, HB 424, HB 436, HB 442, HB 455, HB 518, HB 616, HB 654, HB 693, HB 712, HB 729, HB 736, HB 802, HB 808, HB 809, HB 845, HB 885, HB 964, HB 995, HB 1043, HB 1188, HB 1191, HB 1237, HB 1256, HB 1259, HB 1385, HB 1427, HB 1448, HB 1491, HB 1492, HB 1506, HB 1514, HB 1580, HB 1589, HB 1772, HB 1920, HB 1969, HB 1973, HB 1982, HB 2006, HB 2015, HB 2034, HB 2137, HB 2213, HB 2254, HB 2300, HB 2465, HB 2482, HB 2760, HB 2929, HB 2952, HB 3064, HB 3152, HB 3561, HB 3568, HB 3729, HB 3889, HB 3925, HB 3935, HCR 40, HCR 51, HCR 56, HCR 68, HCR 84, HCR 87, HCR 96, HCR 102, HJR 147.

AT EASE

The President at 5:00 p.m. announced the Senate would stand At Ease subject to the call of the Chair.

IN LEGISLATIVE SESSION

Senator Eltife at 5:14 p.m. called the Senate to order as In Legislative Session.

**SESSION HELD FOR
LOCAL AND UNCONTESTED CALENDAR**

The Presiding Officer announced that the time had arrived to consider bills and resolutions placed on the Local and Uncontested Calendar.

Pursuant to Senate Rule 9.03(d), the following bills and resolutions were laid before the Senate in the order listed, read second time, amended where applicable, passed to engrossment or third reading, read third time, and passed. The votes on passage to engrossment or third reading, suspension of the Constitutional Three-day Rule, and final passage are indicated after each caption. All Members are deemed to have voted "Yea" on viva voce votes unless otherwise indicated.

HB 33 (Uresti)

Relating to alternative methods of dispute resolution in certain disputes between the Department of Aging and Disability Services and an assisted living facility licensed by the department.

(viva voce vote) (31-0) (31-0)

HB 35 (Deuell)

Relating to the authority of a property owners' association to regulate the use of certain lots for residential purposes.

(viva voce vote) (31-0) (31-0)

HB 115 (Uresti)

Relating to identification numbers on vessels.

(viva voce vote) (31-0) (31-0)

CSHB 326 (Huffman)

Relating to eligibility to serve on the appraisal review board of an appraisal district.

(viva voce vote) (31-0) (31-0)

HB 339 (Paxton)

Relating to the authority to propose the creation of a fire control, prevention, and emergency medical services district.

(viva voce vote) (31-0) (31-0)

HB 432 (Van de Putte)

Relating to charitable contributions by state employees to assist domestic victims of human trafficking.

(viva voce vote) (30-1) "Nay" Birdwell (30-1) "Nay" Birdwell

CSHB 474 (Hinojosa)

Relating to an optional procedure for the issuance of a permit by a certain regional mobility authority for the movement of oversize or overweight vehicles carrying cargo; authorizing a fee.

(viva voce vote) (31-0) (31-0)

HB 483 (Fraser)

Relating to a public hearing held on the issue of making a payment in excess of the compensation contracted for by a political subdivision.

(viva voce vote) (31-0) (31-0)

HB 588 (Uresti)

Relating to the regulation of the practice of physical therapy; authorizing fees.
(viva voce vote) (30-1) "Nay" Patrick (30-1) "Nay" Patrick

HB 646 (Uresti)

Relating to the requirements for members appointed to the Texas State Board of Examiners of Psychologists.
(viva voce vote) (31-0) (31-0)

CSHB 674 (Carona)

Relating to providing notice of certain proposed municipal zoning changes to a school district.
(viva voce vote) (31-0) (31-0)

HB 677 (Eltife)

Relating to the regulation and enforcement of dam safety by the Texas Commission on Environmental Quality.
(viva voce vote) (31-0) (31-0)

HB 698 (Estes)

Relating to certain procedures for submitting legible and classifiable fingerprints with an application for a license to carry a concealed handgun.
(viva voce vote) (31-0) (31-0)

CSHB 699 (Taylor)

Relating to the location of certain public sales of real property.
(viva voce vote) (31-0) (31-0)

HB 749 (Lucio)

Relating to a plan to increase outcomes in the summer food service program.
(viva voce vote) (29-2) "Nays" Birdwell, Patrick (29-2) "Nays" Birdwell, Patrick

CSHB 842 (Deuell)

Relating to the provision of certain opportunities to career and technical students by public school districts under the college credit program.
(viva voce vote) (31-0) (31-0)

CSHB 897 (Hinojosa)

Relating to instruction in cardiopulmonary resuscitation in secondary education curriculum.
(viva voce vote) (28-3) "Nays" Birdwell, Nichols, Paxton (28-3) "Nays" Birdwell, Nichols, Paxton

HB 908 (Uresti)

Relating to the assessment of an elderly or disabled person's psychological status for purposes of an emergency order authorizing protective services.
(viva voce vote) (31-0) (31-0)

HB 985 (Huffman)

Relating to the deadlines by which provisional ballots must be processed and the state canvass must be conducted for certain elections.
(viva voce vote) (31-0) (31-0)

HB 1018 (Nelson)

Relating to the establishment of community partnerships and the development of policy recommendations for increasing physical activity and improving fitness among public school students.

(viva voce vote) (31-0) (31-0)

HB 1047 (Estes)

Relating to the regulation of certain surety companies.

(viva voce vote) (31-0) (31-0)

HB 1081 (Rodríguez)

Relating to a study regarding the prohibition of dairy farming in certain areas of the state.

(viva voce vote) (31-0) (31-0)

HB 1086 (Eltife)

Relating to interruption of electric service by a residential landlord.

(viva voce vote) (31-0) (31-0)

CSHB 1093 (Deuell)

Relating to the composition of the Texas Private Security Board.

(viva voce vote) (31-0) (31-0)

CSHB 1097 (Paxton)

Relating to the amount of a fine for certain traffic offenses committed in a construction or maintenance work zone.

(viva voce vote) (31-0) (31-0)

HB 1183 (Lucio)

Relating to prohibited conduct by insurance adjusters, public insurance adjusters, and roofing contractors.

(viva voce vote) (31-0) (31-0)

(Senator Uresti in Chair)

HB 1241 (Deuell)

Relating to the adoption of rules by the Parks and Wildlife Commission to protect the public water of this state from the spread of aquatic invasive species.

(viva voce vote) (31-0) (31-0)

HB 1358 (Van de Putte)

Relating to procedures for certain audits of pharmacists and pharmacies.

(viva voce vote) (31-0) (31-0)

HB 1405 (Carona)

Relating to the collection of surplus lines insurance premium taxes for insurance placed with a managing underwriter.

(viva voce vote) (31-0) (31-0)

HB 1442 (Patrick)

Relating to the authority of a county to deposit fees collected by a county bail bond board in a separate county fund.

(viva voce vote) (31-0) (31-0)

HB 1458 (Deuell)

Relating to the designation of U.S. Highway 175 in Kaufman County as the Veterans Memorial Highway.

(viva voce vote) (31-0) (31-0)

HB 1503 (Eltife)

Relating to the appointment of building contractors to certain trade advisory boards of the Texas Department of Licensing and Regulation.

(viva voce vote) (31-0) (31-0)

CSHB 1545 (Ellis)

Relating to a study regarding the use of certain public transportation services by persons with disabilities.

(viva voce vote) (31-0) (31-0)

HB 1563 (Hegar)

Relating to fees of office for directors of groundwater conservation districts.

(viva voce vote) (30-1) "Nay" Paxton (30-1) "Nay" Paxton

HB 1593 (Whitmire)

Relating to the powers and duties of the Harris County Municipal Utility District No. 505; providing authority to issue bonds; providing authority to impose fees and taxes.

(viva voce vote) (31-0) (31-0)

HB 1594 (Whitmire)

Relating to the powers and duties of the Harris County Municipal Utility District No. 504; providing authority to issue bonds; providing authority to impose fees and taxes.

(viva voce vote) (31-0) (31-0)

CSHB 1605 (Huffman)

Relating to the establishment of a pilot program in Harris County to provide maternity care management to certain women enrolled in the Medicaid managed care program.

(viva voce vote) (30-1) "Nay" Paxton (30-1) "Nay" Paxton

HB 1607 (Nichols)

Relating to the authority of the commissioners court of a county to alter speed limits on county roads.

(viva voce vote) (31-0) (31-0)

HB 1690 (Nelson)

Relating to measures to prevent or control the entry into or spread in this state of certain communicable diseases; providing a penalty.

(viva voce vote) (31-0) (31-0)

HB 1753 (Hancock)

Relating to authorizing the board of regents of The University of Texas System to acquire certain property in the city of Arlington.

(viva voce vote) (31-0) (31-0)

HB 1777 (Rodríguez)

Relating to a study regarding the effects on international trade of wait times at points of entry between the United States and the United Mexican States.

(viva voce vote) (31-0) (31-0)

HB 1791 (Deuell)

Relating to the facilitation and operation of space flight activities in this state.
(viva voce vote) (31-0) (31-0)

HB 1800 (Whitmire)

Relating to the powers and duties of the Harris County Municipal Utility District No. 422; providing authority to issue bonds; providing authority to impose fees and taxes.
(viva voce vote) (31-0) (31-0)

HB 1801 (Whitmire)

Relating to the powers and duties of the Harris County Municipal Utility District No. 423; providing authority to issue bonds; providing authority to impose fees and taxes.
(viva voce vote) (31-0) (31-0)

HB 1807 (Hinojosa)

Relating to fever tick eradication; creating a penalty.
(viva voce vote) (31-0) (31-0)

HB 1819 (Seliger)

Relating to liability for injuring a trespassing sheep or goat.
(viva voce vote) (31-0) (31-0)

CSHB 1888 (Hinojosa)

Relating to low income housing tax credits awarded to at-risk developments.
(viva voce vote) (31-0) (31-0)

HB 1953 (Carona)

Relating to the payment for liquor by a retailer.
(viva voce vote) (31-0) (31-0)

HB 1970 (Rodríguez)

Relating to the authority of certain municipalities and counties to regulate subdivisions in the extraterritorial jurisdiction of a municipality by agreement.
(viva voce vote) (31-0) (31-0)

HB 1971 (Deuell)

Relating to a pilot program conducted by the Department of Aging and Disability Services to authorize certain accreditation surveys of assisted living facilities.
(viva voce vote) (31-0) (31-0)

HB 1979 (Carona)

Relating to interest on commercial loans.
(viva voce vote) (31-0) (31-0)

HB 2094 (Hinojosa)

Relating to the regulation of roadside vendors and solicitors in certain counties.
(viva voce vote) (31-0) (31-0)

HB 2111 (Nelson)

Relating to the transitional living services program for certain youth in foster care.
(viva voce vote) (31-0) (31-0)

HB 2134 (Carona)

Relating to the regulation of money services businesses.

(viva voce vote) (31-0) (31-0)

HB 2155 (Duncan)

Relating to eligibility of certain dependents for coverage under the state employee group benefits program.

(viva voce vote) (31-0) (31-0)

HB 2312 (Hegar)

Relating to the membership of and the beef marketing, education, research, and promotion programs of the Texas Beef Council.

(viva voce vote) (31-0) (31-0)

CSHB 2318 (Seliger)

Relating to public school educator preparation and alternative certification programs.

(viva voce vote) (31-0) (31-0)

HB 2356 (Nichols)

Relating to the designation of a portion of Recreational Road 255 in Jasper County as Sam Rayburn Parkway.

(viva voce vote) (31-0) (31-0)

HB 2509 (Carona)

Relating to the business leave time account for a police officer employee organization in certain municipalities.

(viva voce vote) (31-0) (31-0)

(Senator Hancock in Chair)**HB 2512** (Duncan)

Relating to the disclosure of certain information to the secretary of state for use in voter registration or the administration of elections.

(viva voce vote) (31-0) (31-0)

HB 2549 (Paxton)

Relating to the periodic review and revision of college and career readiness standards in public education.

(viva voce vote) (31-0) (31-0)

HB 2610 (Hegar)

Relating to the issuance of interest-bearing time warrants and certain notes by school districts.

(viva voce vote) (31-0) (31-0)

HB 2627 (Eltife)

Relating to the issuance of remedial plans to resolve complaints filed with the Texas Optometry Board; authorizing a fee.

(viva voce vote) (31-0) (31-0)

HB 2649 (Hinojosa)

Relating to the punishment for violating certain rules or permit terms under a permit to trap, transport, and transplant certain animals.

(viva voce vote) (31-0) (31-0)

HB 2662 (Patrick)

Relating to a personal financial literacy credit for high school programs.

(viva voce vote) (31-0) (31-0)

HB 2673 (Nelson)

Relating to the protection and care of individuals with intellectual and developmental disabilities.

(viva voce vote) (31-0) (31-0)

HB 2873 (Zaffirini)

Relating to the development of a model contract management process for use with low-risk state procurements.

(viva voce vote) (31-0) (31-0)

HB 2874 (Paxton)

Relating to the designation by the Texas Department of Motor Vehicles of the registration year for certain vehicles sold by a dealer.

(viva voce vote) (31-0) (31-0)

HB 3017 (Van de Putte)

Relating to determination of the amount of certain child support obligations.

(viva voce vote) (31-0) (31-0)

HB 3097 (Seliger)

Relating to the election of directors of the board of the Ector County Hospital District.

(viva voce vote) (31-0) (31-0)

HB 3102 (Duncan)

Relating to political parties' governance and conventions.

(viva voce vote) (31-0) (31-0)

HB 3137 (Lucio)

Relating to limiting the amount of a fee or assessment imposed by the Rio Grande Regional Water Authority.

(viva voce vote) (31-0) (31-0)

HB 3178 (Estes)

Relating to the Texas Statewide Mutual Aid System.

(viva voce vote) (31-0) (31-0)

CSHB 3201 (Nelson)

Relating to the practice of dentistry; imposing surcharges and fees.

(viva voce vote) (31-0) (31-0)

(Senator Schwertner in Chair)**HB 3212** (Estes)

Relating to the Red River Boundary Compact and the creation of the Red River Boundary Commission.

(viva voce vote) (31-0) (31-0)

CSHB 3253 (Nelson)

Relating to the notation of death on a birth certificate and the release of birth certificate information for certain purposes.

(viva voce vote) (31-0) (31-0)

CSHB 3279 (Hegar)

Relating to the uprooting of seagrass plants; creating an offense.

(viva voce vote) (30-1) "Nay" Paxton (30-1) "Nay" Paxton

HB 3285 (Nelson)

Relating to the reporting of health care associated infections.

(viva voce vote) (31-0) (31-0)

HB 3307 (Watson)

Relating to the manufacture of malt beverages, including under alternating brewery proprietorship and contract brewing arrangements.

(viva voce vote) (31-0) (31-0)

HB 3332 (Fraser)

Relating to junior college district territory annexation and program approval in certain counties.

(viva voce vote) (31-0) (31-0)

HB 3355 (Carona)

Relating to cable operators' attachments on distribution poles owned or controlled by electric cooperatives.

(viva voce vote) (31-0) (31-0)

HB 3412 (Estes)

Relating to the qualifications for certain positions with the Department of Public Safety of the State of Texas.

(viva voce vote) (31-0) (31-0)

CSHB 3567 (Estes)

Relating to the composition of the structural pest control advisory committee.

(viva voce vote) (31-0) (31-0)

HB 3676 (Paxton)

Relating to the application of restrictions on drivers under 18 years of age.

(viva voce vote) (31-0) (31-0)

HB 3795 (Hegar)

Relating to the creation of a county assistance district.

(viva voce vote) (31-0) (31-0)

HB 3800 (Hinojosa)

Relating to the recording and indexing of property owners' association management certificates in the county real property records.

(viva voce vote) (31-0) (31-0)

HB 3896 (Estes)

Relating to the Jack County Hospital District; authorizing the imposition of a tax.

(viva voce vote) (31-0) (31-0)

HB 3905 (Taylor)

Relating to the Angleton-Danbury Hospital District of Brazoria County, Texas.

(viva voce vote) (31-0) (31-0)

HCR 41 (Schwertner)

Designating Jewett as the Sculpture Capital of Texas and commemorating the third annual Leon County Art Trail.

(31-0)

HCR 104 (Seliger)

Encouraging school districts to adopt policies that promote the use of technology and technological devices in classrooms.

(31-0)

**BILLS REMOVED FROM
LOCAL AND UNCONTESTED CALENDAR**

Senator West and Senator Eltife requested in writing that **HB 1122** be removed from the Local and Uncontested Calendar.

Senator Carona and Senator Eltife requested in writing that **HB 3106** be removed from the Local and Uncontested Calendar.

Senator Carona and Senator Eltife requested in writing that **HB 1664** be removed from the Local and Uncontested Calendar.

Senator West and Senator Eltife requested in writing that **HCR 1** be removed from the Local and Uncontested Calendar.

**SESSION CONCLUDED FOR
LOCAL AND UNCONTESTED CALENDAR**

Senator Schwetner announced that the session to consider bills and resolutions placed on the Local and Uncontested Calendar was concluded.

AT EASE

The Presiding Officer at 5:53 p.m. announced the Senate would stand At Ease subject to the call of the Chair.

IN LEGISLATIVE SESSION

Senator Eltife at 6:25 p.m. called the Senate to order as In Legislative Session.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Monday, May 20, 2013 - 3

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

SB 8 Nelson Sponsor: Kolkhorst
Relating to the provision and delivery of certain health and human services in this state, including the provision of those services through the Medicaid program and the prevention of fraud, waste, and abuse in that program and other programs.
(Committee Substitute/Amended)

SB 24 Hinojosa Sponsor: Oliveira
Relating to the creation of a new university in South Texas within The University of Texas System.
(Amended)

SB 34 Zaffirini Sponsor: Naishtat
Relating to the administration of psychoactive medications to persons receiving services in certain facilities.

SB 58 Nelson Sponsor: Zerwas
Relating to the integration of behavioral health and physical health services into the Medicaid managed care program.
(Committee Substitute/Amended)

SB 124 Rodríguez Sponsor: Márquez
Relating to the punishment for the offense of tampering with certain governmental records based on certain reporting for school districts and open-enrollment charter schools.
(Amended)

SB 146 Williams Sponsor: Kolkhorst
Relating to access by a public institution of higher education to the criminal history record information of certain persons seeking to reside in on-campus housing.
(Amended)

SB 147 Deuell Sponsor: Smithee
Relating to the amount of outstanding total liability of a mortgage guaranty insurer.

SB 149 Nelson Sponsor: Keffer
Relating to the Cancer Prevention and Research Institute of Texas.
(Committee Substitute/Amended)

- SB 198** Watson Sponsor: Dukes
Relating to restrictive covenants regulating drought-resistant landscaping or water-conserving natural turf.
- SB 421** Zaffirini Sponsor: Naishtat
Relating to the Texas System of Care and the development of local mental health systems of care for certain children.
(Committee Substitute)
- SB 484** Whitmire Sponsor: Turner, Sylvester
Relating to the creation of a prostitution prevention program; authorizing a fee.
(Committee Substitute/Amended)
- SB 515** Eltife Sponsor: Smith
Relating to the sale and production of malt liquor, ale, and beer by the holder of a brewpub license.
- SB 516** Eltife Sponsor: Smith
Relating to the distribution of ale by certain brewers.
- SB 517** Eltife Sponsor: Smith
Relating to the distribution of beer by certain manufacturers.
- SB 518** Eltife Sponsor: Smith
Relating to the authority of certain brewers and manufacturers to sell beer and ale to ultimate consumers.
- SB 542** Watson Sponsor: Allen
Relating to alternative dispute resolution methods regarding educational services for students with disabilities, including individualized education program facilitation.
- SB 632** Carona Sponsor: Lozano
Relating to contracts between optometrists or therapeutic optometrists and health maintenance organizations or insurers.
- SB 639** Carona Sponsor: Geren
Relating to the sale of beer, ale, and malt liquor by a brewer or beer manufacturer to a wholesaler or distributor and contractual agreements between those entities.
- SB 652** Van de Putte Sponsor: Guillen
Relating to the transfer of alcoholic beverages for manufacturing purposes between certain permit and license holders.
(Amended)
- SB 758** Williams Sponsor: Pitts
Relating to the established schedule of payments from the foundation school fund of the yearly entitlement of certain school districts.
- SB 895** Davis Sponsor: Alvarado
Relating to access to records of a nonprofit organization supporting the Cancer Prevention and Research Institute of Texas under the public information law.
- SB 978** Deuell Sponsor: Davis, Sarah
Relating to regulation by the Texas Medical Board of local anesthesia and peripheral nerve blocks administered in an outpatient setting.

- SB 981** Van de Putte Sponsor: Menéndez
Relating to electric utility bill payment assistance programs for certain veterans burned in combat.
- SB 1017** Paxton Sponsor: Lavender
Relating to the funding for and administration of travel and information operations by the Texas Department of Transportation.
(Amended)
- SB 1057** Nelson Sponsor: Zerwas
Relating to information about private health care insurance coverage and the health insurance exchange for individuals applying for certain Department of State Health Services health or mental health benefits, services, and assistance.
- SB 1106** Schwertner Sponsor: Davis, John
Relating to the use of maximum allowable cost lists under a Medicaid managed care pharmacy benefit plan.
(Amended)
- SB 1114** Whitmire Sponsor: Herrero
Relating to the prosecution of certain misdemeanor offenses committed by children and to school district law enforcement.
- SB 1214** Schwertner Sponsor: Darby
Relating to certain economic development programs administered by the Department of Agriculture.
(Committee Substitute)
- SB 1356** Van de Putte Sponsor: McClendon
Relating to requiring trauma-informed care training for certain staff of county and state juvenile facilities.
(Amended)
- SB 1364** Schwertner Sponsor: Murphy
Relating to the computation of an electric utility's income taxes.
- SB 1390** Davis Sponsor: Davis, John
Relating to an audit by the state auditor of the Texas Enterprise Fund.
(Committee Substitute/Amended)
- SB 1401** Carona Sponsor: Rodriguez, Eddie
Relating to the eligibility of certain providers of laboratory services to participate in programs administered by health and human services agencies or the Health and Human Services Commission.
- SB 1411** Deuell Sponsor: Gooden
Relating to regulation of traffic in a conservation and reclamation district by a commissioners court.
(Amended)
- SB 1458** Duncan Sponsor: Callegari
Relating to contributions to, benefits from, and the administration of systems and programs administered by the Teacher Retirement System of Texas.
(Amended)

SB 1678

Deuell

Sponsor: Isaac

Relating to the events and expenses eligible for, reporting requirements concerning disbursements from, and a study by the comptroller of the Major Events trust fund and the Events trust fund.

(Committee Substitute/Amended)

SB 1729

Nichols

Sponsor: King, Ken

Relating to an agreement between the Department of Public Safety and a county for the provision of renewal and duplicate driver's license and other identification certificate services; authorizing a fee.

(Amended)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

HOUSE BILL 3739 ON SECOND READING

Senator Garcia moved to suspend the regular order of business to take up for consideration **HB 3739** at this time on its second reading:

HB 3739, Relating to the continued employment of municipal employees who become candidates for public office.

The motion prevailed.

Senators Fraser, Hancock, and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Garcia offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **HB 3739** (House engrossed version) to add "However, the employee is still expected to fulfill all the duties and responsibilities associated with their municipal employment." after "office." on page 1, line 16.

The amendment to **HB 3739** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Committee Amendment No. 1.

Senator Garcia offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3739** (senate committee printing) as follows:

(1) Immediately before SECTION 1 of the bill (page 1, between lines 23 and 24), insert the following:

SECTION 1. This Act shall be known as the Senator Mario Gallegos Act.

(2) Renumber subsequent SECTIONS of the bill accordingly.

The amendment to **HB 3739** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Garcia offered the following amendment to the bill:

Floor Amendment No. 2

Amend **HB 3739** (senate committee printing) in SECTION 1 of the bill, in added Section 150.041(c), Local Government Code (page 1, line 34), between "employee," and "because", by inserting "solely".

The amendment to **HB 3739** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

On motion of Senator Garcia and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3739 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Fraser, Hancock, Schwertner.

HOUSE BILL 3739 ON THIRD READING

Senator Garcia moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3739** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodriguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Fraser, Hancock, Schwertner.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 3813 ON SECOND READING**

On motion of Senator Watson and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 3813** at this time on its second reading:

CSHB 3813, Relating to municipal fire suppression standards in certain municipalities.

The bill was read second time.

Senator Watson offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3813** (senate committee printing) in SECTION 1 of the bill as follows:

(1) Strike added Section 342.901(c), Local Government Code (page 1, lines 47-51), and substitute the following:

(c) Before a municipality adopts an ordinance under this section, the municipality and the district described by Subsection (a)(3) that is subject to the proposed ordinance shall establish the scope of and estimate the costs associated with any capital improvements necessary to comply with the proposed ordinance.

(2) In added Section 342.901(d)(1), Local Government Code (page 1, line 56), after "additional", insert "capital improvement".

(3) In added Section 342.901(d)(2), Local Government Code (page 1, line 59), strike "different" and substitute "more stringent".

The amendment to **CSHB 3813** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Watson and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 3813 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

COMMITTEE SUBSTITUTE HOUSE BILL 3813 ON THIRD READING

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3813** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2806 ON SECOND READING

On motion of Senator Van de Putte and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2806** at this time on its second reading:

HB 2806, Relating to delinquent payment of an alcoholic beverage retailer's account for liquor.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2806 ON THIRD READING

Senator Van de Putte moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2806** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 1287 ON SECOND READING

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1287** at this time on its second reading:

HB 1287, Relating to the contents of an application by certain persons for an exemption from ad valorem taxation of the person's residence homestead.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 1287 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1287** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 4 ADOPTED

Senator Fraser called from the President's table the Conference Committee Report on **HB 4**. The Conference Committee Report was filed with the Senate on Friday, May 17, 2013.

On motion of Senator Fraser, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Seliger.

REASON FOR VOTE

Senator Seliger submitted the following reason for vote on the Conference Committee Report on **HB 4**:

I cast the sole dissenting vote on the Committee Substitute to House Bill 4 in the Senate. So important is sound governance and a forward-looking funding strategy for water issues, it seems necessary to explain a "no" vote on a significant change to the Texas Water Development Board.

Currently the Board consists of 6 volunteer members, appointed by the Governor. With the passage of **HB 4**, the new Board will be 3 full-time members, salaried, staffed, and appointed by the Governor. I don't believe that there is really enough work to be done to justify 9 new full-time employees. Six members currently represent the entire State of Texas where a 3 member Board is sure to be so limited as

to overwhelmingly represent urban Texas. The decision to appoint commissioners should be made without regional bias. Full-time employees and a 2.4 million dollar fiscal note seems unnecessarily abundant.

Secondly, the advisory committee empaneled by this legislation and composed mostly of legislators is a conflict of responsibilities between the executive and legislative branches of government. This commingling is rare, if not nonexistent in other agencies. It serves mainly to add to the state's bureaucracy and while I support legislative oversight, especially with two million dollars of taxpayer money at stake, I don't think the Legislature should micromanage the Texas Water Development Board. HB 4 even directs the advisory committee to dictate what the agency should and should not post on its website.

Lastly, as one who believes in local control, I find it difficult to comprehend how the state is going to dictate priorities for regional water planning areas. HB 4 has a laundry list of criteria for how the state is going to choose which projects to fund, and at the very bottom of the list is the priority given by the local folks. It is for all of these reasons that I felt compelled to cast a "no" vote for HB 4. As a representative of the Texas panhandle, where ours is an agricultural economy, water is essential to our continued success and existence. And while I am absolutely supportive of funding the State Water Plan, I think HB 4 was an irresponsible overreach.

SELIGER

REMARKS ORDERED PRINTED

On motion of Senator Fraser and by unanimous consent, the remarks by Senators Hinojosa and Fraser regarding **HB 4** were ordered reduced to writing and printed in the *Senate Journal* as follows:

Senator Hinojosa: In this bill, in the priority criteria, there is a reference to "up front capital."

Senator Fraser: That is correct.

Senator Hinojosa: Is it the intent of this legislation that "up front capital" includes capital that has already been invested in a project by an applicant?

Senator Fraser: That is correct.

Senator Hinojosa: And this makes good public policy because we wouldn't want to give any more of a priority to applicants who will make a local contribution than to those that already have made that contribution.

Senator Fraser: That is correct.

COMMITTEE SUBSTITUTE HOUSE BILL 1035 ON SECOND READING

On motion of Senator Patrick and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 1035** at this time on its second reading:

CSHB 1035, Relating to the filing of reports of political contributions and expenditures and of personal financial statements by certain officeholders and candidates.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1035 ON THIRD READING**

Senator Patrick moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1035** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1079 ON SECOND READING**

Senator Hancock moved to suspend the regular order of business to take up for consideration **CSHB 1079** at this time on its second reading:

CSHB 1079, Relating to procedural requirements for action by the Texas Commission on Environmental Quality on applications for production area authorizations.

The motion prevailed.

Senators Ellis, Garcia, Rodríguez, Uresti, and Watson asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Ellis, Garcia, Rodríguez, Uresti, Watson.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1079 ON THIRD READING**

Senator Hancock moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1079** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Van de Putte, West, Whitmire, Williams, Zaffirini.

Nays: Ellis, Garcia, Rodríguez, Uresti, Watson.

The bill was read third time and was passed by the following vote: Yeas 26, Nays 5. (Same as previous roll call)

HOUSE BILL 843 ON SECOND READING

On motion of Senator Lucio and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 843** at this time on its second reading:

HB 843, Relating to persons entitled to notice of and to participation in certain hearings regarding a child in the conservatorship of the state.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 843 ON THIRD READING

Senator Lucio moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 843** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3176 ON SECOND READING

On motion of Senator Taylor and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3176** at this time on its second reading:

HB 3176, Relating to the appointment of a board member of a property owners' association to fill a vacancy.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3176 ON THIRD READING

Senator Taylor moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3176** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2478 ON SECOND READING

On motion of Senator Watson and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2478** at this time on its second reading:

HB 2478, Relating to the collection, study, and reporting by the Texas Workforce Commission of certain information regarding shortages in high-wage, high-demand occupations.

The bill was read second time and was passed to third reading by a viva voce vote.

Al: Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hegar.

HOUSE BILL 2478 ON THIRD READING

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2478** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1.

Nays: Hegar.

HOUSE BILL 2454 ON SECOND READING

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2454** at this time on its second reading:

HB 2454, Relating to reimbursement of health care services rendered by a health care provider for an inmate of a county jail or another county correctional facility.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2454 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2454** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 508 ON SECOND READING

Senator Patrick moved to suspend the regular order of business to take up for consideration **HB 508** at this time on its second reading:

HB 508, Relating to certain offenses relating to carrying concealed handguns on property owned or leased by a governmental entity; providing a civil penalty.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Ellis, Garcia, Lucio, Rodríguez.

The bill was read second time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 508** (senate committee report) as follows:

(1) In SECTION 3 of the bill, in the transition language (page 2, line 29), between "SECTION 3." and "The change", insert "(a)".

(2) In SECTION 3 of the bill, in the transition language (page 2, line 30), strike "Section 46.035(c)" and substitute "Subsections (c) and (h-1), Section 46.035, and Subsection (a), Section 46.15".

(3) In SECTION 3 of the bill, in the transition language (page 2, between lines 36 and 37), insert the following:

(b) The change in law made by this Act to Subdivision (1), Subsection (a), Section 411.201, Government Code, applies only to an application to obtain or renew a license to carry a concealed handgun submitted on or after the effective date of this Act. An application submitted before the effective date of this Act is governed by the law in effect when the application was submitted, and the former law is continued in effect for that purpose.

(4) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Subsection (a), Section 411.1882, Government Code, is amended to read as follows:

(a) A person who is serving in this state as a judge or justice of a federal court, as an active judicial officer, as defined by Section 411.201, or as the holder of a statewide office, as defined by Section 1.005, Elections Code, a member of the house of representatives or the senate, the state prosecuting attorney or an assistant state prosecuting attorney, an assistant attorney general, United States attorney, assistant United States attorney, special assistant United States attorney, [a] district attorney, assistant district attorney, criminal district attorney, assistant criminal district attorney, county attorney, or assistant county attorney may establish handgun proficiency for the purposes of this subchapter by obtaining from a handgun proficiency instructor approved by the Commission on Law Enforcement Officer Standards and Education for purposes of Section 1702.1675, Occupations Code, a sworn statement that:

(1) indicates that the person, during the 12-month period preceding the date of the person's application to the department, demonstrated to the instructor proficiency in the use of handguns; and

(2) designates the categories of handguns with respect to which the person demonstrated proficiency.

SECTION _____. Subdivision (1), Subsection (a), Section 411.201, Government Code, is amended to read as follows:

(1) "Active judicial officer" means:

(A) a person serving as a judge or justice of the supreme court, the court of criminal appeals, a court of appeals, a district court, a criminal district court, a constitutional county court, a statutory county court, a justice court, or a municipal court;

- (B) a federal judge who is a resident of this state; or
- (C) a person appointed and serving as:

(i) an associate judge under Chapter 201, Family Code, or Chapter 54 or 54A; or
(ii) a master or magistrate under Chapter 54.

SECTION _____. Subsection (h-1), Section 46.035, Penal Code, as added by Chapters 1214 (H.B. 1889) and 1222 (H.B. 2300), Acts of the 80th Legislature, Regular Session, 2007, is reenacted and amended to read as follows:

(h-1) It is a defense to prosecution under Subsections (b) and (c) that the actor, at the time of the commission of the offense, was:

(1) a judge or justice of a federal court;

(2) an active judicial officer, as defined by Section 411.201, Government Code; ~~or~~

(3) ~~[(2)]~~ a bailiff designated by the active judicial officer and engaged in escorting the officer; or

(4) the holder of a statewide office, as defined by Section 1.005, Elections Code, a member of the house of representatives or the senate, the state prosecuting attorney, an assistant state prosecuting attorney, an assistant attorney general, or a United States attorney, assistant United States attorney, special assistant United States attorney, ~~[(3)-a]~~ district attorney, assistant district attorney, criminal district attorney, assistant criminal district attorney, county attorney, or assistant county attorney.

SECTION _____. Subsection (a), Section 46.15, Penal Code, is amended to read as follows:

(a) Sections 46.02 and 46.03 do not apply to:

(1) peace officers or special investigators under Article 2.122, Code of Criminal Procedure, and neither section prohibits a peace officer or special investigator from carrying a weapon in this state, including in an establishment in this state serving the public, regardless of whether the peace officer or special investigator is engaged in the actual discharge of the officer's or investigator's duties while carrying the weapon;

(2) parole officers and neither section prohibits an officer from carrying a weapon in this state if the officer is:

(A) engaged in the actual discharge of the officer's duties while carrying the weapon; and

(B) in compliance with policies and procedures adopted by the Texas Department of Criminal Justice regarding the possession of a weapon by an officer while on duty;

(3) community supervision and corrections department officers appointed or employed under Section 76.004, Government Code, and neither section prohibits an officer from carrying a weapon in this state if the officer is:

(A) engaged in the actual discharge of the officer's duties while carrying the weapon; and

(B) authorized to carry a weapon under Section 76.0051, Government Code;

(4) a judge or justice of a federal court or an active judicial officer as defined by Section 411.201, Government Code, who is licensed to carry a concealed handgun under Subchapter H, Chapter 411, Government Code;

(5) an honorably retired peace officer or federal criminal investigator who holds a certificate of proficiency issued under Section 1701.357, Occupations Code, and is carrying a photo identification that:

(A) verifies that the officer honorably retired after not less than 15 years of service as a commissioned officer; and

(B) is issued by a state or local law enforcement agency;

(6) the holder of a statewide office, as defined by Section 1.005, Elections Code, a member of the house of representatives or the senate, the state prosecuting attorney, or United States attorney, or a district attorney, criminal district attorney, county attorney, or municipal attorney who is licensed to carry a concealed handgun under Subchapter H, Chapter 411, Government Code;

(7) an assistant state prosecuting attorney, assistant attorney general, assistant United States attorney, special assistant United States attorney, assistant district attorney, assistant criminal district attorney, or assistant county attorney who is licensed to carry a concealed handgun under Subchapter H, Chapter 411, Government Code;

(8) a bailiff designated by an active judicial officer as defined by Section 411.201, Government Code, who is:

(A) licensed to carry a concealed handgun under Chapter 411, Government Code; and

(B) engaged in escorting the judicial officer; or

(9) a juvenile probation officer who is authorized to carry a firearm under Section 142.006, Human Resources Code.

The amendment to **HB 508** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Nays: Birdwell.

On motion of Senator Patrick and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 508 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Ellis, Garcia, Lucio, Rodríguez.

HOUSE BILL 508 ON THIRD READING

Senator Patrick moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 508** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Ellis, Garcia, Lucio, Rodríguez.

The bill was read third time and was passed by the following vote: Yeas 26, Nays 5. (Same as previous roll call)

REASON FOR VOTE

Senator Birdwell submitted the following reason for vote on **HB 508**:

Tcday, I voted against House Bill 508, which would prohibit a state agency or political subdivision from providing false notice to a CHL-holder that entering certain government premises with a concealed handgun is prohibited. Though I initially supported the bill, I ultimately voted against it due to the addition of an amendment allowing CHL-holding elected officials to carry their firearms in all locations prohibited to regular citizens. Though I am an unwavering proponent of Second Amendment rights, I could not in good conscience grant myself a privilege that I had failed to first grant law-abiding citizens. Concealed Handgun License holders are allowed to carry almost everywhere they go. In my judgment, if we are going to expand when and where Texans can legally carry a concealed firearm, we should start with our citizens—not our lawmakers.

BIRDWELL

HOUSE BILL 561 ON SECOND READING

On motion of Senator Seliger and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 561** at this time on its second reading:

HB 561, Relating to an exemption for land owned by a school from the additional tax imposed on the change of use of land appraised for ad valorem tax purposes as qualified open-space land.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 561 ON THIRD READING

Senator Seliger moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 561** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3668 ON SECOND READING

On motion of Senator Ellis and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3668** at this time on its second reading:

HB 3668, Relating to an individual's responsibilities following an accident reasonably likely to result in injury to or death of a person; imposing criminal penalties.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3668 ON THIRD READING

Senator Ellis moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3668** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

SENATE BILL 1238 WITH HOUSE AMENDMENT

Senator Hinojosa called **SB 1238** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1238** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the composition and duties of and investigations conducted by the Texas Forensic Science Commission, the administrative attachment of the Texas Forensic Science Commission to Sam Houston State University, the accreditation of criminal laboratories by the Department of Public Safety of the State of Texas, and the status of certain local government corporations as criminal justice agencies for the purpose of engaging in criminal identification activities, including forensic analysis.

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

SECTION 1. Section 2, Article 38.01, Code of Criminal Procedure, is amended to read as follows:

Sec. 2. DEFINITIONS [~~DEFINITION~~]. In this article:

(1) "Accredited field of forensic science" means a specific forensic method or methodology validated or approved by the public safety director of the Department of Public Safety under Section 411.0205(b-1)(2), Government Code, as part of the accreditation process for crime laboratories established by rule under Section 411.0205(b) of that code.

(2) "Commission" means the Texas Forensic Science Commission.

(3) "Crime laboratory" has the meaning assigned by Article 38.35.

(4) "Forensic analysis" means a medical, chemical, toxicologic, ballistic, or other expert examination or test performed on physical evidence, including DNA evidence, for the purpose of determining the connection of the evidence to a criminal action, except that the term does not include the portion of an autopsy conducted by a medical examiner or other forensic pathologist who is a licensed physician[, "forensic analysis" has the meaning assigned by Article 38.35(a)].

SECTION 2. Subsections (a) and (b), Section 3, Article 38.01, Code of Criminal Procedure, are amended to read as follows:

(a) The commission is composed of ~~[the following]~~ nine members[~~:-~~

~~[(1) four members]~~ appointed by the governor as follows:

~~(1) two members who [(A) two of whom]~~ must have expertise in the field of forensic science;

~~(2) [(B) one member who [of whom]~~ must be a prosecuting attorney that the governor selects from a list of 10 names submitted by the Texas District and County Attorneys Association;

~~(3) [and~~

~~[(C) one member who [of whom]~~ must be a defense attorney that the governor selects from a list of 10 names submitted by the Texas Criminal Defense Lawyers Association;

~~(4) one member who [(2) three members appointed by the lieutenant governor:~~

~~[(A) one of whom]~~ must be a faculty member or staff member of The University of Texas who specializes in clinical laboratory medicine that the governor selects [selected] from a list of 10 names submitted ~~[to the lieutenant governor]~~ by the chancellor of The University of Texas System;

~~(5) one member who [(B) one of whom]~~ must be a faculty member or staff member of Texas A&M University who specializes in clinical laboratory medicine that the governor selects [selected] from a list of 10 names submitted ~~[to the lieutenant governor]~~ by the chancellor of The Texas A&M University System;

~~(6) one member who [(C) one of whom]~~ must be a faculty member or staff member of Texas Southern University that the governor selects [who has expertise in pharmaceutical laboratory research selected] from a list of 10 names submitted ~~[to the lieutenant governor]~~ by the chancellor of Texas Southern University;

~~(7) one member who [and~~

~~[(3) two members appointed by the attorney general:~~

~~[(A) one of whom]~~ must be a director or division head of the University of North Texas Health Science Center at Fort Worth Missing Persons DNA Database; and

~~(8) one member who [(B) one of whom]~~ must be a faculty or staff member of the Sam Houston State University College of Criminal Justice and have expertise in the field of forensic science or statistical analyses that the governor selects [selected] from a list of 10 names submitted ~~[to the lieutenant governor]~~ by the chancellor of the Texas State University System.

(b) Each member of the commission serves a two-year term. The terms expire [term of the members appointed under Subsections (a)(1) and (2) expires] on September 1 of:

(1) each odd-numbered year, for a member appointed under Subsection (a)(1), (2), (3), or (4); and

(2) [The term of the members appointed under Subsection (a)(3) expires on September 1 of] each even-numbered year, for a member appointed under Subsection (a)(5), (6), (7), or (8).

SECTION 3. Section 4, Article 38.01, Code of Criminal Procedure, is amended by amending Subsections (a), (b), (d), and (e) and adding Subsections (a-1), (b-1), (b-2), (f), and (g) to read as follows:

(a) The commission shall:

(1) develop and implement a reporting system through which a crime laboratory may [accredited laboratories, facilities, or entities] report professional negligence or professional misconduct;

(2) require a crime laboratory [all laboratories, facilities, or entities] that conducts [conduct] forensic analyses to report professional negligence or professional misconduct to the commission; and

(3) investigate, in a timely manner, any allegation of professional negligence or professional misconduct that would substantially affect the integrity of the results of a forensic analysis conducted by a crime laboratory [an accredited laboratory, facility, or entity].

(a-1) The commission may initiate for educational purposes an investigation of a forensic analysis without receiving a complaint, submitted through the reporting system implemented under Subsection (a)(1), that contains an allegation of professional negligence or professional misconduct involving the forensic analysis conducted if the commission determines by a majority vote of a quorum of the members of the commission that an investigation of the forensic analysis would advance the integrity and reliability of forensic science in this state.

(b) If the commission conducts an [An] investigation under Subsection (a)(3) of a crime laboratory that is accredited by the Department of Public Safety under Section 411.0205, Government Code, pursuant to an allegation of professional negligence or professional misconduct involving an accredited field of forensic science, the investigation:

(1) must include the preparation of a written report that identifies and also describes the methods and procedures used to identify:

(A) the alleged negligence or misconduct;

(B) whether negligence or misconduct occurred; [and]

(C) any corrective action required of the laboratory, facility, or entity;

(D) observations of the commission regarding the integrity and reliability of the forensic analysis conducted;

(E) best practices identified by the commission during the course of the investigation; and

(F) other recommendations that are relevant, as determined by the commission; and

(2) may include one or more:

(A) retrospective reexaminations of other forensic analyses conducted by the laboratory, facility, or entity that may involve the same kind of negligence or misconduct; and

(B) follow-up evaluations of the laboratory, facility, or entity to review:

(i) the implementation of any corrective action required under Subdivision (1)(C); or

(ii) the conclusion of any retrospective reexamination under Paragraph (A).

(b-1) If the commission conducts an investigation under Subsection (a)(3) of a crime laboratory that is not accredited by the Department of Public Safety under Section 411.0205, Government Code, or the investigation is conducted pursuant to an allegation involving a forensic method or methodology that is not an accredited field of forensic science, the investigation may include the preparation of a written report that contains:

(1) observations of the commission regarding the integrity and reliability of the forensic analysis conducted;

(2) best practices identified by the commission during the course of the investigation; or

(3) other recommendations that are relevant, as determined by the commission.

(b-2) If the commission conducts an investigation of a forensic analysis under Subsection (a-1), the investigation must include the preparation of a written report that contains:

(1) observations of the commission regarding the integrity and reliability of the forensic analysis conducted;

(2) best practices identified by the commission during the course of the investigation; and

(3) other recommendations that are relevant, as determined by the commission.

(c) The commission may require that a crime laboratory [~~facility, or entity~~] investigated under this section pay any costs incurred to ensure compliance with Subsection (b), (b-1), or (b-2) [~~(b)(1)~~].

(e) The commission shall make all investigation reports completed under Subsection (b), (b-1), or (b-2) [~~(b)(1)~~] available to the public. A report completed under Subsection (b), (b-1), or (b-2) [~~(b)(1)~~], in a subsequent civil or criminal proceeding, is not prima facie evidence of the information or findings contained in the report.

(f) The commission may not make a determination of whether professional negligence or professional misconduct occurred or issue a finding on that question in an investigation initiated under Subsection (a-1) or for which an investigation report may be prepared under Subsection (b-1).

(g) The commission may not issue a finding related to the guilt or innocence of a party in an underlying civil or criminal trial involving conduct investigated by the commission under this article.

SECTION 4. Article 38.01, Code of Criminal Procedure, is amended by adding Sections 8, 9, 10, and 11 to read as follows:

Sec. 8. ANNUAL REPORT. Not later than December 1 of each year, the commission shall prepare and publish a report that includes:

(1) a description of each complaint filed with the commission during the preceding 12-month period, the disposition of each complaint, and the status of any complaint still pending on December 31;

(2) a description of any specific forensic method or methodology the commission recommends to the public safety director of the Department of Public Safety for validation or approval under Section 411.0205(b-1)(2), Government Code, as part of the accreditation process for crime laboratories established by rule under Section 411.0205(b) of that code;

(3) recommendations for best practices concerning the definition of "forensic analysis" provided by statute or by rule of the Department of Public Safety;

(4) developments in forensic science made or used in other state or federal investigations and the activities of the commission, if any, with respect to those developments; and

(5) other information that is relevant to investigations involving forensic science, as determined by the presiding officer of the commission.

Sec. 9. ADMINISTRATIVE ATTACHMENT TO SAM HOUSTON STATE UNIVERSITY. (a) The commission is administratively attached to Sam Houston State University.

(b) The Board of Regents of the Texas State University System shall provide administrative support to the commission as necessary to carry out the purposes of this article.

(c) Only the commission may exercise the duties of the commission under this article. Except as provided by Subsection (b), neither the Board of Regents of the Texas State University System nor Sam Houston State University has any authority or responsibility with respect to the duties of the commission under this article.

Sec. 10. OPEN RECORDS LIMITATION. Information that is filed as part of an allegation of professional misconduct or professional negligence or that is obtained during an investigation of an allegation of professional misconduct or professional negligence is not subject to release under Chapter 552, Government Code, until the conclusion of an investigation by the commission under Section 4.

Sec. 11. REPORT INADMISSIBLE AS EVIDENCE. A written report prepared by the commission under this article is not admissible in a civil or criminal action.

SECTION 5. Subchapter A, Chapter 411, Government Code, is amended by adding Section 411.0011 to read as follows:

Sec. 411.0011. CERTAIN LOCAL GOVERNMENT CORPORATIONS ENGAGED IN CRIMINAL IDENTIFICATION ACTIVITIES. For purposes of this chapter, a reference to "criminal justice agency" includes a local government corporation created under Subchapter D, Chapter 431, Transportation Code, for governmental purposes relating to criminal identification activities, including forensic analysis, that allocates a substantial part of its annual budget to those criminal identification activities.

SECTION 6. Section 411.0205, Government Code, is amended by adding Subsection (b-3) to read as follows:

(b-3) The director shall require that a laboratory, facility, or entity that must be accredited under this section, as part of the accreditation process, agree to consent to any request for cooperation by the Texas Forensic Science Commission that is made as part of the exercise of the commission's duties under Article 38.01, Code of Criminal Procedure.

SECTION 7. The term of a person appointed under former Subdivision (3), Subsection (a), Section 3, Article 38.01, Code of Criminal Procedure, as that law existed immediately before the effective date of this Act, expires September 1, 2014, and the governor shall appoint a person to fill each vacancy on that date in accordance with Subdivisions (7) and (8), Subsection (a), Section 3, Article 38.01, Code of Criminal Procedure, as amended by this Act. On the expiration of a term under former Subdivision (1) or (2), Subsection (a), Section 3, Article 38.01, Code of Criminal Procedure, as that law existed immediately before the effective date of this Act, the governor shall appoint a person to fill each vacancy in accordance with Subdivision (1), (2), (3), (4), (5), or (6), Subsection (a), Section 3, Article 38.01, Code of Criminal Procedure, as amended by this Act, as applicable.

SECTION 8. Not later than December 1, 2014, the Texas Forensic Science Commission shall submit the first annual report required by Section 8, Article 38.01, Code of Criminal Procedure, as added by this Act.

SECTION 9. 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, 2013.

The amendment was read.

Senator Hinojosa moved to concur in the House amendment to **SB 1238**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 1372 WITH HOUSE AMENDMENTS

Senator Hinojosa called **SB 1372** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 1372** (house committee report) as follows:

- (1) On page 1, strike lines 9-11.
- (2) On page 1, line 12, strike "221.082" and substitute "221.081" and renumber subsequent sections and cross-references in added Subchapter I, Chapter 221, Property Code, accordingly.
- (3) On page 1, line 13, strike "and to" and substitute "2".
- (4) On page 1, line 15, between "plan" and "regardless", insert ", and the association related to the timeshare plan,".
- (5) On page 1, line 18, strike "and to" and substitute "2".
- (6) On page 1, line 20, between "plan" and "created", insert ", and the association related to the timeshare plan,".
- (7) On page 2, line 1, strike "subchapter" and substitute "chapter".

(8) On page 10, line 16, strike "2" and substitute "or".

(9) On page 10, line 17, strike ", or any other purpose".

(10) On page 10, line 19, strike "subchapter" and substitute "chapter".

(11) On page 12, between lines 13 and 14, insert the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter A, Chapter 221, Property Code, is amended by adding Section 221.004 to read as follows:

Sec. 221.004. CONFLICTS OF LAW. (a) The provisions of this chapter prevail over a conflicting or inconsistent provision of law applicable to timeshare owners' associations.

(b) Provisions of this code relating to property owners' associations do not apply to an association subject to this chapter.

(12) On page 13, lines 13 and 14, strike "unless the project instrument provides otherwise, provisions required by Subchapter I" and substitute "the provisions required by Subchapter I to be included in a project instrument unless the provisions are included in one or more other project instruments".

Floor Amendment No. 2

Amend **SB 1372** (house committee report), as follows:

(1) On page 14, line 7, strike "Subsection (a)".

(2) On page 14, line 8, between "amended" and "to read", insert "by adding Subsection (e)".

(3) Strike page 14, line 9, through page 15, line 13, and substitute the following:

(e) A person, other than an owner of a timeshare interest who purchased the interest from a developer for the person's own personal use and occupancy, commits a false, misleading, or deceptive act or practice within the meaning of Sections 17.46(a) and (b), Business & Commerce Code, and an unconscionable action or course of action as defined by Section 17.45, Business & Commerce Code, by knowingly participating, for consideration or with the expectation of consideration, in any plan or scheme a purpose of which is to transfer a timeshare interest to a transferee who does not have the ability, means, or intent to pay all assessments and taxes for the timeshare interest. An association or other managing entity does not commit an act or action as described by this subsection by performing administrative acts and collecting fees or expenses as customary or required by law or under the project instruments in connection with a transfer by an owner of a timeshare interest in the timeshare property.

The amendments were read.

Senator Hinojosa moved to concur in the House amendments to **SB 1372**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 734 WITH HOUSE AMENDMENTS

Senator Carona called **SB 734** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 734** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the licensing of captive insurance companies; authorizing fees and authorizing and imposing taxes.

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

SECTION 1. Subtitle B, Title 3, Insurance Code, is amended by adding Chapter 223A to read as follows:

CHAPTER 223A. CAPTIVE INSURANCE PREMIUM TAX

Sec. 223A.001. DEFINITION. In this chapter, "captive insurance company" means a captive insurance company holding a certificate of authority under Chapter 964.

Sec. 223A.002. APPLICABILITY OF CHAPTER. This chapter applies to a captive insurance company holding a certificate of authority under Chapter 964.

Sec. 223A.003. TAX IMPOSED; RATE. (a) An annual tax is imposed on each captive insurance company that receives gross premiums subject to taxation under this chapter. The rate of the tax is one-half percent of the company's taxable premium receipts for a calendar year.

(b) Except as provided by Subsection (c), in determining a captive insurance company's taxable premium receipts, the captive insurance company shall include the total gross amounts of premiums, membership fees, assessments, dues, revenues, and other considerations for insurance written by the captive insurance company in a calendar year from any kind of insurance written by the company on each kind of property or risk without regard to the location of the property or risk.

(c) The following premium receipts are not included in determining a captive insurance company's taxable premium receipts:

(1) premium receipts received from another authorized insurer for reinsurance;

(2) returned premiums and dividends paid to policyholders; and

(3) premiums excluded by another law of this state.

(d) In determining a captive insurance company's taxable premium receipts, a company is not entitled to a deduction for premiums paid for reinsurance.

(e) The annual minimum aggregate tax to be paid by a captive insurance company under this chapter is \$7,500 and the annual maximum aggregate tax to be paid by a company under this chapter is \$200,000. Gross premiums subject to taxation under this chapter are not subject to taxes, surcharges, or other regulatory assessments or fees under this code other than insurance maintenance taxes as provided by Section 964.068.

Sec. 223A.004. TAX DUE DATES. (a) The total tax imposed by this chapter is due and payable not later than March 1 after the end of the calendar year for which the tax is due.

(b) A captive insurance company that had a net tax liability for the previous calendar year of more than \$1,000 shall make semiannual prepayments of tax on March 1 and August 1. The tax paid on each date must be equal to 50 percent of the total amount of tax the company paid under this chapter for the previous calendar

year. If the company did not pay a tax under this chapter during the previous calendar year, the tax paid on each date must be equal to the tax that would be owed on the aggregate of the gross premiums for the two previous calendar quarters.

(c) The comptroller may refund any overpayment of taxes that results from the semiannual prepayment system prescribed by this section.

Sec. 223A.005. TAX REPORT. (a) A captive insurance company liable for the tax imposed by this chapter must file annually with the comptroller a tax report on a form prescribed by the comptroller.

(b) The tax report is due on the date the tax is due under Section 223A.004(a).

Sec. 223A.006. CHANGE IN DUE DATES. (a) The comptroller by rule may change the dates for reporting and paying taxes under this chapter to improve operating efficiencies within the agency.

(b) A change by the comptroller in a reporting or payment date must retain the system of semiannual prepayments prescribed by Section 223A.004.

Sec. 223A.007. CREDIT FOR FEES PAID. (a) A captive insurance company is entitled to a credit on the amount of tax due under this chapter for all examination and evaluation fees paid to this state during the calendar year for which the tax is due. The limitations provided by Sections 803.007(1) and (2)(B) for a domestic insurance company apply to a captive insurance company.

(b) The credit provided by this section is in addition to any other credit authorized by statute.

Sec. 223A.008. FAILURE TO PAY TAXES. A captive insurance company that fails to pay all taxes imposed by this chapter is subject to Section 203.002 of this code and Subtitles A and B, Title 2, Tax Code.

SECTION 2. Subtitle H, Title 6, Insurance Code, is amended by adding Chapter 964 to read as follows:

CHAPTER 964. CAPTIVE INSURANCE COMPANIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 964.001. DEFINITIONS. (a) In this chapter:

(1) "Affiliated company" or "affiliate" has the meaning assigned by Section 823.003 and includes a parent entity that controls a captive insurance company.

(2) "Captive insurance company" means a company that holds a certificate of authority under this chapter to insure the operational risks of the company's affiliates or risks of a controlled unaffiliated business.

(3) "Captive management company" means an entity providing administrative services to a captive insurance company.

(4) "Control" means the power to direct, or cause the direction of, the management and policies of an entity, other than the power that results from an official position with or corporate office held in the entity. The power may be possessed directly or indirectly by any means, including through the ownership of voting securities or by contract, other than a commercial contract for goods or nonmanagement services.

(5) "Controlled unaffiliated business" means a person:

(A) that is not an affiliate;

(B) that has an existing contractual relationship with an affiliate under which the affiliate bears a potential financial loss; and

(C) the risks of which are managed by a captive insurance company under Section 964.066.

(6) "Operational risk" means any potential financial loss of an affiliate, except for a loss arising from an insurance policy issued by a captive or insurance affiliate.

(7) "Redomestication" means the transfer to or from this state of the insurance domicile of an authorized captive insurer.

(b) Notwithstanding Section 30.003, in this chapter, "person" has the meaning assigned by Section 311.005, Government Code.

Sec. 964.002. APPLICABILITY OF OTHER LAWS. (a) Except as otherwise provided by this chapter, this code does not apply to a captive insurance company except:

- (1) Title 2;
- (2) Chapter 223A and Subtitles A and C, Title 3;
- (3) Chapter 401;
- (4) Chapter 441;
- (5) Chapter 443; and
- (6) Chapter 803.

(b) A captive insurance company operating under this chapter is subject to the Business Organizations Code, including the requirement to be authorized by the secretary of state, to the extent those laws do not conflict with this chapter.

(c) Chapter 823 applies to a captive insurance company only if the company is affiliated with another insurer that is subject to Chapter 823.

SUBCHAPTER B. CAPTIVE INSURANCE COMPANIES

Sec. 964.051. AUTHORITY TO WRITE DIRECT BUSINESS. (a) Except as provided by this section, a captive insurance company may write any type of insurance, but may only insure the operational risks of the company's affiliates and risks of a controlled unaffiliated business.

(b) A captive insurance company may not issue:

- (1) life insurance;
- (2) annuities;
- (3) accident and health insurance for the company's parent and affiliates, except to insure employee benefits that are subject to the Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et seq.);

- (4) title insurance;
- (5) mortgage guaranty insurance;
- (6) financial guaranty insurance;
- (7) residential property insurance;
- (8) personal automobile insurance; or
- (9) workers' compensation insurance.

(c) A captive insurance company may not issue a type of insurance, including automobile liability insurance, that is required, under the laws of this state or a political subdivision of this state, as a prerequisite for obtaining a license or permit if the law requires that the liability insurance be issued by an insurer authorized to engage in the business of insurance in this state.

(d) A captive insurance company is authorized to issue a contractual reimbursement policy to:

(1) an affiliated certified self-insurer authorized under Chapter 407, Labor Code, or a similar affiliated entity expressly authorized by analogous laws of another state; or

(2) an affiliate that is insured by a workers' compensation insurance policy with a negotiated deductible endorsement.

Sec. 964.052. AUTHORITY TO PROVIDE REINSURANCE. (a) A captive insurance company may provide reinsurance to an insurer covering the operational risks of the captive insurance company's affiliates or risks of a controlled unaffiliated business that the captive insurance company may insure directly under Section 964.051 and:

(1) employee benefit plans offered by affiliates;

(2) liability insurance an affiliate must maintain as a prerequisite for obtaining a license or permit if the law requires maintenance of the liability insurance; and

(3) workers' compensation insurance and employer liability policies issued to affiliates if the insurer that directly issues workers' compensation insurance and employer's liability policies or its licensed, if required by law, administrator or adjuster:

(A) services all claims incurred during the policy period; and

(B) complies with all requirements for an insurer under this code, including Chapter 462, and under Title 5, Labor Code.

(b) A captive insurance company shall provide notice to the commissioner of a reinsurance agreement that the company becomes a party to not later than the 30th day after the date of the execution of the agreement.

(c) A captive insurance company shall provide notice of a termination of a previously filed reinsurance agreement to the commissioner not later than the 30th day after the date of termination.

(d) A captive insurance company may take credit for reserves on risks or portions of risks ceded to reinsurers under Subchapter C, Chapter 492, and Subchapter C, Chapter 493.

Sec. 964.053. FORMATION. (a) A captive insurance company must be formed for the purpose of engaging in the business of insurance under this chapter.

(b) A captive insurance company may be formed and operated in any form of business organization authorized under the Business Organizations Code except a risk retention group or general partnership. A captive insurance company may only be formed as a nonprofit corporation if it is controlled by a nonprofit corporation.

(c) The certificate of formation of a captive insurance company must include:

(1) the name of the company, which may not be the same as, deceptively similar to, or likely to be confused with or mistaken for any other existing business name registered in this state;

(2) the location of the company's principal business office;

(3) the type of insurance business in which the company proposes to engage;

(4) the number of directors or members of the governing body of the company;

(5) the number of authorized shares and the par value of the company's capital stock for a captive insurance company formed as a corporation;

(6) the amount of the company's initial capital and surplus; and

(7) any other information required by the commissioner as necessary to explain the company's objectives, management, and control.

(d) The board of directors or governing body of a captive insurance company formed in this state must have at least three members, and at least one of the members must be a resident of this state.

(e) The certificate of formation or bylaws of a captive insurance company must authorize a quorum of the board of directors or governing body to consist of not fewer than one-third of the fixed number of directors or members of the governing body.

Sec. 964.054. RESERVES AND ACCOUNTING BASIS. (a) A captive insurance company shall maintain reserves in an amount stated in the aggregate to provide for the payment of all losses or claims for which the captive insurance company may be liable and that are:

(1) incurred on or before the date of the annual report under Section 964.060, whether reported or unreported; and

(2) unpaid as of the date of the annual report under Section 964.060.

(b) In addition to the reserves required by Subsection (a), a captive insurance company shall maintain reserves in an amount estimated to provide for the expenses of adjustment or settlement of the losses or claims described by Subsection (a).

(c) The captive insurance company shall use generally accepted accounting principles as an accounting basis except that a captive insurance company that is required to hold a certificate of authority under another jurisdiction's insurance laws shall use statutory accounting principles.

Sec. 964.055. CERTIFICATE OF AUTHORITY REQUIRED. (a) An entity may not engage in business as a captive insurance company domiciled in this state unless it holds a certificate of authority issued by the department to act as a captive insurance company. A captive insurance company, when permitted by its certificate of formation, may apply for a certificate of authority under this chapter.

(b) An entity does not qualify for a certificate of authority under this chapter unless:

(1) its affiliates have significant operations in this state, as determined by the commissioner;

(2) its board of directors or governing body holds at least one meeting each year in this state;

(3) it maintains its principal office and books and records in this state, unless the commissioner grants an application to relocate the entity's books and records under Chapter 803; and

(4) it complies with Section 804.101 or 804.102.

Sec. 964.056. CAPITAL AND SURPLUS REQUIREMENTS. (a) The department may not issue a certificate of authority to a captive insurance company unless the company possesses and maintains unencumbered capital and surplus in an amount determined by the commissioner after considering:

(1) the amount of premium written by the captive insurance company;
(2) the characteristics of the assets held by the captive insurance company;
(3) the terms of reinsurance arrangements entered into by the captive insurance company;

(4) the type of business covered in policies issued by the captive insurance company;

(5) the underwriting practices and procedures of the captive insurance company; and

(6) any other criteria that has an impact on the operations of the captive insurance company determined to be significant by the commissioner.

(b) The amount of capital and surplus determined by the commissioner under Subsection (a) may not be less than \$250,000.

(c) The capital and surplus required by Subsection (a) must be in the form of:

(1) United States currency;

(2) an irrevocable letter of credit, in a form approved by the commissioner and not secured by a guarantee from an affiliate, naming the commissioner as beneficiary for the security of the captive insurance company's policyholders and issued by a bank approved by the commissioner;

(3) bonds of this state; or

(4) bonds or other evidences of indebtedness of the United States, the principal and interest of which are guaranteed by the United States.

Sec. 964.057. APPLICATION FOR CERTIFICATE OF AUTHORITY. (a) To obtain a certificate of authority for a captive insurance company, the incorporators or organizers must pay to the commissioner an application fee and file with the commissioner an application for the certificate of authority, which must include:

(1) a financial statement certified by two principal officers;

(2) a plan of operation and projections, which must include an actuarial report prepared by a qualified independent actuary;

(3) the captive insurance company's certificate of formation;

(4) an affidavit by the incorporators, organizers, or officers of the captive insurance company stating that:

(A) the capital and surplus are the bona fide property of the company;

and

(B) the certificate of formation is true and correct; and

(5) if the application provides for the issuance of shares of stock or other type of equity instrument without par value, a certificate authenticated by the incorporators or officers stating:

(A) the number of shares or other type of equity instrument without par value that are subscribed; and

(B) the actual consideration received by the captive insurance company for those shares or other type of equity instrument.

(b) If the commissioner is not satisfied with the affidavit filed under Subsection (a)(4), the commissioner may require that the incorporators, organizers, or officers provide at their expense additional evidence as described by Subsection (a) before the commissioner takes action on the application.

(c) The application fee required under this section is \$1,500 or a greater amount set by the commissioner by rule as necessary to recover the cost of administering this section.

(d) Notwithstanding Subsection (c), for a complete application filed on or before December 30, 2018, the application fee may not exceed \$1,500. This subsection expires January 1, 2019.

(e) Fees collected under this section shall be deposited to the credit of the Texas Department of Insurance operating account.

Sec. 964.058. EXAMINATION BY COMMISSIONER. (a) After the application and application fee for a certificate of authority under Section 964.057 are filed with the department and the applicant has complied with all legal requirements, the commissioner shall conduct an examination of the applicant to determine whether:

(1) the minimum capital and surplus requirements of Section 964.056 are satisfied;

(2) the capital and surplus are the bona fide property of the applicant; and

(3) the applicant has fully complied with applicable insurance laws.

(b) The commissioner may appoint a competent and disinterested person to conduct the examination required by this section. The examiner shall file an affidavit of the examiner's findings with the commissioner. The commissioner shall record the affidavit.

Sec. 964.059. ACTION ON APPLICATION. (a) The commissioner shall determine whether:

(1) the capital structure of the applicant meets the requirements of this chapter;

(2) the officers or directors of the applicant have sufficient insurance experience, ability, standing, and good record to make success of the captive insurance company probable;

(3) the applicant is acting in good faith; and

(4) the applicant otherwise satisfies the requirements of this chapter.

(b) In evaluating the application, the commissioner shall consider:

(1) the amount and liquidity of the applicant's assets relative to the risks to be assumed;

(2) the adequacy of the expertise, experience, and character of each individual who will manage the applicant;

(3) the overall soundness of the applicant's plan of operations and the projections contained in that plan;

(4) whether the applicant's affiliates have significant operations located in this state; and

(5) any other factors the commissioner considers relevant to determine whether the applicant will be able to meet its policy obligations.

(c) If the commissioner determines that the applicant has not met the standards set out by Subsection (a), the commissioner shall deny the application in writing, giving the reason for the denial. On the applicant's request, the commissioner shall hold a hearing on a denial. Not later than the 30th day after the date the commissioner receives the applicant's request for a hearing, the commissioner shall set a hearing date.

(d) If the commissioner does not deny the application under Subsection (c), the commissioner shall approve the application and:

(1) issue to the applicant a certificate of authority to engage in business as provided for in the applicant's certificate of formation;

(2) certify and file the approved document with the department; and

(3) issue a certified copy of the certificate of authority to the applicant's incorporators or officers.

(e) A certificate of authority issued to a captive insurance company under this section may not be sold.

Sec. 964.060. ANNUAL REPORT. (a) A captive insurance company holding a certificate of authority under this chapter is not required to file a report, except as provided by this section, Chapter 223A, and Subtitle C, Title 3.

(b) A captive insurance company that holds a certificate of authority to engage in captive insurance business in this state shall file with the commissioner:

(1) on or before March 1 of each year, a statement of the company's financial condition, verified by two of its executive officers and filed in a format prescribed by the commissioner; and

(2) on or before June 1 of each year, a report of its financial condition at last year-end with an independent certified public accountant's opinion of the company's financial condition.

(c) A captive insurance company may make a written application to the commissioner for filing its annual report required under this section on a fiscal year-end. If an alternative filing date is granted, the company shall file:

(1) the annual report not later than the 60th day after the date of the company's fiscal year-end;

(2) the report of its financial condition at last year-end with an independent certified public accountant's opinion of the company's financial condition not later than the 150th day after the date the annual report is due; and

(3) its balance sheet, income statement, and statement of cash flows, verified by two of its executive officers, before March 1 of each year to provide sufficient detail to support a premium tax return.

Sec. 964.061. INVESTMENTS. (a) A captive insurance company is not subject to a restriction on allowable investments, except as provided by this section.

(b) A captive insurance company may make loans to its affiliates with the prior approval of the commissioner. Each loan must be evidenced by a note approved by the commissioner. A captive insurance company may not make a loan of the minimum capital and surplus funds required by this chapter.

(c) The commissioner may prohibit or limit an investment that threatens the solvency or liquidity of a captive insurance company.

Sec. 964.062. AMENDMENTS TO CERTIFICATE OF FORMATION. A captive insurance company may not amend its certificate of formation unless the amendment has been filed with and approved by the commissioner.

Sec. 964.063. NOTICE OF DIVIDENDS. A captive insurance company shall notify the commissioner in writing when issuing policyholder dividends.

Sec. 964.064. PROHIBITION ON JOINING OR CONTRIBUTING TO CERTAIN ENTITIES AND FUNDS. A captive insurance company may not join or contribute financially to any plan, pool, association, or guaranty or insolvency fund in this state, and a captive insurance company, its insured, or any affiliate is not entitled to receive any benefit from a plan, pool, association, or guaranty or insolvency fund for claims arising out of the operations of the company.

Sec. 964.065. SUSPENSION OR REVOCATION OF CERTIFICATE OF AUTHORITY. The commissioner, after notice and an opportunity for hearing, may revoke or suspend the certificate of authority of a captive insurance company for:

- (1) insolvency or impairment of required capital or surplus to policyholders;
- (2) failure to submit an annual report, as required by Section 964.060;
- (3) failure to comply with the provisions of its own charter or bylaws;
- (4) failure to submit to examination, as required by Chapter 401;
- (5) failure to pay the cost of examination, as required by Chapter 401;
- (6) failure to pay any tax or fee required by this code;
- (7) removal of its principal office or books and records from this state

without prior approval of the commissioner;

(8) use of practices that render its operation detrimental to the public or its condition unsound; or

- (9) failure to otherwise comply with the laws of this state.

Sec. 964.066. STANDARDS FOR RISK MANAGEMENT OF CONTROLLED UNAFFILIATED BUSINESS. The commissioner may adopt rules establishing standards to ensure that an affiliated company is able to exercise control of the risk management function of any controlled unaffiliated business to be insured by the captive insurance company. Until rules under this section are adopted, the commissioner may approve the coverage of these risks by a captive insurance company.

Sec. 964.067. CAPTIVE MANAGERS. Before providing captive management services to a licensed captive insurance company, a captive management company shall register with the commissioner by providing the information required on a form adopted by the commissioner.

Sec. 964.068. MAINTENANCE TAX. A captive insurance company is subject to maintenance tax under Subtitle C, Title 3, on direct premiums for risks located in this state as applicable to the individual lines of business written by the captive insurance company.

Sec. 964.069. RULEMAKING AUTHORITY. The commissioner may adopt reasonable rules as necessary to implement the purposes and provisions of this chapter.

Sec. 964.070. CONFIDENTIALITY. (a) Any information filed by an applicant or captive insurance company under this chapter is confidential and privileged for all purposes, including for purposes of Chapter 552, Government Code, a response to a subpoena, or evidence in a civil action. Except as provided by Subsections (b) and (c), the information may not be disclosed without the prior written consent of the applicant or captive insurance company to which the information pertains.

(b) If the recipient of the information described by Subsection (a) has the legal authority to maintain the confidential or privileged status of the information and verifies that authority in writing, the commissioner or another person may disclose the information to any of the following entities functioning in an official capacity:

(1) a commissioner of insurance or an insurance department of another state;

(2) an authorized law enforcement official;

(3) a district attorney of this state;

(4) the attorney general;

(5) a grand jury;

(6) the National Association of Insurance Commissioners if the captive insurance company is affiliated with an insurance company that is part of an insurance holding company system as described in Chapter 823;

(7) another state or federal regulator if the applicant or captive insurance company to which the information relates operates in the entity's jurisdiction;

(8) an international insurance regulator or analogous financial agency if the captive insurance company is affiliated with an insurance company that is part of an insurance holding company system as described in Chapter 823 and the holding company system operates in the entity's jurisdiction; or

(9) members of a supervisory college described by Section 823.0145, if the captive insurance company is affiliated with an insurance company that is part of an insurance holding company system as described in Chapter 823.

(c) The commissioner may use information described by Subsection (a) in the furtherance of a legal or regulatory action relating to the administration of this code.

Sec. 964.071. REDOMESTICATION. (a) An authorized foreign or alien captive insurance company licensed under laws of any jurisdiction may become a domestic captive insurance company in this state on a determination by the commissioner that the authorized foreign or alien captive insurance company has complied with all of the requirements of this chapter for the issuance of a certificate of authority to, and the Business Organizations Code for converting to an entity of this state for, a domestic captive insurance company of the same type.

(b) A domestic captive insurance company, on the approval of the commissioner, may transfer its domicile. On the transfer, the captive insurance company ceases to be a domestic captive insurance company. The commissioner shall approve any proposed transfer unless the commissioner determines the transfer is not in the best interest of the policyholders.

(c) The commissioner may postpone or waive the imposition of any fees or taxes under this code for a period not to exceed two years for any foreign or alien captive insurance company redomesticating to this state.

SECTION 3. Section 203.001(b), Insurance Code, is amended to read as follows:

(b) Except as otherwise provided by this code or the Labor Code, an insurer or health maintenance organization subject to a tax imposed by Chapter 4, 221, 222, 223A, 224, or 257 may not be required to pay any additional tax imposed by this state or a county or municipality in proportion to the insurer's or health maintenance organization's gross premium receipts.

SECTION 4. Section 228.001(11), Insurance Code, is amended to read as follows:

(11) "State premium tax liability" means:

(A) any liability incurred by any person under Chapter 221, 222, 223, 223A, or 224; or

(B) if the tax liability imposed under Chapter 221, 222, 223, or 224 is eliminated or reduced, any tax liability imposed on an insurer or other person that had premium tax liability under Subchapter A, Chapter 4, or Article 9.59 as those laws existed on January 1, 2003.

SECTION 5. Section 171.052(a), Tax Code, is amended to read as follows:

(a) Except as provided by Subsection (c), an insurance organization, title insurance company, or title insurance agent authorized to engage in insurance business in this state now required to pay an annual tax under Chapters 221, 222, 223, 223A, and 224 [~~Chapter 4 or 9~~], Insurance Code, measured by its gross premium receipts is exempted from the franchise tax. A nonadmitted insurance organization that is required to pay a gross premium receipts tax during a tax year is exempted from the franchise tax for that same tax year.

SECTION 6. As soon as practicable after the effective date of this Act, but not later than January 1, 2014, the commissioner of insurance shall adopt rules and procedures necessary to implement Chapter 964, Insurance Code, as added by this Act.

SECTION 7. 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, 2013.

Floor Amendment No. 1

Amend **CSSB 734** (house committee printing) as follows:

(1) On page 19, line 11, strike "direct" and substitute "the correctly reported gross".

(2) On page 19, line 12, strike "for" and substitute "from writing insurance on".

The amendments were read.

Senator Carona moved to concur in the House amendments to **SB 734**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 1461 WITH HOUSE AMENDMENT

Senator Carona called **SB 1461** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1461** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to addition of certain municipalities to the territory of a regional transportation authority.

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

SECTION 1. Section 452.6025, Transportation Code, is amended to read as follows:

Sec. 452.6025. ADDITION OF CERTAIN MUNICIPALITIES BY ELECTION. (a) In this section, "special sales and use tax" means a sales and use tax levied by a municipality that is in excess of one percent[-

~~(1) a sales and use tax levied by a municipality under:~~

~~[(A) Chapter 504 or 505, Local Government Code;~~

~~[(B) Section 379A.081, Local Government Code, for the benefit of a municipal development corporation; or~~

~~[(C) Section 363.055, Local Government Code, for the benefit of a crime control and prevention district; or~~

~~[(2) an additional municipal sales and use tax levied by a municipality under Chapter 321, Tax Code].~~

(b) This section applies only to a municipality that levies a special sales and use tax that, when combined with the authority's sales and use tax, would result in a sales and use tax rate of more than two percent in the territory of the municipality.

(c) A [Notwithstanding Section 452.606, a] municipality that does not have territory that is [not] part of an authority may be added to the territory of an authority on a date determined by the executive committee if:

(1) any part of the territory of the municipality is located in a county in which the authority has territory or in a county that is adjacent to a county in which the authority has territory;

(2) the executive committee states, by resolution, the authority's intention to provide transportation services in the territory of the municipality;

(3) [(2)] the governing body of the municipality calls an election on the addition of the territory of the municipality to the territory of the authority; and

(4) [(3)] a majority of the votes cast in the election favor the proposition.

(d) The election in a municipality to approve the addition of the territory of the municipality to the territory of the authority is to be treated for all purposes as an election to reduce the rate of the municipality's special sales and use tax, on the effective date determined by the executive committee, to the highest rate that will not impair the imposition of the authority's sales and use tax.

(e) At any time after the date of the election approving the addition of the territory of the municipality to the territory of the authority, the executive committee and the governing body of the municipality may enter into an interlocal agreement that provides for the eventual admission of the territory of the municipality to the territory of the authority.

(f) Notwithstanding Section 452.607, a sales and use tax imposed by the authority takes effect in the territory of the municipality on the first day of the first calendar quarter that begins after the date the comptroller receives a certified copy of an order adopted by the executive committee adding the territory of the municipality, accompanied by a map of the authority clearly showing the territory added.

SECTION 2. 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, 2013.

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 1461**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 1664 ON SECOND READING

On motion of Senator Carona and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1664** at this time on its second reading:

HB 1664, Relating to the regulation of banks, trust companies, and bank holding companies.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 1664 ON THIRD READING

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1664** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 1721 ON SECOND READING

On motion of Senator Carona and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1721** at this time on its second reading:

HB 1721, Relating to use of the Nationwide Mortgage Licensing System and Registry in connection with the regulatory authority of the consumer credit commissioner; affecting fees.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 1721 ON THIRD READING

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1721** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

SENATE BILL 215 WITH HOUSE AMENDMENTS (Motion In Writing)

Senator Birdwell submitted a Motion In Writing to call **SB 215** from the President's table for consideration of the House amendments to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 215** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the continuation and functions of the Texas Higher Education Coordinating Board, including related changes to the status and functions of the Texas Guaranteed Student Loan Corporation.

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

SECTION 1. Section 61.0511, Education Code, is transferred to Subchapter G, Chapter 51, Education Code, and redesignated as Section 51.359, Education Code, to read as follows:

Sec. 51.359 [~~61.0511~~]. **ROLE AND MISSION STATEMENT.** Each institution of higher education shall develop a statement regarding the role and mission of the institution reflecting the three missions of higher education: teaching, research, and public service.

SECTION 2. Section 51.406, Education Code, is amended by adding Subsection (d) to read as follows:

(d) At least every five years, the Texas Higher Education Coordinating Board shall reevaluate its rules and policies to ensure the continuing need for the data requests the coordinating board imposes on university systems, institutions of higher education, or private or independent institutions of higher education. The coordinating board shall consult with those entities to identify unnecessary data requests and shall eliminate data requests identified as unnecessary from its rules and policies. In this subsection, "private or independent institution of higher education" has the meaning assigned by Section 61.003.

SECTION 3. Subdivisions (2) and (3), Section 56.451, Education Code, are amended to read as follows:

(2) "Eligible institution" means:

(A) a general academic teaching institution, other than a public state college [~~an institution of higher education~~]; [~~or~~]

(B) a medical and dental unit that offers baccalaureate degrees; or

(C) a private or independent institution of higher education that offers baccalaureate degree programs.

(3) "General academic teaching institution," "medical and dental unit," "private or independent institution of higher education," and "public state ~~junior~~ college." [~~and "public technical institute"~~] have the meanings assigned by Section 61.003.

SECTION 4. Subsection (b), Section 56.452, Education Code, is amended to read as follows:

(b) The purpose of this subchapter is to provide no-interest loans to eligible students to enable those students to earn baccalaureate degrees at [~~attend all~~] public and private or independent institutions of higher education in this state.

SECTION 5. Section 56.455, Education Code, is amended to read as follows:

Sec. 56.455. INITIAL ELIGIBILITY FOR LOAN. To be eligible initially for a Texas B-On-time loan, a person must:

(1) be a resident of this state under Section 54.052 or be entitled, as a child of a member of the armed forces of the United States, to pay tuition at the rate provided for residents of this state under Section 54.241;

(2) meet one of the following academic requirements:

(A) be a graduate of a public or private high school in this state who graduated not earlier than the 2002-2003 school year under the recommended or advanced high school program established under Section 28.025(a) or its equivalent;

(B) be a graduate of a high school operated by the United States Department of Defense who:

(i) graduated from that school not earlier than the 2002-2003 school year; and

(ii) at the time of graduation from that school was a dependent child of a member of the armed forces of the United States; or

(C) have received an associate degree from an [eligible] institution of higher education or private or independent institution of higher education not earlier than May 1, 2005;

(3) be enrolled for a full course load for an undergraduate student, as determined by the coordinating board, in a baccalaureate [~~an undergraduate~~] degree [~~or certificate~~] program at an eligible institution;

(4) be eligible for federal financial aid, except that a person is not required to meet any financial need requirement applicable to a particular federal financial aid program; and

(5) comply with any additional nonacademic requirement adopted by the coordinating board under this subchapter.

SECTION 6. Subsection (a), Section 56.456, Education Code, is amended to read as follows:

(a) After initially qualifying for a Texas B-On-time loan, a person may continue to receive a Texas B-On-time loan for each semester or term in which the person is enrolled at an eligible institution only if the person:

(1) is enrolled for a full course load for an undergraduate student, as determined by the coordinating board, in a baccalaureate ~~[an undergraduate]~~ degree ~~[or certificate]~~ program at an eligible institution;

(2) is eligible for federal financial aid, except that a person is not required to meet any financial need requirement applicable to a particular federal financial aid program;

(3) makes satisfactory academic progress toward a degree ~~[or certificate]~~ as determined by the institution at which the person is enrolled, if the person is enrolled in the person's first academic year at the institution;

(4) completed at least 75 percent of the semester credit hours attempted by the person in the most recent academic year and has a cumulative grade point average of at least 2.5 on a four-point scale or the equivalent on all coursework previously attempted at institutions of higher education or private or independent institutions of higher education, if the person is enrolled in any academic year after the person's first academic year; and

(5) complies with any additional nonacademic requirement adopted by the coordinating board.

SECTION 7. Subsections (a) and (b), Section 56.459, Education Code, are amended to read as follows:

(a) The amount of a Texas B-On-time loan for a semester or term for a student enrolled full-time at an eligible institution other than an institution covered by Subsection (b) ~~[(c), or (d)]~~ is an amount determined by the coordinating board as the average statewide amount of tuition and required fees that a resident student enrolled full-time in a baccalaureate ~~[an undergraduate]~~ degree program would be charged for that semester or term at general academic teaching institutions.

(b) The amount of a Texas B-On-time loan for a student enrolled full-time at a private or independent institution of higher education is an amount determined by the coordinating board as the average statewide amount of tuition and required fees that a resident student enrolled full-time in a baccalaureate ~~[an undergraduate]~~ degree program would be charged for that semester or term at general academic teaching institutions.

SECTION 8. Sections 56.461 and 56.462, Education Code, are amended to read as follows:

Sec. 56.461. LOAN PAYMENT DEFERRED. The repayment of a Texas B-On-time loan received by a student under this subchapter is deferred as long as the student remains continuously enrolled in a baccalaureate ~~[an undergraduate]~~ degree ~~[or certificate]~~ program at an eligible institution.

Sec. 56.462. LOAN FORGIVENESS. A student who receives a Texas B-On-time loan shall be forgiven the amount of the student's loan if the student is awarded a baccalaureate ~~[an undergraduate certificate or]~~ degree at an eligible institution with a cumulative grade point average of at least 3.0 on a four-point scale or the equivalent:

(1) within:

(A) four calendar years after the date the student initially enrolled in ~~the~~ institution of higher education or private or independent institution of higher education ~~[or another eligible institution]~~ if:

~~[(i) the institution is a four-year institution; and~~

~~[(ii)] the student is awarded a degree other than a degree in engineering, architecture, or any other program determined by the coordinating board to require more than four years to complete; or~~

~~(B) five calendar years after the date the student initially enrolled in an [the] institution of higher education or private or independent institution of higher education [or another eligible institution] if:~~

~~[(i) the institution is a four-year institution; and~~

~~[(ii)] the student is awarded a degree in engineering, architecture, or any other program determined by the coordinating board to require more than four years to complete; [or~~

~~[(C) two years after the date the student initially enrolled in the institution or another eligible institution if the institution is a public junior college or public technical institute;] or .~~

(2) with a total number of semester credit hours, including transfer credit hours and excluding hours earned exclusively by examination, hours earned for a course for which the student received credit toward the student's high school academic requirements, and hours earned for developmental coursework that an institution of higher education required the student to take under Section 51.3062 or under the former provisions of Section 51.306, that is not more than six hours more than the minimum number of semester credit hours required to complete the ~~[certificate or]~~ degree.

SECTION 9. Subchapter A, Chapter 57, Education Code, is amended by adding Section 57.011 to read as follows:

Sec. 57.011. STATUS OF TEXAS GUARANTEED STUDENT LOAN CORPORATION. (a) The Texas Guaranteed Student Loan Corporation is converted as provided by this section from a public nonprofit corporation created by general law to a nonprofit corporation under Chapter 22, Business Organizations Code.

(b) On or immediately after September 1, 2013, to effectuate the conversion under Subsection (a), the corporation shall file a certificate of formation with the secretary of state or, if the secretary of state determines it appropriate, the corporation shall file a certificate of conversion under Chapter 10, Business Organizations Code.

(c) The corporation as converted under this section continues in existence uninterrupted from the date of its creation, September 1, 1979. The secretary of state shall recognize the continuous existence of the corporation from that date in the certificate of formation or certificate of conversion, as applicable.

(d) The corporation continues to serve as the designated guaranty agency for the State of Texas under the Higher Education Act of 1965 (20 U.S.C. Section 1001 et seq.).

(e) Student loan borrower information collected, assembled, or maintained by the corporation is confidential and is not subject to public disclosure.

SECTION 10. Section 57.01, Education Code, is transferred to Section 61.002, Education Code, redesignated as Subsection (c), Section 61.002, Education Code, and amended to read as follows:

(c) Postsecondary ~~[Sec. 57.01. DECLARATION OF POLICY. The legislature, giving due consideration to the historical and continuing interest of the people of the State of Texas in encouraging deserving and qualified persons to realize their aspirations for education beyond high school, finds and declares that postsecondary]~~ education for qualified Texans ~~[those]~~ who desire to pursue such ~~[an]~~ education ~~[and are properly qualified therefor]~~ is important to the welfare and security of this state and the nation and, consequently, is an important public purpose. The legislature finds and declares that the state can achieve its full economic and social potential only if every individual has the opportunity to contribute to the full extent of the individual's ~~[his or her]~~ capabilities and only when financial barriers to the individual's ~~[his or her]~~ economic, social, and educational goals are removed. In order to facilitate the removal of those barriers, the board, in consultation with one or more nonprofit entities with experience providing the services on a statewide basis, may ~~[It is, therefore, the purpose of this chapter to establish the Texas Guaranteed Student Loan Corporation to:~~

~~[(1) administer a guaranteed student loan program to assist qualified Texas students in receiving a postsecondary education in this state or elsewhere in the nation; and~~

~~[(2) provide necessary and desirable services related to financial aid services~~ [the loan program], including cooperative awareness efforts with appropriate educational and civic associations designed to disseminate postsecondary education awareness information, including information regarding available grant and loan programs and ~~[student financial aid and the Federal Family Education Loan Program, and other relevant topics including]~~ the prevention of student loan default.

SECTION 11. Section 61.0211, Education Code, is amended to read as follows:

Sec. 61.0211. SUNSET PROVISION. The Texas Higher Education Coordinating Board is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and this chapter expires September 1, 2025 ~~[2013]~~.

SECTION 12. Subsection (a), Section 61.022, Education Code, is amended to read as follows:

(a) The board shall consist of nine members appointed by the governor so as to provide representation from all areas of the state with the advice and consent of the senate, and as the constitution provides. One-third of the members must possess experience in the field of higher education governance or administration so that the board includes experience from both general academic teaching institutions and public junior colleges or public technical institutes. In making an appointment under this section, the governor may consider appointing a person with experience in higher education governance or administration from a private or independent institution of higher education. Members of the board serve staggered six-year terms. The terms of one-third of the members expire August 31 of each odd-numbered year.

SECTION 13. Subsection (d), Section 61.025, Education Code, is amended to read as follows:

(d) The board shall develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any issue under the jurisdiction of the board, including a policy to specifically provide, as an item on the board's agenda at each meeting, an opportunity for public comment before the board makes a decision on any agenda item.

SECTION 14. Section 61.026, Education Code, is amended to read as follows:

Sec. 61.026. COMMITTEES AND ADVISORY COMMITTEES. (a) The chair ~~chairman~~ may appoint committees from the board's membership as the chair ~~he~~ or the board considers ~~may find~~ necessary ~~[from time to time]~~.

(b) The board may appoint advisory committees from outside its membership as the board considers ~~it may deem~~ necessary. Chapter 2110, Government Code, applies to an advisory committee appointed by the chair or the board. The board shall adopt rules, in compliance with Chapter 2110, Government Code, regarding an advisory committee that primarily functions to advise the board, including rules governing an advisory committee's purpose, tasks, reporting requirements, and abolishment date. A board member may not serve on a board advisory committee.

(c) The board may adopt rules under this section regarding an advisory committee's:

(1) size and quorum requirements;

(2) qualifications for membership, including experience requirements and geographic representation;

(3) appointment procedures;

(4) terms of service; and

(5) compliance with the requirements for open meetings under Chapter 551, Government Code.

(d) Each advisory committee must report its recommendations directly to the board.

SECTION 15. Subchapter B, Chapter 61, Education Code, is amended by adding Section 61.0331 to read as follows:

Sec. 61.0331. NEGOTIATED RULEMAKING REQUIRED. (a) The board shall engage affected institutions of higher education in a negotiated rulemaking process as described by Chapter 2008, Government Code, if:

(1) at any time the board determines that the development of a policy, procedure, or rule is likely to be controversial; or

(2) not later than the 15th day after the date notice of a potential policy, procedure, or rule is provided to the affected institutions, in the Texas Register or otherwise, at least one-half of the affected institutions request negotiated rulemaking and agree to share the costs of the process, including those of the facilitator.

(b) The board shall determine the sharing of costs under this section by rule.

(c) This section expires September 1, 2017.

SECTION 16. Subchapter B, Chapter 61, Education Code, is amended by adding Section 61.035 to read as follows:

Sec. 61.035. COMPLIANCE MONITORING. (a) The board, in consultation with affected stakeholders, shall adopt rules to establish an agency-wide, risk-based compliance monitoring function for:

(1) funds allocated by the board to institutions of higher education, private or independent institutions of higher education, and other entities, including student financial assistance funds, academic support grants, and any other grants, to ensure that those funds are distributed in accordance with applicable law and board rule; and

(2) data reported by institutions of higher education to the board and used by the board for funding or policymaking decisions, including data used for formula funding allocations, to ensure the data is reported accurately.

(b) For purposes of this section, student financial assistance includes grants, scholarships, loans, and work-study.

(c) After considering potential risks and the board's resources, the board shall review a reasonable portion of the total funds allocated by the board and of data reported to the board. The board shall use various levels of monitoring, according to risk, ranging from checking reported data for errors and inconsistencies to conducting comprehensive audits, including site visits.

(d) In developing the board's risk-based approach to compliance monitoring under this section, the board shall consider the following factors relating to an institution of higher education or private or independent institution of higher education:

(1) the amount of student financial assistance or grant funds allocated to the institution by the board;

(2) whether the institution is required to obtain and submit an independent audit;

(3) the institution's internal controls;

(4) the length of time since the institution's last desk review or site visit;

(5) past misuse of funds or misreported data by the institution;

(6) in regard to data verification, whether the data reported to the board by the institution is used for determining funding allocations; and

(7) other factors as considered appropriate by the board.

(e) The board shall train compliance monitoring staff to ensure that the staff has the ability to monitor both funds compliance and data reporting accuracy. Program staff in other board divisions who conduct limited monitoring and contract administration shall coordinate with the compliance monitoring function to identify risks and avoid duplication.

(f) If the board determines through its compliance monitoring function that funds awarded by the board to an institution of higher education or private or independent institution of higher education have been misused or misallocated by the institution, the board shall present its determination to the institution's governing board, or to the institution's chief executive officer if the institution is a private or independent institution of higher education, and provide an opportunity for a response from the institution. Following the opportunity for response, the board shall report its determination and the institution's response, together with any recommendations, to the institution's governing board or chief executive officer, as applicable, the governor, and the Legislative Budget Board.

(g) If the board determines through its compliance monitoring function that an institution of higher education has included errors in the institution's data reported for formula funding, the board:

(1) for a public junior college, may adjust the appropriations made to the college for a fiscal year as necessary to account for the corrected data; and

(2) for a general academic teaching institution, a medical and dental unit, or a public technical institute, shall calculate a revised appropriation amount for the applicable fiscal year based on the corrected data and report that revised amount to the governor and Legislative Budget Board for consideration as the basis for budget execution or other appropriate action, and to the comptroller.

(h) In conducting the compliance monitoring function under this section, the board may partner with internal audit offices at institutions of higher education and private or independent institutions of higher education, as institutional resources allow, to examine the institutions' use of funds allocated by, and data reported to, the board. To avoid duplication of effort and assist the board in identifying risk, an internal auditor at an institution shall notify the board of any audits conducted by the auditor involving funds administered by the board or data reported to the board. A private or independent institution of higher education shall notify the board of any external audits involving funds administered by the board. The board by rule may determine the timing and format of the notification required by this subsection.

(i) The board may seek technical assistance from the state auditor in establishing the compliance monitoring function under this section. The state auditor may periodically audit the board's compliance monitoring function as the state auditor considers appropriate.

(j) In this section:

(1) "Desk review" means an administrative review by the board that is based on information reported by an institution of higher education or private or independent institution of higher education, including supplemental information required by the board for the purposes of compliance monitoring, except that the term does not include information or accompanying notes gathered by the board during a site visit.

(2) "Site visit" means an announced or unannounced in-person visit by a representative of the board to an institution of higher education or private or independent institution of higher education for the purposes of compliance monitoring.

SECTION 17. Section 61.051, Education Code, is amended by amending Subsections (a), (a-1), (a-2), and (a-3) and adding Subsection (a-5) to read as follows:

(a) The board represents ~~shall represent~~ the highest authority in the state in matters of public higher education and is charged with the duty to take an active part in promoting quality education throughout ~~[in the various regions of]~~ the state by:

(1) providing a statewide perspective to ensure the efficient and effective use of higher education resources and to eliminate unnecessary duplication;

(2) developing and evaluating progress toward a long-range master plan for higher education and providing analysis and recommendations to link state spending for higher education with the goals of the long-range master plan;

(3) collecting and making accessible data on higher education in the state and aggregating and analyzing that data to support policy recommendations;

(4) making recommendations to improve the efficiency and effectiveness of transitions, including between high school and postsecondary education, between institutions of higher education for transfer purposes, and between postsecondary education and the workforce; and

(5) administering programs and trusteed funds for financial aid and other grants as necessary to achieve the state's long-range goals and as directed by the legislature. [The board shall be responsible for assuring that there is no discrimination in the distribution of programs and resources throughout the state on the basis of race, national origin, or sex.]

(a-1) The board shall develop a long-range [five-year] master plan for higher education in this state. The [five-year] plan shall:

(1) establish long-term, measurable goals and provide strategies for implementing those goals;

(2) assess the higher education needs of each region of the state;

(3) provide for regular evaluation and revision of the plan, as the board considers necessary, to ensure the relevance of goals and strategies; and

(4) take into account the resources of private or independent institutions of higher education [in this state].

(a-2) The board shall establish methods for obtaining input from stakeholders and the general public when developing or revising [periodically review and revise] the long-range [five-year] master plan developed under Subsection (a-1). [As a specific element of its review, the board shall identify and analyze the degree to which the plan reflects the continuing higher education needs of this state, as well as any policy changes necessary to improve overall implementation of the plan and the fiscal impact of those changes. The board shall establish procedures for monitoring the board's implementation of the plan, including an analysis of the degree to which its current activities support implementation of the plan and any change in board rules or practices necessary to improve implementation of the plan. The board shall identify additional strategies necessary to achieve the goals of the plan, emphasizing implementation by institutions of higher education and specific recommendations for the different regions of the state. The board shall notify each institution of higher education of all strategies for implementing the plan.]

(a-3) Not later than December 1 of each even-numbered year, the board shall prepare and deliver a report to the governor, the lieutenant governor, the speaker of the house of representatives, and the standing committees of the senate and house of representatives with primary jurisdiction over higher education [The board shall inform the legislature on matters pertaining to higher education, including the state's activities in the Board of Control for Southern Regional Education, and shall report to the legislature not later than January 1 of each odd-numbered year on the state of higher education in Texas]. In the [biennial] report, the board shall assess the state's progress in meeting the goals established [stated] in the long-range master plan developed under Subsection (a-1) and [shall] recommend legislative action, including statutory or funding changes, to assist the state in meeting those goals. The report must include updates on implementation strategies provided for in the long-range master plan [the analyses performed in connection with the board's periodic review] under Subsection (a-1) [(a-2)].

(a-5) In conjunction with development of the long-range master plan under Subsection (a-1), the board shall evaluate the role and mission of each general academic teaching institution, other than a public state college, to ensure that the roles and missions of the institutions collectively contribute to the state's goals identified in the master plan.

SECTION 18. Section 61.0512, Education Code, is amended to read as follows:

Sec. 61.0512. ~~BOARD APPROVAL OF ACADEMIC [NEW DEGREE] PROGRAMS[; NOTIFICATION TO BOARD].~~ (a) A new degree or certificate program may be added at an institution of higher education only with specific prior approval of the board. A new degree or certificate program is considered approved if the board has not completed a review under this section and acted to approve or disapprove the proposed program before the first anniversary of the date on which an institution of higher education submits a completed application for approval to the board. The board may not summarily disapprove a program without completing the review required by this section. The board shall specify by rule the elements that constitute a completed application and shall make an administrative determination of the completeness of the application not later than the fifth business day after receiving the application. A request for additional information in support of an application that has been determined administratively complete does not toll the period within which the application is considered approved under this section.

(b) At the time an institution of higher education [~~a public senior college or university~~] begins preliminary planning for a new degree program [~~or a new organizational unit to administer a new degree program~~], the institution must [~~college or university shall~~] notify the board before the institution may carry out that planning[~~; In the implementation of this subsection, the board may not require additional reports from the institutions~~].

(c) The board shall review each degree or certificate program offered by an institution of higher education at the time the institution requests to implement a new program to ensure that the program:

(1) is needed by the state and the local community and does not unnecessarily duplicate programs offered by other institutions of higher education or private or independent institutions of higher education;

(2) has adequate financing from legislative appropriation, funds allocated by the board, or funds from other sources;

(3) has necessary faculty and other resources to ensure student success; and

(4) meets academic standards specified by law or prescribed by board rule, including rules adopted by the board for purposes of this section, or workforce standards established by the Texas Workforce Investment Council.

(d) The board may review the number of degrees or certificates awarded through a degree or certificate program every four years or more frequently, at the board's discretion.

(e) The board shall review each degree or certificate program offered by an institution of higher education at least every 10 years after a new program is established using the criteria prescribed by Subsection (c).

(f) The board may not order the consolidation or elimination of any degree or certificate program offered by an institution of higher education but may, based on the board's review under Subsections (d) and (e), recommend such action to an institution's governing board. If an institution's governing board does not accept recommendations to consolidate or eliminate a degree or certificate program, the university system or, where a system does not exist, the institution, must identify the programs recommended for consolidation or elimination on the next legislative appropriations request submitted by the system or institution.

(g) An institution of higher education may offer off-campus courses for credit within the state or distance learning courses only with specific prior approval of the board. An institution must certify to the board that a course offered for credit outside the state meets the board's academic criteria. An institution shall include the certification in submitting any other reports required by the board.

SECTION 19. The heading to Section 61.055, Education Code, is amended to read as follows:

Sec. 61.055. ~~[INITIATION OF NEW DEPARTMENTS, SCHOOLS, AND PROGRAMS;]~~ PARTNERSHIPS OR AFFILIATIONS.

SECTION 20. Subsection (a), Section 61.055, Education Code, is amended to read as follows:

(a) The board shall encourage cooperative programs and agreements among institutions of higher education, including programs and agreements relating to degree offerings, research activities, and library and computer sharing. [Except as otherwise provided by law, a new department, school, or degree or certificate program approved by the board or its predecessor, the Texas Commission on Higher Education, may not be initiated by any institution of higher education until the board has made a written finding that the department, school, or degree or certificate program is adequately financed by legislative appropriation, by funds allocated by the board, or by funds from other sources.]

SECTION 21. Subsection (l), Section 61.051, Education Code, is transferred to Subchapter C, Chapter 61, Education Code, redesignated as Section 61.0571, Education Code, and amended to read as follows:

Sec. 61.0571. BOARD ASSISTANCE TO INSTITUTIONS. (a) [(†)] The board shall advise and offer technical assistance on the request of any institution of higher education or system administration.

SECTION 22. Subsection (n), Section 61.051, Education Code, is transferred to Section 61.0571, Education Code, as added by this Act, and redesignated as Subsection (b), Section 61.0571, Education Code, to read as follows:

(b) [(†)] The board shall develop guidelines for institutional reporting of student performance.

SECTION 23. Subsection (a-4), Section 61.051, Education Code, is transferred to Subchapter C, Chapter 61, Education Code, redesignated as Section 61.0661, Education Code, and amended to read as follows:

Sec. 61.0661. OPPORTUNITIES FOR GRADUATE MEDICAL EDUCATION. (a) [(a-4)] The board shall conduct [~~include in the five-year master plan developed under Subsection (a-1)~~] an assessment of the adequacy of opportunities for graduates of medical schools in this state to enter graduate medical education in this state. The assessment must:

(1) compare the number of first-year graduate medical education positions available annually with the number of medical school graduates;

(2) include a statistical analysis of recent trends in and projections of the number of medical school graduates and first-year graduate medical education positions in this state;

(3) develop methods and strategies for achieving a ratio for the number of first-year graduate medical education positions to the number of medical school graduates in this state of at least 1.1 to 1;

(4) evaluate current and projected physician workforce needs of this state, by total number and by specialty, in the development of additional first-year graduate medical education positions; and

(5) examine whether this state should ensure that a first-year graduate medical education position is created in this state for each new medical student position established by a medical and dental unit.

(b) Not later than December 1 of each even-numbered year, the board shall report the results of the assessment to the governor, the lieutenant governor, the speaker of the house of representatives, and the standing committees of the senate and house of representatives with primary jurisdiction over higher education.

SECTION 24. Subsection (h), Section 61.051, Education Code, is transferred to Subchapter C, Chapter 61, Education Code, redesignated as Section 61.0662, Education Code, and amended to read as follows:

Sec. 61.0662. INFORMATION ON RESEARCH CONDUCTED BY INSTITUTIONS. (a) [(h) The board shall make continuing studies of the needs of the state for research and designate the institutions of higher education to perform research as needed.] The board shall [~~also~~] maintain an inventory of all institutional and programmatic research activities being conducted by the various institutions of higher education, whether state-financed or not.

(b) Once a year, on dates prescribed by the board, each institution of higher education shall report to the board all research conducted at that institution during the [last] preceding year.

(c) All reports required by this section [subsection] shall be made subject to the limitations imposed by security regulations governing defense contracts for research.

SECTION 25. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.069 to read as follows:

Sec. 61.069. BOARD ROLE IN ESTABLISHING BEST PRACTICES. (a) The board may administer or oversee a program to identify best practices only in cases where funding or other restrictions prevent entities other than the board from administering the program.

(b) The board may initiate a new pilot project only if other entities, including nonprofit organizations and institutions of higher education, are not engaging in similar projects or if the initiative cannot be performed by another entity.

(c) The board may use its position as a statewide coordinator to assist with matching nonprofit organizations or grant-funding entities with institutions of higher education and private or independent institutions of higher education to implement proven programs and best practices.

(d) The board may compile best practices and strategies resulting from its review of external studies for use in providing technical assistance to institutions of higher education and as the basis for the board's statewide policy recommendations.

SECTION 26. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.0763 to read as follows:

Sec. 61.0763. STUDENT LOAN DEFAULT PREVENTION AND FINANCIAL AID LITERACY PILOT PROGRAM. (a) In this section, "career school or college" has the meaning assigned by Section 132.001.

(b) Not later than January 1, 2014, the board shall establish and administer a pilot program at selected postsecondary educational institutions to ensure that students of those institutions are informed consumers with regard to all aspects of student financial aid, including:

(1) the consequences of borrowing to finance a student's postsecondary education;

(2) the financial consequences of a student's academic and career choices;
and

(3) strategies for avoiding student loan delinquency and default.

(c) The board shall select at least one institution from each of the following categories of postsecondary educational institutions to participate in the program:

(1) general academic teaching institutions;

(2) public junior colleges;

(3) private or independent institutions of higher education; and

(4) career schools or colleges.

(d) In selecting postsecondary educational institutions to participate in the pilot program, the board shall give priority to institutions that have a three-year cohort student loan default rate, as reported by the United States Department of Education:

(1) of more than 20 percent; or

(2) that has above average growth as compared to the rates of other postsecondary educational institutions in this state.

(e) The board, in consultation with postsecondary educational institutions, shall adopt rules for the administration of the pilot program, including rules governing the selection of postsecondary educational institutions to participate in the pilot program consistent with the requirements of Subsection (d).

(f) The board may contract with one or more entities to administer the pilot program according to criteria established by board rule.

(g) Not later than January 1 of each year, beginning in 2016:

(1) the board shall submit a report to the governor, the lieutenant governor, and the speaker of the house of representatives regarding the outcomes of the pilot program, as reflected in the federal student loan default rates reported for the participating institutions; and

(2) each participating institution shall submit a report to the governor, the lieutenant governor, and the speaker of the house of representatives regarding the outcomes of the pilot program at the institution, as reflected in the federal student loan default rate reported for the institution.

(h) This section expires December 31, 2020.

SECTION 27. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.07761 to read as follows:

Sec. 61.07761. FINANCIAL AID AND OTHER TRUSTEED FUNDS ALLOCATION. (a) For any funds trusteeed to the board for allocation to institutions of higher education and private or independent institutions of higher education, including financial aid program funds, the board by rule shall:

(1) establish and publish the allocation methodologies; and

(2) develop procedures to verify the accuracy of the application of those allocation methodologies by board staff.

(b) The board shall consult with affected stakeholders before adopting rules under this section.

SECTION 28. The heading to Section 61.822, Education Code, is amended to read as follows:

Sec. 61.822. TRANSFER OF CREDITS; CORE CURRICULUM.

SECTION 29. Section 61.822, Education Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The board shall encourage the transferability of lower division course credit among institutions of higher education.

(a-1) The board, with the assistance of advisory committees composed of representatives of institutions of higher education, shall develop a recommended core curriculum of at least 42 semester credit hours, including a statement of the content, component areas, and objectives of the core curriculum. At least a majority of the members of any advisory committee named under this section shall be faculty members of an institution of higher education. An institution shall consult with the faculty of the institution before nominating or recommending a person to the board as the institution's representative on an advisory committee.

SECTION 30. The heading to Chapter 142, Education Code, is amended to read as follows:

CHAPTER 142. NORMAN HACKERMAN ADVANCED RESEARCH PROGRAM; ADVANCED TECHNOLOGY PROGRAM

SECTION 31. Section 142.001, Education Code, is amended by amending Subdivisions (1) and (4) and adding Subdivisions (1-a) and (6) to read as follows:

(1) "Applied research" means research directed at gaining the knowledge or understanding necessary to meet a specific and recognized need, including the discovery of new scientific knowledge that has specific objectives relating to products or processes.

(1-a) "Basic research" means research the primary object of which is to gain a fuller fundamental knowledge of the subject under study.

(4) "Research program [Program]" means the Norman Hackerman advanced research program established under this chapter.

(6) "Technology program" means the advanced technology program established under this chapter.

SECTION 32. The heading to Section 142.002, Education Code, is amended to read as follows:

Sec. 142.002. NORMAN HACKERMAN ADVANCED RESEARCH PROGRAM; PURPOSE.

SECTION 33. Section 143.002, Education Code, is transferred to Chapter 142, Education Code, redesignated as Section 142.0025, Education Code, and amended to read as follows:

Sec. 142.0025 [~~143.002~~]. ADVANCED TECHNOLOGY PROGRAM [~~ESTABLISHMENT~~]; PURPOSE. (a) It is essential to the state's economic growth that the state ~~[it]~~ exploit the potential of technology to advance the development and growth of technology and that industry be promoted and expanded. The advanced technology program is established as a means to accomplish this purpose.

(b) Providing appropriated funds to faculty members of institutions of higher education ~~[public]~~ and private or independent institutions of higher education to conduct applied research is important to the state's welfare and, consequently, is an important public purpose for the expenditure of public funds because the applied research will enhance the state's economic growth by:

- (1) educating the state's scientists and engineers;
- (2) creating new products and production processes; and
- (3) contributing to the application of science and technology to state

businesses.

SECTION 34. Section 142.003, Education Code, is amended to read as follows:

Sec. 142.003. ADMINISTRATION; GUIDELINES AND PROCEDURES. (a) The coordinating board shall administer the technology program and the research program.

(b) The coordinating board shall appoint an advisory committee that consists of experts in the specified research areas of both programs to advise the coordinating board regarding the coordinating board's development of research priorities, guidelines, and procedures for the selection of specific projects at eligible institutions.

(c) The guidelines and procedures developed for the research program by the coordinating board must:

(1) provide for awards on a competitive, peer review basis for specific projects at eligible institutions; and

(2) require that, as a condition of receiving an award, an eligible institution must use a portion of the award to support, in connection with the project for which the award is made, basic research conducted by:

(A) graduate or undergraduate students, if the eligible institution is a medical and dental unit; or

(B) undergraduate students, if the eligible institution is any other eligible institution ~~[of higher education]~~.

(d) The guidelines and procedures developed for the technology program by the coordinating board must:

(1) provide for determining whether an institution of higher education or private or independent institution of higher education qualifies as an eligible institution for the purposes of the technology program by demonstrating exceptional capability to attract federal, state, and private funding for scientific and technical research and having an exceptionally strong research staff and the necessary equipment and facilities; and

(2) provide for awards on a competitive, peer review basis for specific projects at eligible institutions.

(e) The coordinating board shall encourage projects under the technology program that leverage funds from other sources and projects that propose innovative, collaborative efforts:

(1) across academic disciplines;

(2) among two or more eligible institutions; or

(3) between an eligible institution or institutions and private industry.

SECTION 35. Section 143.003, Education Code, is transferred to Chapter 142, Education Code, redesignated as Section 142.0035, Education Code, and amended to read as follows:

Sec. 142.0035 [~~143.003~~]. TECHNOLOGY PROGRAM: PRIORITY RESEARCH AREAS. The technology program may provide support for faculty members to conduct research in areas determined by an advisory panel appointed by the coordinating board. Initial research areas shall include: agriculture, biotechnology, biomedicine, energy, environment, materials science, microelectronics, aerospace, marine science, aquaculture, telecommunications, manufacturing science, environmental issues affecting the Texas-Mexico border region, the reduction of industrial, agricultural, and domestic water use, recycling, and related disciplines. The advisory committee appointed under Section 142.003(b) [~~panel~~] may add or delete priority research areas as the advisory committee [~~panel~~] considers warranted.

SECTION 36. Section 142.004, Education Code, is amended by amending Subsections (a) and (c) and adding Subsections (c-1) and (f) to read as follows:

(a) The programs created under this chapter are [~~program is~~] funded by appropriations and by gifts, grants, and donations made for purposes of each [~~the~~] program.

(c) The funds allocated [~~appropriated~~] for the research program may be expended to support the particular projects for which an award is made and may not be expended for the general support of ongoing research at an eligible institution or for the construction or remodeling of a facility.

(c-1) The funds allocated for the technology program may be:

(1) expended to support particular research projects for which an award is made, and may not be expended for the general support of ongoing research and instruction at an eligible institution or for the construction or remodeling of a facility; and

(2) used to match a grant provided by private industry for a particular collaborative research project with an eligible institution.

(f) The advisory committee appointed under Section 142.003(b) shall determine when and to what extent funds appropriated under this chapter will be allocated to each program under this chapter unless the legislature specifies a division in the General Appropriations Act.

SECTION 37. Sections 142.006 and 142.007, Education Code, are amended to read as follows:

Sec. 142.006. MERIT REVIEW. (a) The coordinating board shall appoint a committee that consists of experts in the specified research areas to evaluate the research program's effectiveness and report its findings to the coordinating board not later than January 31 of each odd-numbered year.

(b) The coordinating board shall appoint a committee consisting of representatives of higher education and private enterprise advanced technology research organizations to evaluate the technology program's effectiveness and report its findings to the coordinating board not later than January 31 of each odd-numbered year.

Sec. 142.007. CONFIDENTIALITY. Information submitted as part of a pre-proposal or proposal or related to the evaluation and selection of research projects to be funded by the research program or technology program is confidential unless made public by coordinating board rule.

SECTION 38. Section 143.0051, Education Code, is transferred to Chapter 142, Education Code, and redesignated as Section 142.009, Education Code, to read as follows:

Sec. 142.009 [~~143.0051~~]. APPLIED RESEARCH FOR CLEAN COAL PROJECT AND OTHER PROJECTS FOR ELECTRICITY GENERATION. The coordinating board shall use money available for the purpose from legislative appropriations, including gifts, grants, and donations, to support at one or more eligible institutions applied research related to:

(1) the development, construction, and operation in this state of a clean coal project, as defined by Section 5.001, Water Code; or

(2) electricity generation using lignite coal deposits in this state or integrated gasification combined cycle technology.

SECTION 39. Subsection (f), Section 130.0012, Education Code, is amended to read as follows:

(f) Each public junior college that offers a baccalaureate degree program under this section must enter into an articulation agreement for the first five years of the program with one or more general academic teaching institutions to ensure that students enrolled in the degree program have an opportunity to complete the degree if the public junior college ceases to offer the degree program. The coordinating board may require a general academic teaching institution that offers a comparable degree program to enter into an articulation agreement with the public junior college as provided by this subsection.

SECTION 40. Subsection (f), Section 42.0421, Human Resources Code, as added by Chapter 82 (S.B. 265), Acts of the 82nd Legislature, Regular Session, 2011, is amended to read as follows:

(f) The training required by this section must be appropriately targeted and relevant to the age of the children who will receive care from the individual receiving training and must be provided by a person who:

(1) is a training provider registered with the Texas Early Care and Education Career Development System's Texas Trainer Registry that is maintained by the Texas Head Start State Collaboration Office;

(2) is an instructor at a public or private secondary school, an ~~or at a public or private~~ institution of higher education, as defined by Section 61.003 [~~61.801~~], Education Code, or a private college or university accredited by a recognized accrediting agency who teaches early childhood development or another relevant course, as determined by rules adopted by the commissioner of education and the commissioner of higher education;

(3) is an employee of a state agency with relevant expertise;

(4) is a physician, psychologist, licensed professional counselor, social worker, or registered nurse;

(5) holds a generally recognized credential or possesses documented knowledge relevant to the training the person will provide;

(6) is a registered family home care provider or director of a day-care center or group day-care home in good standing with the department, if applicable, and who:

(A) has demonstrated core knowledge in child development and caregiving; and

(B) is only providing training at the home or center in which the provider or director and the person receiving training are employed; or

(7) has at least two years of experience working in child development, a child development program, early childhood education, a childhood education program, or a Head Start or Early Head Start program and:

(A) has been awarded a Child Development Associate (CDA) credential; or

(B) holds at least an associate's degree in child development, early childhood education, or a related field.

SECTION 41. The following provisions of the Education Code are repealed:

(1) Chapters 144, 147, 148, and 152;

(2) Subchapters J, M, Q, and X, Chapter 51;

(3) Subchapters B and D, Chapter 57;

(4) Subchapters K, P, Q, U, and W, Chapter 61;

(5) Section 51.916; Subsection (f), Section 52.17; Section 52.56; Subsection (d), Section 56.456; and Subsections (c) and (d), Section 56.459;

(6) Subdivisions (1) and (3), Section 57.02;

(7) Sections 57.41, 57.42, 57.43, 57.44, 57.45, 57.46, 57.461, 57.47, 57.471, 57.481, and 57.50;

(8) Subsections (b), (c), (d), (e), (f), (g), (i), (j), (k), (m), (o), (p), and (q), Section 61.051;

(9) Subsections (i) and (i-1), Section 61.059; Sections 61.0591, 61.0631, and 61.066; Subsection (d), Section 61.0761; Sections 61.078, 61.088, and 61.660; and Subsection (c), Section 62.096; and

(10) Sections 143.001, 143.004, 143.005, 143.007, and 143.008.

SECTION 42. (a) The change in law made by this Act in amending Subchapter Q, Chapter 56, Education Code, applies beginning with Texas B-On-time loans awarded for the 2014-2015 academic year.

(b) Notwithstanding Subsection (a) of this section, a student who first receives a Texas B-On-time loan for a semester or other academic term before the 2014 fall semester may continue to receive Texas B-On-time loans under Subchapter Q, Chapter 56, Education Code, as that subchapter existed immediately before the effective date of this Act, as long as the student remains eligible for a Texas B-On-time loan under the former law, and is entitled to obtain forgiveness of the loans as permitted by Section 56.462, Education Code, as that section existed immediately before the effective date of this Act. The Texas Higher Education Coordinating Board shall adopt rules to administer this subsection and shall notify each student who receives a Texas B-On-time loan in the 2013-2014 academic year of the provisions of this subsection.

SECTION 43. The change in law made by Subsection (a), Section 61.022, Education Code, as amended by this Act, regarding the qualifications of members of the Texas Higher Education Coordinating Board does not affect the entitlement of a member serving on the coordinating board immediately before the effective date of this Act to continue to serve as a member of the coordinating board for the remainder of the member's term. As the terms of coordinating board members expire, the governor shall appoint or reappoint a member who has the required experience until the composition of the coordinating board meets the requirements under Subsection (a), Section 61.022, Education Code, as amended by this Act.

SECTION 44. The Texas Higher Education Coordinating Board shall adopt rules for the administration of Section 61.0763, Education Code, as added by this Act, as soon as practicable after this Act takes effect. For that purpose, the coordinating board may adopt the initial rules in the manner provided by law for emergency rules.

SECTION 45. The Texas Higher Education Coordinating Board shall adopt rules as required by Section 61.07761, Education Code, as added by this Act, as soon as practicable after this Act takes effect. For that purpose, the coordinating board may adopt the initial rules in the manner provided by the law for emergency rules.

SECTION 46. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 215** (house committee printing) as follows:

(1) On page 7, line 18, strike "created by general law".

(2) On page 8, line 1, strike "September 1, 1979" and substitute "August 27, 1979".

Floor Amendment No. 2

Amend **CSSB 215** (house committee printing) by striking the text on page 15, lines 14 through 18, and substituting the following:

to the board. The board by rule may prescribe the timing and format of the notification required by this subsection. The board by rule shall require a private or independent institution of higher education to provide to the board the institution's external audit

involving funds administered by the board. The private or independent institution of higher education's external audit must comply with the board's rules for auditing those funds.

Floor Amendment No. 3

Amend **CSSB 215** (house committee printing) as follows:

(1) On page 37, line 3, strike "and 57.50" and substitute "57.50, 58.001, 58.003, 58.004, and 58.005".

(2) Add the following appropriately numbered subdivisions to SECTION 41 of the bill and renumber the other subdivisions of that SECTION accordingly:

() Subchapter T, Chapter 61;

() Section 29.185(b);

() Subsections (b), (c), (d), and (e), Section 58.002;

(3) Add the following appropriately numbered SECTIONS to the bill and renumber the remaining SECTIONS of the bill accordingly:

SECTION ____ . Section 28.009(d)(2), Education Code, is amended to read as follows:

(2) "Sequence of courses" means career and technical education courses approved by the State Board of Education or [5] innovative courses approved by the State Board of Education that are provided for local credit~~[, or a tech prep program of study under Section 61.852].~~

SECTION ____ . Section 39.301(c), Education Code, is amended to read as follows:

(c) Indicators for reporting purposes must include:

(1) the percentage of graduating students who meet the course requirements established by State Board of Education rule for the minimum high school program, the recommended high school program, and the advanced high school program;

(2) the results of the SAT, ACT, ~~[articulated postsecondary degree programs described by Section 61.852,]~~ and certified workforce training programs described by Chapter 311, Labor Code;

(3) for students who have failed to perform satisfactorily, under each performance standard under Section 39.0241, on an assessment instrument required under Section 39.023(a) or (c), the performance of those students on subsequent assessment instruments required under those sections, aggregated by grade level and subject area;

(4) for each campus, the number of students, disaggregated by major student subpopulations, that agree under Section 28.025(b) to take courses under the minimum high school program;

(5) the percentage of students, aggregated by grade level, provided accelerated instruction under Section 28.0211(c), the results of assessment instruments administered under that section, the percentage of students promoted through the grade placement committee process under Section 28.0211, the subject of the assessment instrument on which each student failed to perform satisfactorily under each performance standard under Section 39.0241, and the performance of those students in the school year following that promotion on the assessment instruments required under Section 39.023;

(6) the percentage of students of limited English proficiency exempted from the administration of an assessment instrument under Sections 39.027(a)(1) and (2);

(7) the percentage of students in a special education program under Subchapter A, Chapter 29, assessed through assessment instruments developed or adopted under Section 39.023(b);

(8) the percentage of students who satisfy the college readiness measure;

(9) the measure of progress toward dual language proficiency under Section 39.034(b), for students of limited English proficiency, as defined by Section 29.052;

(10) the percentage of students who are not educationally disadvantaged;

(11) the percentage of students who enroll and begin instruction at an institution of higher education in the school year following high school graduation; and

(12) the percentage of students who successfully complete the first year of instruction at an institution of higher education without needing a developmental education course.

SECTION _____. Section 42.154(a), Education Code, is amended to read as follows:

(a) For each full-time equivalent student in average daily attendance in an approved career and technology education program in grades nine through 12 or in career and technology education programs for students with disabilities in grades seven through 12, a district is entitled to:

(1) an annual allotment equal to the adjusted basic allotment multiplied by a weight of 1.35; and

(2) \$50, if the student is enrolled in[:

~~[(A)] two or more advanced career and technology education classes for a total of three or more credits[; or~~

~~[(B) an advanced course as part of a tech prep program under Subchapter T, Chapter 61].~~

SECTION _____. Section 58.002(a), Education Code, is amended to read as follows:

(a) In this chapter:

(1) "Resident physician" means a person who is appointed a resident physician by a school of medicine in The University of Texas System, the Texas Tech University System, The Texas A&M University System, or the University of North Texas System ~~[one of the schools of medicine listed in Section 58.001 of this code]~~ and who:

(A) has received a Doctor of Medicine or a Doctor of Osteopathic Medicine degree from the Baylor College of Medicine or from a school of medicine in a university system listed in Subdivision (1) ~~[one of the schools listed in Section 58.001 of this code]~~; or

(B) is a citizen of Texas and has received a Doctor of Medicine or a Doctor of Osteopathic Medicine degree from some other school of medicine that is accredited by the Liaison Committee on Medical Education or by the Bureau of Professional Education of the American Osteopathic Association.

(2) [~~"Primary teaching hospital" means a hospital at which one of the schools listed in Section 58.001 of this code educates and trains both resident physicians and undergraduate medical students.~~

[~~(3)~~] "Compensation" includes:

(A) stipends;

(B) payments, if any, for services rendered; and

(C) fringe benefits when applied to payments to or for the benefit of resident physicians.

Floor Amendment No. 4

Amend Floor Amendment No. 3 by Anchia to **CSSB 215** (house committee printing) on page 4, lines 5 and 6, by striking "a school of medicine in a university system listed in Subdivision (1)" and substituting "an approved school of medicine".

Floor Amendment No. 5

Amend **CSSB 215** (house committee printing) on page 37, line 6, between "(9)" and "Subsections (i)", by inserting "Subsection (e), Section 56.407;".

Floor Amendment No. 9

Amend **CSSB 215** as follows:

Strike the text of Section 61.0331, Education Code, as added by SECTION 15 (page 11, line 21 through page 12, line 9) and substitute the following:

Sec. 61.0331. NEGOTIATED RULEMAKING REQUIRED. The board shall engage institutions in a negotiated rulemaking process as described by Chapter 2008, Government Code, when adopting a policy, procedure, or rule relating to:

(1) admission policy under Section 51.762 (common admission application), 51.807 (uniform admission policy), or 51.843 (graduate and professional admissions), or transfer of credit under Section 61.827;

(2) the allocation or distribution of funds, including financial aid or other trusted funds under 61.07761;

(3) the revaluation of data requests under Section 51.406; or

(4) compliance monitoring under Section 61.035.

Floor Amendment No. 10

Amend **CSSB 215** in SECTION 18 of the bill to add a new Subsection (h) to amended Section 61.0512, Education Code, to read as follows:

(h) The board may not consider undergraduate graduation or persistence rates in the criteria for approval of doctoral programs.

Floor Amendment No. 11

Amend **CSSB 215** (house committee printing) on page 36, line 22, by striking "J,".

Floor Amendment No. 12

Amend **CSSB 215** (house committee printing) by adding the following appropriately numbered SECTION to the bill and by renumbering existing SECTIONS of the bill accordingly:

SECTION _____. Section 61.306, Education Code, is amended by adding Subsection (c) to read as follows:

(c) The board may not issue a certificate of authority for a private postsecondary institution to grant a professional degree or to represent that credits earned in this state are applicable towards a degree if the institution is chartered in a foreign country or has its principal office or primary educational program in a foreign country. In this section, "professional degree" includes a Doctor of Medicine (M.D.), Doctor of Osteopathy (D.O.), Doctor of Dental Surgery (D.D.S.), Doctor of Veterinary Medicine (D.V.M.), Juris Doctor (J.D.), and Bachelor of Laws (LL.B.).

Floor Amendment No. 14

Amend **CSSB 215** (house committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter A, Chapter 56, Education Code, is amended by adding Section 56.009 to read as follows:

Sec. 56.009. FINANCIAL ASSISTANCE FOR STUDENTS ENROLLED AT WGU TEXAS OR SIMILAR ONLINE COLLEGES OR UNIVERSITIES. (a) In this section, "general academic teaching institution" and "private or independent institution of higher education" have the meanings assigned by Section 61.003.

(b) The Texas Higher Education Coordinating Board by rule shall:

(1) provide student financial assistance grants during the 2013-2014 and 2014-2015 academic years for students enrolled:

(A) at WGU Texas, or a similar nonprofit, tax-exempt, regionally accredited college or university operating in accordance with a memorandum of understanding with this state pursuant to an executive order issued by the governor and offering competency-based, exclusively online or other distance education; and

(B) in a degree program approved by the coordinating board for purposes of this section; and

(2) in consultation with representatives of the coordinating board's financial aid advisory committee, representatives of financial aid offices of institutions of higher education and private or independent institutions of higher education offering online or other distance education courses and programs similar to those offered by nonprofit colleges or universities described by Subdivision (1)(A), and representatives of financial aid offices of nonprofit colleges or universities described by Subdivision (1)(A):

(A) conduct a study regarding, and prepare proposed draft legislation for, the creation of a state-funded student financial assistance program:

(i) that is available only to students of nonprofit, tax-exempt, regionally accredited universities or colleges domiciled in this state that offer competency-based, exclusively online or other distance education; and

(ii) under which the highest priority is given to awarding grants to those eligible students who demonstrate the greatest financial need; and

(B) not later than October 1, 2014, submit to each standing committee of the legislature with primary jurisdiction of higher education a report of the results of the study conducted under Paragraph (A), together with the proposed draft legislation prepared under that paragraph.

(c) The rules adopted under Subsection (b)(1) must prescribe eligibility requirements for an award of a grant under that subdivision, including:

(1) a requirement that a student:

(A) be a resident of this state; and

(B) demonstrate financial need; and

(2) any additional eligibility requirements, such as academic achievement, satisfactory academic progress, course load, or course completion requirements, that the coordinating board considers reasonable and appropriate for students enrolled in online or other distance education programs.

(d) The amount of a grant awarded to a student under Subsection (b)(1) for an academic year may not exceed the lesser of:

(1) the amount prescribed under Section 61.227(c) as the maximum annual amount of a tuition equalization grant paid to a student; or

(2) the amount of the difference between:

(A) the tuition charged to the student by the college or university in which the student is enrolled for that academic year; and

(B) the average tuition charged to a similarly situated student by a general academic teaching institution for that academic year, as determined by the coordinating board.

(e) This section expires January 1, 2016.

SECTION _____. (a) The Texas Higher Education Coordinating Board shall adopt any rules necessary under Section 56.009, Education Code, as added by this Act, as soon as practicable after this Act takes effect. For that purpose, the coordinating board may adopt the initial rules in the manner provided by law for emergency rules.

(b) The coordinating board shall begin awarding grants in accordance with Section 56.009(b)(1), Education Code, as added by this Act, as soon as practicable after this Act takes effect.

Floor Amendment No. 15

Amend Floor Amendment No. 14 by Branch to **CSSB 215** (house committee printing) in added Section 56.009, Education Code, by striking page 1, line 11, through page 3, line 20, and substituting the following:

(b) The Texas Higher Education Coordinating Board shall, in consultation with representatives of the coordinating board's financial aid advisory committee, representatives of financial aid offices of WGU Texas and any similar nonprofit, tax-exempt, regionally accredited college or university operating in accordance with a memorandum of understanding with this state pursuant to an executive order issued by the governor and offering competency-based, exclusively online or other distance education, and representatives of financial aid offices of institutions of higher education and private or independent institutions of higher education offering online or other distance education courses and programs similar to those offered by WGU Texas or any similar nonprofit colleges or universities:

(1) conduct a study regarding, and prepare proposed draft legislation for, the creation of a state-funded student financial assistance program:

(A) that is available only to students of nonprofit, tax-exempt, regionally accredited universities or colleges domiciled in this state that offer competency-based, exclusively online or other distance education; and

(B) under which the highest priority is given to awarding grants to those eligible students who demonstrate the greatest financial need; and

(2) not later than October 1, 2014, submit to each standing committee of the legislature with primary jurisdiction over higher education a report of the results of the study conducted under Subdivision (1), together with the proposed draft legislation prepared under that subdivision.

(c) This section expires January 1, 2016.

Floor Amendment No. 17

Amend **CSSB 215** (house committee printing) as follows:

(1) On page 2, lines 3-4, strike "Subdivisions (2) and (3), Section 56.451, Education Code, are amended" and substitute "Section 56.451, Education Code, is amended by amending Subdivisions (2) and (3) and adding Subdivisions (4) and (5)".

(2) On page 2, between lines 16 and 17, insert the following:

(4) "Administering entity" means the coordinating board or institution of higher education, as applicable, that administers the Texas B-On-time loan program for students enrolled at one or more institutions.

(5) "Program" means the Texas B-On-time loan program.

(3) On page 2, between lines 22 and 23, insert the following appropriately numbered SECTION:

SECTION ____ . Section 56.453, Education Code, is amended to read as follows:

Sec. 56.453. ADMINISTRATION OF PROGRAM; RULES. (a) Each eligible institution that sets aside a portion of the tuition charged to students of the institution under Section 56.465 shall administer the Texas B-On-time loan program for students enrolled at that institution and shall adopt rules for that purpose.

(b) The coordinating board shall:

(1) administer the Texas B-On-time loan program for students enrolled at eligible institutions that are private or independent institutions of higher education; and

(2) [~~determine the repayment and other terms of a Texas B-On-time loan;~~
and

[(3)] in consultation with the student financial aid officers of those eligible institutions, adopt any rules necessary to implement the program or this subchapter for students enrolled at those institutions.

(c) An administering entity:

(1) shall determine the repayment and other terms of a Texas B-On-time loan awarded by the entity; and

(2) [~~(b) The coordinating board~~] may charge and collect a loan origination fee from a person who receives a Texas B-On-time loan awarded by the entity to be used by the entity [~~board~~] to pay for the operating expenses for making loans under this subchapter.

(d) ~~(e)~~ The total amount of Texas B-On-time loans awarded may not exceed the amount available in the applicable Texas B-On-time student loan account under Section 56.463.

(4) Strike page 3, line 27, through page 4, line 2, and substitute the following:

(5) comply with any additional nonacademic requirement adopted by the administering entity for the institution at which the student enrolls ~~[coordinating board]~~ under this subchapter.

(5) On page 5, strike lines 1-2 and substitute the following:

(5) complies with any additional nonacademic requirement adopted by the applicable administering entity ~~[coordinating board]~~.

(6) On page 5, between lines 2-3, insert the following appropriately numbered SECTION:

SECTION ____ . Section 56.457, Education Code, is amended to read as follows:

Sec. 56.457. WAIVER OF COURSE LOAD REQUIREMENT. (a) The applicable administering entity ~~[coordinating board]~~ shall adopt rules to allow a person who is otherwise eligible to receive a Texas B-On-time loan, in the event of a hardship or other good cause, to receive a Texas B-On-time loan while enrolled in a number of semester credit hours that is less than the number of semester credit hours required under Section 56.455 or 56.456, as applicable.

(b) The administering entity ~~[coordinating board]~~ may not allow a person to receive a Texas B-On-time loan while enrolled in fewer than six semester credit hours.

(7) On page 5, line 3, strike "(a) and (b)" and substitute "(a), (b), (e), and (f)".

(8) Strike page 5, lines 5-12, and substitute the following:

(a) The amount of a Texas B-On-time loan for a semester or term for a student enrolled full-time at an eligible institution other than an institution covered by Subsection (b) ~~[(e), or (d)]~~ is an amount determined by the applicable administering entity ~~[coordinating board]~~ as the average ~~[statewide]~~ amount of tuition and required fees that a resident student enrolled full-time in a baccalaureate ~~[an undergraduate]~~ degree program would be charged for that semester or term at the eligible institution at which the student is enrolled ~~[general academic teaching institutions]~~.

(9) On page 5, between lines 19 and 20, insert the following:

(e) Not later than January 31 of each year, the coordinating board shall publish the amounts of each loan established by the board for each type of institution for which the coordinating board is the administering entity for the academic year beginning the next fall semester.

(f) If in any academic year the amount of money in the statewide Texas B-On-time student loan account is insufficient to provide the loans to all eligible persons enrolled at institutions for which the coordinating board is the administering entity in amounts specified by this section, the coordinating board shall determine the amount of available money and shall allocate that amount to eligible institutions for which the coordinating board is the administering entity in proportion to the number of full-time equivalent undergraduate students enrolled at each institution. Each institution shall use the money allocated to award Texas B-On-time loans to eligible students enrolled at the institution selected according to financial need.

(10) Insert the following appropriately numbered SECTIONS to the bill:

SECTION _____. Section 56.460(a), Education Code, is amended to read as follows:

(a) The coordinating board, in consultation with all eligible institutions, shall prepare materials designed to inform prospective students, their parents, and high school counselors about the program and eligibility for a Texas B-On-time loan. The coordinating board shall distribute to each eligible institution and to each school district a copy of the materials prepared ~~rules adopted~~ under this subchapter.

SECTION _____. Subchapter Q, Chapter 56, Education Code, is amended by adding Section 56.4621 to read as follows:

Sec. 56.4621. LOAN FORGIVENESS FOR TRANSFER STUDENTS. If a student becomes eligible for forgiveness of the student's Texas B-On-time loans under Section 56.462 and the student was awarded Texas B-On-time loans while attending more than one eligible institution, the student shall be forgiven all of the loans regardless of which institution the student attended when the student became eligible for forgiveness of the loans.

SECTION _____. Sections 56.463 and 56.464, Education Code, are amended to read as follows:

Sec. 56.463. TEXAS B-ON-TIME STUDENT LOAN ACCOUNTS ~~[ACCOUNT].~~ (a) The statewide Texas B-On-time student loan account is an account in the general revenue fund. The account consists of gifts and grants and legislative appropriations received under Section 56.464 ~~[, tuition set aside under Section 56.465,]~~ and other money required by law to be deposited in the account.

~~[(b)]~~ Money in the ~~[Texas B-On-time student loan]~~ account may be used only to pay any costs of the coordinating board related to the operation of the Texas B-On-time loan program and as otherwise provided by this subchapter.

(b) Each eligible institution that administers the program for students enrolled at that institution shall establish a Texas B-On-time student loan account at the institution. The account consists of gifts and grants, any legislative appropriations received under Section 56.464, tuition set aside at the institution under Section 56.465, and other money required by law to be deposited in the account. The account is considered institutional funds of the institution. Money in the institution's Texas B-On-time student loan account may be used only to pay any costs of the institution related to the operation of the Texas B-On-time loan program at the institution and as otherwise provided by this subchapter.

Sec. 56.464. FUNDING. (a) The coordinating board and each eligible institution may solicit and accept gifts and grants from any public or private source for the purposes of this subchapter.

(b) The coordinating board may issue and sell general obligation bonds under Subchapter F, Chapter 52, for the purposes of this subchapter. An eligible institution that administers the program for students enrolled at that institution, or the university system of which the eligible institution is a component, may issue and sell bonds, establish any necessary interest and sinking funds, and provide appropriate security for those bonds, as necessary to administer the program for those students.

(c) The coordinating board shall administer the program for students at eligible institutions for which the coordinating board is the administering entity using funds in the statewide Texas B-On-time student loan account established for those institutions under Section 56.463(a).

(d) The legislature may appropriate money for the purposes of this subchapter.

SECTION ____. Section 56.465, Education Code, is amended to read as follows:

Sec. 56.465. TUITION SET ASIDE FOR PROGRAM; UNUSED SET-ASIDE MONEY. (a) The governing board of each institution of higher education that charges tuition under Section 54.0513 shall cause to be set aside five percent of the amount of the tuition charged to a resident undergraduate student at the institution under that section [Section 54.0513] in excess of \$46 per semester credit hour. The amount of a student's tuition set aside under this subsection is considered a part of the amount required to be set aside from that tuition under Section 56.011.

(b) The amount of tuition set aside under Subsection (a) shall be deposited to the credit of the Texas B-On-time student loan account established by the institution under Section 56.463(b) [56.463 or to the interest and sinking fund established by the coordinating board under Section 52.91(b) in accordance with the resolution of the board establishing such fund].

(c) If the amount of money deposited in the Texas B-On-time student loan account established by an eligible institution under Section 56.463(b) for the preceding five academic years exceeds the amount necessary to administer the program for that period, the institution may transfer not more than one-fifth of the excess amount to an account established by the institution for that purpose. Money in the account established under this subsection may be used only:

(1) for providing additional money for Texas public educational grants awarded by the institution under Subchapter C; or

(2) for other purposes for which tuition set aside under Subchapter B may be used, if the institution determines that the amount in the account exceeds the amount necessary to fully fund grants to eligible students at the institution under Subchapter C for the next academic year.

SECTION ____. Subchapter Q, Chapter 56, Education Code, is amended by adding Section 56.466 to read as follows:

Sec. 56.466. TRANSITION PROVISIONS FOR TRANSFER OF LOAN PROGRAM TO PUBLIC INSTITUTIONS. (a) The coordinating board, in consultation with institutions of higher education, shall develop and adopt a transition plan to provide for the orderly and prompt transfer of administration of the program from the coordinating board to institutions of higher education that are authorized to administer the program for students enrolled at those institutions.

(b) Subject to the other provisions of this section, the transition plan shall permit institutions of higher education authorized to administer the program for students enrolled at those institutions to retain the tuition set aside under Section 56.465 beginning with tuition charged for the 2014-2015 academic year and to begin administering the program for their own students for that academic year. At the request of an institution authorized to administer the program for its own students, the

coordinating board shall permit the institution to postpone to a later academic year the transfer of administration of the program at that institution and the retention of tuition set aside by the institution.

(c) The transition plan must provide for a portion of tuition set aside at an eligible institution under Section 56.465 to continue to be deposited to the credit of the statewide Texas B-On-time student loan account or to the interest and sinking fund established by the coordinating board under Section 52.91(b) as necessary to provide for the repayment of bonds issued on or before September 1, 2013, to support the Texas B-On-time loan program. The amount of tuition set aside at eligible institutions that continues to be deposited to the credit of the statewide Texas B-On-time student loan account or to the interest and sinking fund under this subsection must be allocated among the affected eligible institutions in proportion to the average amount of loans made under this subchapter at those institutions for the 2009-2010, 2010-2011, 2011-2012, and 2012-2013 academic years.

(d) The transition plan may include any other provision the coordinating board determines necessary to implement the transfer of administration of the program to affected eligible institutions that is not inconsistent with this subchapter, including provisions necessary to ensure the repayment of outstanding state bonds and obligations.

(e) The Texas B-On-time student loan account established in the general revenue fund under this subchapter before January 1, 2013, is renamed as the statewide Texas B-On-time student loan account.

(11) Renumber the SECTIONS of the bill appropriately.

Floor Amendment No. 18

Amend **CSSB 215** (house committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 52.39, Education Code, is amended to read as follows:

Sec. 52.39. **DEFAULT; SUIT.** When any person who has received or cosigned as a guarantor for a loan authorized by this chapter has failed or refused to make as many as six monthly payments due in accordance with an executed note, then the full amount of the remaining principal and interest becomes due and payable immediately, and the amount due, the person's name and [his] last known address, and other necessary information shall be reported by the board to the attorney general. Suit for the remaining sum may [shall] be instituted by the attorney general, or any county or district attorney acting for the attorney general [him], in the county of the person's residence, the county in which is located the institution at which the person was last enrolled, or in Travis County, unless the attorney general finds reasonable justification for delaying suit and so advises the board in writing.

SECTION _____. The changes in law made by this Act to Section 52.39, Education Code, apply only to a suit filed under that section on or after the effective date of this Act. A suit filed under Section 52.39, Education Code, before the effective date of this Act is governed by the law in effect on the date the suit is filed, and the former law is continued in effect for that purpose.

Floor Amendment No. 19

Amend Floor Amendment No. 18 by Gonzales to **CSSB 215** (house committee printing) as follows:

(1) On page 1, line 14, strike "may [~~shall~~]" and substitute "shall".

(2) On page 1, lines 14 through 20, strike "or any county or district attorney acting for the attorney general [~~him~~], in the county of the person's residence, the county in which is located the institution at which the person was last enrolled, or in Travis County, unless the attorney general finds reasonable justification for delaying suit and so advises the board in writing" and substitute "~~or any county or district attorney acting for him, in the county of the person's residence, the county in which is located the institution at which the person was last enrolled, or in Travis County,~~]" unless the attorney general finds reasonable justification for delaying suit and so advises the board in writing".

(3) On page 1, line 20, immediately following the period, insert "Venue for a suit arising under this section is exclusively conferred on a court of competent jurisdiction in Travis County.".

Floor Amendment No. 20

Amend **CSSB 215** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering the remaining SECTIONS of the bill accordingly:

SECTION _____. Subchapter A, Chapter 54, Education Code, is amended by adding Section 54.017 to read as follows:

Sec. 54.017. MAXIMUM TUITION RATE; STUDY. (a) In this section:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "General academic teaching institution" has the meaning assigned by Section 61.003.

(b) Notwithstanding any other provision of this chapter or other law, not later than February 1 of each year, the coordinating board, based on the most recent study conducted under Subsection (c), shall establish the maximum amount of tuition that a general academic teaching institution may charge a student for the next academic year.

(b-1) Subsection (b) does not apply to tuition charged for the 2013-2014 academic year. For the 2013-2014 academic year, the maximum amount of tuition that a general academic teaching institution may charge a student for that academic year is \$10,000. This subsection expires September 1, 2014.

(c) The coordinating board shall conduct an annual study regarding the affordability of tuition rates at general academic teaching institutions, including a comparison of rates at similar institutions in and outside of this state, the return on investment based on expected salaries of graduates of the institution, and other appropriate economic factors as determined by the coordinating board. The coordinating board shall use the results of its study in establishing the maximum amount of tuition for purposes of Subsection (b).

Floor Amendment No. 22

Amend Floor Amendment No. 20 by Capriglione to **CSSB 215** (house committee printing) as follows:

(1) On page 1, line 6, strike "MAXIMUM TUITION RATE" and substitute "RECOMMENDED LIMITATIONS ON TUITION AND FEE INCREASES".

(2) On page 1, line 15, strike "establish the maximum amount of tuition" and substitute "recommend the maximum percentage rate of increase in the amount of tuition and fees".

(3) On page 1, line 16, strike "a student" and substitute "a resident undergraduate student".

(4) On page 1, at the end of line 17, insert "The coordinating board shall submit the recommendations to affected institutions, the governor, and the legislative standing committees with primary jurisdiction over higher education."

(5) On page 1, strike lines 18 through 22.

(6) On page 1, line 24, between "tuition" and "rates", insert "and fee".

(7) On page 1, line 27, following the comma, insert "the employment rate of graduates of the institution,".

(8) On page 2, line 1, strike "maximum amount of tuition" and substitute "recommended maximum percentage rate of increase in the amount of tuition and fees".

(9) On page 2, after line 2, insert the following:

SECTION _____. The change in law made by this Act in adding Section 54.017, Education Code, applies beginning with tuition and fees charged for the 2014-2015 academic year.

Floor Amendment No. 24

Amend **CSSB 215** (house committee printing) as follows:

(1) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Sections 56.301(2) and (3), Education Code, are amended to read as follows:

(2) "Eligible institution" means a general academic teaching [an] institution or a medical and dental unit [of higher education] that offers one or more undergraduate degree or certification programs. The term does not include a public state college.

(3) "General academic teaching institution," "institution of higher education," "medical and dental unit," "public [Public] junior college," "public state college," and "public technical institute" have the meanings assigned by Section 61.003.

SECTION _____. Section 56.302(b), Education Code, is amended to read as follows:

(b) The purpose of this subchapter is to provide a grant of money to enable eligible students to attend eligible [public] institutions [of higher education] in this state.

SECTION _____. Sections 56.303(d-1), (e), and (f), Education Code, are amended to read as follows:

(d-1) In allocating among eligible [~~general academic teaching~~] institutions money available for initial TEXAS grants for an academic year, the coordinating board shall ensure that each of those institutions' proportional [~~percentage~~] share of the total amount of money for initial grants that is allocated to eligible [~~general academic teaching~~] institutions under this section [~~subsection~~] for that year does not, as a result of the number of students who establish eligibility at the institution for an initial grant under Section 56.3041(2)(A), change from the institution's proportional [~~percentage~~] share of the total amount of money for initial grants that is allocated to those institutions under this section [~~subsection~~] for the preceding academic year.

(e) In determining who should receive a TEXAS grant, the coordinating board and the eligible institutions shall give priority to awarding TEXAS grants to students who demonstrate the greatest financial need and whose expected family contribution, as determined according to the methodology used for federal student financial aid, does not exceed 60 percent of the average statewide amount of tuition and required fees described by Section 56.307(a). In giving priority based on financial need as required by this subsection to students who meet the requirements for the highest priority as provided by Subsection (f), an eligible [~~a general academic teaching~~] institution shall determine financial need according to the relative expected family contribution of those students, beginning with students who have the lowest expected family contribution.

(f) Beginning with TEXAS grants awarded for the 2013-2014 academic year, in determining who should receive an initial TEXAS grant, each eligible [~~general academic teaching~~] institution, in addition to giving priority as provided by Subsection (e), shall give highest priority to students who meet the eligibility criteria described by Section 56.3041(2)(A). If there is money available in excess of the amount required to award an initial TEXAS grant to all students meeting those criteria, an eligible [~~a general academic teaching~~] institution shall make awards to other students who meet the eligibility criteria described by Section 56.304(a)(2)(A), provided that the institution continues to give priority to students as provided by Subsection (e).

SECTION ____ . Sections 56.304(a) and (e-1), Education Code, are amended to read as follows:

(a) To be eligible initially for a TEXAS grant, a person who graduated from high school before May 1, 2013, must:

- (1) be a resident of this state as determined by coordinating board rules;
- (2) meet either of the following academic requirements:
 - (A) be a graduate of a public or accredited private high school in this state who graduated not earlier than the 1998-1999 school year and who completed the recommended or advanced high school curriculum established under Section 28.002 or 28.025 or its equivalent; or
 - (B) have received an associate degree from a public or private institution of higher education not earlier than May 1, 2001;
- (3) meet financial need requirements as defined by the coordinating board;
- (4) be enrolled in a baccalaureate [~~an undergraduate~~] degree [~~or certificate~~] program at an eligible institution;
- (5) be enrolled as:

(A) an entering undergraduate student for at least three-fourths of a full course load for an entering undergraduate student, as determined by the coordinating board, not later than the 16th month after the date of the person's graduation from high school; or

(B) an entering student for at least three-fourths of a full course load for an undergraduate student as determined by the coordinating board, not later than the 12th month after the month the person receives an associate degree from a public or private institution of higher education;

(6) have applied for any available financial aid or assistance; and

(7) comply with any additional nonacademic requirement adopted by the coordinating board under this subchapter.

(e-1) If a person is initially awarded a TEXAS grant during or after the 2005 fall semester, unless the person is provided additional time during which the person may receive a TEXAS grant under Subsection (e-2), the person's eligibility for a TEXAS grant ends on:

(1) the fifth anniversary of the initial award of a TEXAS grant to the person, if the person is enrolled in a degree ~~[or certificate]~~ program of four years ~~[or less]~~; or

(2) the sixth anniversary of the initial award of a TEXAS grant to the person, if the person is enrolled in a degree program of more than four years.

SECTION ____ . Section 56.3041, Education Code, is amended to read as follows:

Sec. 56.3041. INITIAL ELIGIBILITY OF PERSON GRADUATING FROM HIGH SCHOOL ON OR AFTER MAY 1, 2013~~[, AND ENROLLING IN A GENERAL ACADEMIC TEACHING INSTITUTION]~~. To ~~[Notwithstanding Section 56.304(a), to]~~ be eligible initially for a TEXAS grant, a person graduating from high school on or after May 1, 2013, and enrolling in an eligible ~~[a general academic teaching]~~ institution must:

(1) be a resident of this state as determined by coordinating board rules;

(2) meet the academic requirements prescribed by Paragraph (A), (B), ~~[or]~~

(C), or (D) as follows:

(A) be a graduate of a public or accredited private high school in this state who completed the recommended high school program established under Section 28.025 or its equivalent and have accomplished any two or more of the following:

(i) graduation under the advanced high school program established under Section 28.025 or its equivalent, successful completion of the course requirements of the international baccalaureate diploma program, or earning of the equivalent of at least 12 semester credit hours of college credit in high school through courses described in Sections 28.009(a)(1), (2), and (3);

(ii) satisfaction of the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the coordinating board under Section 51.3062(f) on any assessment instrument designated by the coordinating board under Section 51.3062(c) ~~[or (e)]~~ or qualification for an exemption as described by Section 51.3062(p), (q), or (q-1);

(iii) graduation in the top one-third of the person's high school graduating class or graduation from high school with a grade point average of at least 3.0 on a four-point scale or the equivalent; or

(iv) completion for high school credit of at least one advanced mathematics course following the successful completion of an Algebra II course, as permitted by Section 28.025(b-3), or at least one advanced career and technical course, as permitted by Section 28.025(b-2);

(B) have received an associate degree from a public or private institution of higher education; ~~or~~

(C) be an undergraduate student who has:

(i) previously attended another institution of higher education;

(ii) received an initial Texas Educational Opportunity Grant under Subchapter P for the 2014 fall semester or a subsequent academic term;

(iii) completed at least 24 semester credit hours at any institution or institutions of higher education; and

(iv) earned an overall grade point average of at least 2.5 on a four-point scale or the equivalent on all course work previously attempted; or

(D) if sufficient money is available, meet the eligibility criteria described by Section 56.304(a)(2)(A);

(3) meet financial need requirements established by the coordinating board;

(4) be enrolled in an undergraduate degree or certificate program at an eligible ~~[the general academic teaching]~~ institution;

(5) except as provided under rules adopted under Section 56.304(h), be enrolled as:

(A) an entering undergraduate student for at least three-fourths of a full course load, as determined by the coordinating board, not later than the 16th month after the calendar month in which the person graduated from high school;

(B) an entering undergraduate student who entered military service not later than the first anniversary of the date the person graduated from high school and who enrolled for at least three-fourths of a full course load, as determined by the coordinating board, at the eligible ~~[general academic teaching]~~ institution not later than 12 months after being honorably discharged from military service; ~~or~~

(C) a continuing undergraduate student for at least three-fourths of a full course load, as determined by the coordinating board, not later than the 12th month after the calendar month in which the person received an associate degree from a public or private institution of higher education; or

(D) an undergraduate student described by Subdivision (2)(C) who has never previously received a TEXAS grant;

(6) have applied for any available financial aid or assistance; and

(7) comply with any additional nonacademic requirements adopted by the coordinating board under this subchapter.

SECTION ____ . Sections 56.3042(b) and (d), Education Code, are amended to read as follows:

(b) The coordinating board or the eligible institution may require the student to forgo or repay the amount of an initial TEXAS grant awarded to the student as described by Subsection (a) or (a-1) if the student fails to meet the eligibility requirements described by Subsection (a) or (a-1) ~~[of Section 56.304(a)(2)(A), 56.3041(2)(A), 56.304(a)(2)(B), or 56.3041(2)(B)]~~, as applicable to the student, after the issuance of the available high school or college transcript.

(d) A person who receives an initial TEXAS grant under Subsection (a) or (a-1) but does not satisfy the applicable eligibility requirement that the person was considered to have satisfied under the applicable subsection and who is not required to forgo or repay the amount of the grant under Subsection (b) may become eligible to receive a subsequent TEXAS grant under Section 56.305 only by satisfying the associate degree requirement prescribed by Section 56.304(a)(2)(B) or 56.3041(2)(B), as applicable to the person, in addition to the requirements of Section 56.305 at the time the person applies for the subsequent grant.

SECTION _____. Section 56.305(a), Education Code, is amended to read as follows:

(a) After initially qualifying for a TEXAS grant, a person may continue to receive a TEXAS grant during each semester or term in which the person is enrolled at an eligible institution only if the person:

- (1) meets financial need requirements as defined by the coordinating board;
- (2) is enrolled in a baccalaureate ~~[an undergraduate]~~ degree ~~[or certificate]~~ program at an eligible institution;
- (3) is enrolled for at least three-fourths of a full course load for an undergraduate student, as determined by the coordinating board;
- (4) makes satisfactory academic progress toward a baccalaureate ~~[an undergraduate]~~ degree ~~[or certificate]~~; and
- (5) complies with any additional nonacademic requirement adopted by the coordinating board.

SECTION _____. Section 56.306, Education Code, is amended to read as follows:

Sec. 56.306. GRANT USE. A person receiving a TEXAS grant may use the money to pay any usual and customary cost of attendance at an eligible institution ~~[of higher education]~~ incurred by the student. The institution may disburse all or part of the proceeds of a TEXAS grant directly to an eligible person only if the tuition and required fees incurred by the person at the institution have been paid.

SECTION _____. Section 56.307, Education Code, is amended by amending Subsections (a), (d-1), and (i) and adding Subsection (b) to read as follows:

(a) Except as provided by Subsection (b), the ~~[The]~~ amount of a TEXAS grant for a semester or term for a person enrolled full-time at an eligible institution ~~[other than an institution covered by Subsection (c) or (d)]~~ is an [the] amount determined by the coordinating board as the average statewide amount of tuition, ~~[and]~~ required fees, and allowance for course materials that a resident student enrolled full-time in a baccalaureate degree program would be charged for that semester or term at general academic teaching institutions.

(b) An eligible institution may award a TEXAS grant to an eligible student for a semester or term in an amount that is less than the amount determined by the coordinating board under Subsection (a).

(d-1) The coordinating board shall determine the average statewide tuition, ~~[and]~~ fee amounts, and allowance for course materials for a semester or term of the next academic year for purposes of this section by using the amounts of tuition and required fees that will be charged by the ~~[applicable]~~ eligible institutions for that

semester or term in that academic year. The board may estimate the amount of the charges for a semester or term in the next academic year by an institution if the relevant information is not yet available to the board.

(i) A public institution of higher education may not[-

~~[(1) unless the institution complies with Subsection (j), charge a person attending the institution who also receives a TEXAS grant an amount of tuition and required fees in excess of the amount of the TEXAS grant received by the person; or~~

~~[(2)] deny admission to or enrollment in the institution based on a person's eligibility to receive a TEXAS grant or a person's receipt of a TEXAS grant.~~

SECTION _____. (a) The change in law made by this Act to Subchapter M, Chapter 56, Education Code, applies beginning with TEXAS grants awarded for the 2014 fall semester. Grants awarded for a semester or term before the 2014 fall semester are governed by the applicable law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

(b) Notwithstanding Subsection (a) of this section, a student who first receives a TEXAS grant for attendance at a public junior college, public state college, or public technical institute for a semester or other academic term before the 2014 fall semester may continue to receive a TEXAS grant under Subchapter M, Chapter 56, Education Code, as that subchapter existed immediately before the effective date of this Act, as long as the student remains eligible for a TEXAS grant under the former law, and, if eligible, may continue to receive a TEXAS grant if the student enrolls at an eligible institution under Subchapter M, Chapter 56, Education Code, as amended by this Act. The Texas Higher Education Coordinating Board shall adopt rules to administer this subsection and shall notify each student who receives a TEXAS grant in the 2013-2014 academic year of the provisions of this subsection.

(2) Add the following appropriately numbered subdivision at the end of page 36:

(____) Sections 56.307(c), (d), (e), (f), (i-1), (j), and (l);

(3) In SECTION 41 of the bill (page 36, line 19, through page 37, line 11), renumber the subdivisions as appropriate.

Floor Amendment No. 25

Amend **CSSB 215** (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter C, Chapter 62, Education Code, is amended to read as follows:

SUBCHAPTER C. TEXAS COMPETITIVE KNOWLEDGE [RESEARCH UNIVERSITY DEVELOPMENT] FUND

Sec. 62.051. DEFINITIONS. In this subchapter:

(1) "Eligible institution" means an institution of higher education that:

(A) is designated as a research university [or emerging research university] under the coordinating board's accountability system and, for any three consecutive state fiscal years beginning on or after September 1, 2010, made total annual research expenditures in an average annual amount of not less than \$450 million; or

(B) is designated as an emerging research university under the coordinating board's accountability system and, for any three consecutive state fiscal years beginning on or after September 1, 2010, made total annual research expenditures in an average annual amount of not less than \$50 million.

(2) "Fund" means the Texas competitive knowledge fund.

(3) "Institution of higher education" has the meaning assigned by Section 61.003.

Sec. 62.052. PURPOSE. The purpose of this subchapter is to provide funding to eligible research universities and emerging research universities to support faculty to ensure excellence in instruction and research [~~for the recruitment and retention of highly qualified faculty and the enhancement of research productivity at those universities~~].

Sec. 62.053. FUND [FUNDING]. (a) The Texas competitive knowledge fund consists of money [~~For each state fiscal year, the coordinating board shall distribute any funds~~] appropriated by the legislature for the purposes of this subchapter[, ~~and any other funds made available for the purposes of this subchapter,~~] to eligible institutions [~~based on the average amount of total research funds expended by each institution annually during the three most recent state fiscal years, according to the following rates:~~

~~[(1) at least \$1 million for every \$10 million of the average annual amount of those research funds expended by the institution, if that average amount for the institution is \$50 million or more; and~~

~~[(2) at least \$500,000 for every \$10 million of the average annual amount of those research funds expended by the institution, if that average amount for the institution is less than \$50 million].~~

(b) For purposes of this section [~~Subsection (a)~~], the amount of total research funds expended by an eligible institution in a state fiscal year is the amount of those funds as reported to the coordinating board by the institution for that fiscal year, subject to any adjustment by the coordinating board in accordance with the standards and accounting methods the coordinating board prescribes for purposes of this section. [~~If the funds available for distribution for a state fiscal year under Subsection (a) are not sufficient to provide the amount specified by Subsection (a) for each eligible institution or exceed the amount sufficient for that purpose, the available amount shall be distributed in proportion to the total amount to which each institution is otherwise entitled under Subsection (a).~~]

Sec. 62.0535. INITIAL CONTRIBUTION. For the first state fiscal biennium in which an eligible institution receives an appropriation under this subchapter, the institution's other general revenue appropriations shall be reduced by an amount not to exceed the lesser of \$5 million for the biennium or the amount of the institution's appropriation under this subchapter for the biennium. The bill making the appropriation must expressly identify the purpose for which the appropriations were reduced in accordance with this section.

Sec. 62.054. APPROPRIATION AMOUNTS [RULES]. (a) Of the total amount appropriated for purposes of this subchapter in a state fiscal year, an eligible institution is entitled to receive an appropriation in the amount determined in accordance with this section.

(b) Not less than 50 percent of the total amount appropriated for purposes of this subchapter shall be appropriated to eligible institutions described by Section 62.051(1)(A). Each institution is entitled to receive a share of that amount in proportion to the average amount of total research funds expended by each institution annually during the three fiscal years preceding the state fiscal biennium for which the money is appropriated.

(c) The remainder of the total amount appropriated for purposes of this subchapter shall be appropriated to eligible institutions described by Section 62.051(1)(B). Each institution is entitled to receive a share of that amount in proportion to the average amount of total research funds expended by each institution annually during the three fiscal years preceding the state fiscal biennium for which the money is appropriated. [The coordinating board shall adopt rules for the administration of this subchapter, including any rules the coordinating board considers necessary regarding the submission to the coordinating board by eligible institutions of any student data required for the coordinating board to carry out its duties under this subchapter.]

Floor Amendment No. 29

Amend **CSSB 215** as follows:

(1) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Subsections (b), (d), and (e), Section 61.0572, Education Code, are amended to read as follows:

(b) The board shall:

(1) determine formulas for space utilization in all educational and general buildings and facilities at institutions of higher education;

(2) devise and promulgate methods to assure maximum daily and year-round use of educational and general buildings and facilities, including but not limited to maximum scheduling of day and night classes and maximum summer school enrollment;

(3) consider plans for selective standards of admission when institutions of higher education approach capacity enrollment;

(4) require, and assist the public technical institutes, public senior colleges and universities, medical and dental units, and other agencies of higher education in developing long-range campus master plans for campus development;

(5) by rule adopt [endorse, or delay until the next succeeding session of the legislature has the opportunity to approve or disapprove, the proposed purchase of any real property by an institution of higher education, except a public junior college;

[(6) develop and publish] standards[, rules, and regulations] to guide the board's review [institutions and agencies of higher education in making application for the approval] of new construction and the [major] repair and rehabilitation of all buildings and facilities regardless of proposed use; and

(6) [(7)] ascertain that the board's standards and specifications for new construction, repair, and rehabilitation of all buildings and facilities are in accordance with Chapter 469, Government Code [Article 9102, Revised Statutes].

(d) ~~(1)~~ The board ~~[, for purposes of state funding,]~~ may review purchases of [and approve as an addition to an institution's educational and general buildings and facilities inventory any] improved real property added to an institution's educational and general buildings and facilities inventory [acquired by gifts or lease purchase only if:

~~[(A) the institution requests to place the improved real property on its educational and general buildings and facilities inventory; and~~

~~[(B) the value of the improved real property is more than \$300,000 at the time the institution requests the property to be added to the educational and general buildings and facilities inventory.~~

~~[(2) This subsection does not apply to gifts, grants, or lease purchase arrangements intended for clinical or research facilities.~~

~~[(e) Approval of the board is not required to acquire real property that is financed by bonds issued under Section 55.17(c)(3) or (4), 55.1713-55.1718, 55.1721-55.1728, 55.1735(a)(1), 55.174, 55.1742, 55.1743, 55.1744, 55.1751-55.17592, 55.1768, 55.1771, or 55.17721, except that the board shall review all real property to be financed by bonds issued under those sections] to determine whether the property meets the standards adopted by the board for cost, efficiency, and space use, but the purchase of the improved real property is not contingent on board review. If the property does not meet those standards, the board shall notify the governor, the lieutenant governor, the speaker of the house of representatives, the governing board of the applicable institution, and the Legislative Budget Board. This subsection does not impair the board's authority to collect data relating to the improved real property that is added each year to the educational and general buildings and facilities inventory of institutions of higher education.~~

SECTION ____. Subsections (a) and (b), Section 61.058, Education Code, are amended to read as follows:

(a) This section does not apply to [Except as provided by Subsection (b) of this section, the board shall approve or disapprove all new construction and repair and rehabilitation of all buildings and facilities at institutions of higher education financed from any source provided that:

~~[(A) the board's consideration and determination shall be limited to the purpose for which the new or remodeled buildings are to be used to assure conformity with approved space utilization standards and the institution's approved programs and role and mission if the cost of the project is not more than \$4,000,000, but the board may consider cost factors and the financial implications of the project to the state if the total cost is in excess of \$4,000,000;~~

~~[(B) the requirement of approval for new construction applies only to projects the total cost of which is in excess of \$4,000,000;~~

~~[(C) the requirement of approval for major repair and rehabilitation of buildings and facilities applies only to a project the total cost of which is more than \$4,000,000;~~

~~[(D) the requirement of approval or disapproval by the board does not apply to any new construction or major repair and rehabilitation project that is specifically approved by the legislature;~~

~~[(E) the requirement of approval by the board does not apply to a junior college's construction, repair, or rehabilitation financed entirely with funds from a source other than the state, including funds from ad valorem tax receipts of the college, gifts, grants, and donations to the college, and student fees; and~~

~~[(F) the requirement of approval by the board does not apply to construction, repair, or rehabilitation of privately owned buildings and facilities located on land leased from an institution of higher education if the construction, repair, or rehabilitation is financed entirely from funds not under the control of the institution, and provided further that:~~

~~[(i) the] buildings and facilities that are to be used exclusively for auxiliary enterprises~~];~~ and~~

~~[(ii) the buildings and facilities] will not require appropriations from the legislature for operation, maintenance, or repair ~~[unless approval by the board has been obtained].~~~~

(b) ~~The~~ ~~[This section does not apply to construction, repair, or rehabilitation financed by bonds issued under Section 55.17(e)(3) or (4), 55.1713-55.1718, 55.1721-55.1728, 55.174, 55.1742, 55.1743, 55.1744, 55.1751-55.17592, 55.1768, 55.1771, or 55.17721, except that the]~~ board may ~~[shall]~~ review all construction, repair, or rehabilitation of buildings and facilities at institutions of higher education ~~[to be financed by bonds issued under those sections]~~ to determine whether the construction, rehabilitation, or repair meets the standards adopted by board rule for cost, efficiency, and space use, but the construction, rehabilitation, or repair is not contingent on board review. If the construction, rehabilitation, or repair does not meet those standards, the board shall notify the governor, the lieutenant governor, the speaker of the house of representatives, the governing boards of the applicable institutions, and the Legislative Budget Board. This subsection does not impair the board's authority to collect data relating to the construction, repair, or rehabilitation of buildings and facilities occurring each year at institutions of higher education.

(2) In SECTION 41 of the bill (on page 37, between lines 5 and 6), insert the following appropriately designated subdivisions and redesignate the other subdivisions of that SECTION appropriately:

() Section 61.0573;

() Subsection (c), Section 61.058;

Floor Amendment No. 30

Amend Floor Amendment No. 29 by Darby to **CSSB 215** by adding the following appropriately numbered item to the amendment:

() Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION ____ . Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.05821 to read as follows:

Sec. 61.05821. CONDITION OF BUILDINGS AND FACILITIES; ANNUAL REPORT REQUIRED. Each institution of higher education, excluding each public junior college and excluding other agencies of higher education, annually shall report to the governing board of the institution information regarding the condition of the buildings and facilities of the institution, including information concerning deferred maintenance with respect to those buildings and facilities as defined by the board.

Floor Amendment No. 31

Amend **CSSB 215** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter G, Chapter 51, Education Code, is amended by adding Section 51.360 to read as follows:

Sec. 51.360 DUTY OF TEXAS HIGHER EDUCATION COORDINATING BOARD TO PROTECT DIVERSITY OF THOUGHT AND FREEDOM OF SPEECH (a) It is the policy of this state, and the duty of the Texas Higher Education Coordinating Board, working in conjunction with governing boards, system administrations, and institutions, to promote diversity of thought and the marketplace of ideas on the campuses of institutions of higher education in this state, including by:

(1) protecting the rights of freedom of speech and freedom of association guaranteed by the constitutions of the United States and of this state so that all students of those institutions may assemble peaceably for a specific stated purpose and goal; and

(2) ensuring that those rights are not unnecessarily restricted or impeded by rules or policies adopted by those institutions.

(b) The Texas Higher Education Coordinating Board, working in conjunction with governing boards, system administrations, and institutions, shall ensure that each institution does not implement a policy or otherwise engage in a practice that requires a student organization, including a religious student organization, to accept for membership in the organization a student:

(1) who demonstrates opposition to the organization's stated beliefs and purposes; or

(2) whose membership in the organization:

(A) would affect in a significant way the organization's ability to advocate public or private viewpoints; or

(B) is designed for the subversive intent of undermining the organization's ability to assemble for its stated purposes.

Floor Amendment No. 1 on Third Reading

Amend **CSSB 215** on third reading as follows:

(1) In the SECTION of the bill amending Section 61.0572(d), Education Code (as amended by Second Reading Floor Amendment No. 29 by Darby, page 2, line 29), between "efficiency," and "and space use", insert "space need,".

(2) In the SECTION of the bill amending Section 61.0572(d), Education Code (as amended by Second Reading Floor Amendment No. 29 by Darby, page 2, line 30), between the period and "If the property", insert "Standards must be adopted by the board using the negotiated rulemaking procedures under Chapter 2008, Government Code."

(3) In the SECTION of the bill amending Section 61.058(b), Education Code (as amended by Second Reading Floor Amendment No. 29 by Darby, page 4, line 29), between "efficiency," and "and space use", insert "space need,".

(4) In the SECTION of the bill amending Section 61.058(b), Education Code (as amended by Second Reading Floor Amendment No. 29 by Darby, page 4, line 31), between the period and "If the construction", insert "Standards must be adopted by the board using the negotiated rulemaking procedures under Chapter 2008, Government Code."

Floor Amendment No. 2 on Third Reading

Amend **CSSB 215** as follows:

(1) Add a new SECTION to the bill, appropriately numbered, to read as follows:

SECTION _____. Section 61.002, Education Code, is amended by adding Subsection (c) to read as follows:

(c) The Texas Higher Education Coordinating Board has only the powers expressly provided by this chapter or other law. A power not expressly granted to the board by law in regard to the administration, organization, control, management, jurisdiction, or governance of an institution of higher education is reserved to the governing board of the institution unless that power is expressly reposed by law in another officer or entity.

(2) In SECTION 17 of the bill, in amended Section 61.051(a), Education Code, (page 16, lines 12-13) strike "represents" [~~shall represent~~] the highest authority in the state in matters of public higher education and" and substitute "[~~shall represent the highest authority in the state in matters of public higher education and~~]".

Floor Amendment No. 3 on Third Reading

Amend Floor Amendment No. 2 by Aycock to **CSSB 215** (house committee printing) on page 1 by striking lines 13 through 18.

Floor Amendment No. 4 on Third Reading

Amend **CSSB 215** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill appropriately:

SECTION _____. Section 61.822(b), Education Code, is amended to read as follows:

(b) Each institution of higher education shall adopt a core curriculum of not [~~no~~] less than 42 semester credit hours, including specific courses comprising the curriculum. The core curriculum shall be consistent with the single common course numbering system approved by the board under Section 61.832(a) and with the statement, recommendations, and rules issued by the board. An institution may have a core curriculum of other than 42 semester credit hours only if approved by the board.

SECTION _____. Section 61.830, Education Code, is amended to read as follows:

Sec. 61.830. PUBLICATION OF GUIDELINES ADDRESSING TRANSFER PRACTICES. In its course catalogs and on its website, each institution of higher education shall publish guidelines addressing the practices of the institution regarding the transfer of course credit. In the guidelines, the institution must identify a course by using the single common course numbering system approved by the board under Section 61.832(a).

SECTION _____. Section 61.832, Education Code, is amended to read as follows:

Sec. 61.832. COMMON COURSE NUMBERING SYSTEM. (a) The board shall approve a single common course numbering system for lower-division courses to facilitate the transfer of those courses among institutions of higher education by promoting consistency in course designation and identification.

(b) The board shall solicit input from institutions of higher education regarding the development of the single common course numbering system.

(c) Each institution of higher education other than The University of Texas at Austin and Texas A&M University shall:

(1) use the approved common course numbering system for each course for which a common number designation and course description are included in that system; and

(2) include the applicable course numbers from that system in its course catalogs and other course listings.

(d) The board may approve only a common course numbering system already in common use in this state by one or more institutions of higher education.

(e) ~~(e)~~ The board shall cooperate with institutions of higher education in any additional development or alteration of the common course numbering system approved under Subsection (a), including the taxonomy to be used, and in the development of rules for the administration and applicability of the system.

(f) Not later than June 1, 2014, the board shall:

(1) approve a single common course numbering system as required by Subsection (a); and

(2) establish a timetable that requires the institutions of higher education to which Subsection (c) applies to phase in the inclusion of the applicable course numbers from the common course numbering system in their individual course listings and course numbering systems as required by this section so that each institution fully complies with this section for all courses offered for the 2018-2019 academic year and subsequent years.

(f-1) Subsection (f) and this subsection expire January 1, 2020.

~~[(d) An institution of higher education shall include in its course listings the applicable course numbers from the common course numbering system approved by the board under this section. For good cause, the board may grant to an institution of higher education an exemption from the requirements of this subsection.]~~

Floor Amendment No. 6 on Third Reading

Amend **CSSB 215** is to read as follows:

SECTION _____. Subtitle H, Title 3, Education Code, is amended by adding Chapter 156 to read as follows:

CHAPTER 156. ADULT STEM CELL RESEARCH PROGRAM

Sec. 156.001. DEFINITIONS. In this chapter:

(1) "Adult stem cell" means an undifferentiated cell that is:

(A) found in differentiated tissue; and

(B) able to renew itself and differentiate to yield all or nearly all of the specialized cell types of the tissue from which the cell originated.

(2) "Consortium" means the Texas Adult Stem Cell Research Consortium.

(3) "Institution of higher education" means an institution of higher education as defined by Section 61.003 or a private college or university that receives state funds.

(4) "Program" means the adult stem cell research program established under this chapter.

(5) "Research coordinating board" means the Texas Adult Stem Cell Research Coordinating Board.

Sec. 156.002. COMPOSITION OF RESEARCH COORDINATING BOARD.

(a) The Texas Adult Stem Cell Research Coordinating Board is composed of:

(1) two members representing the Texas Higher Education Coordinating Board; each of whom is appointed by the commissioner of higher education;

(2) three members who are interested persons, including at least one person who represents an institution of higher education, appointed by the governor;

(3) two members who are interested persons appointed by the lieutenant governor; and

(4) two members who are interested persons appointed by the speaker of the house of representatives.

(b) The governor shall designate as the presiding officer of the research coordinating board a board member appointed under Subsection (a)(1) who represents an institution of higher education. The presiding officer serves in that capacity at the will of the governor.

(c) The members of the research coordinating board serve staggered six-year terms. If a vacancy occurs on the board, the appropriate appointing authority shall appoint, in the same manner as the original appointment, another person to serve for the remainder of the unexpired term.

Sec. 156.003. CONFLICT OF INTEREST. (a) In this section, "Texas trade association" means a cooperative and voluntarily joined association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

(b) A person may not be a member of the research coordinating board if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of medicine; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of medicine.

(c) A person may not be a member of the research coordinating board if the person is required to register as a lobbyist under Chapter 305, Government Code, because of the person's activities for compensation on behalf of a profession related to the operation of the board.

Sec. 156.004. COMPOSITION OF CONSORTIUM. (a) The research coordinating board shall establish the Texas Adult Stem Cell Research Consortium.

(b) The consortium is composed of participating institutions of higher education and businesses that:

(1) accept public money for adult stem cell research; or

(2) otherwise agree to participate in the consortium.

Sec. 156.005. ADMINISTRATION OF PROGRAM; GUIDELINES AND PROCEDURES. (a) The research coordinating board shall administer the program to:

(1) make grants, investments, and loans to consortium members for:

(A) adult stem cell research activities and projects including but not limited to: pre-clinical trials and studies, treatment protocol development, state and/or regulatory submissions including FDA Investigational New Drug Applications and approvals, clinical trials including the use of Contract Research Organizations, Data Safety Monitoring Boards, intellectual property development; pathways and processes to commercialization as well as to address the collection; development; cGMP manufacturing; characterization and use of adult stem cells;

(B) the development of facilities to be used solely for adult stem cell research projects or for the cGMP manufacturing of adult stem cell and related projects; and

(C) the commercialization of products or technology involving adult stem cell research and treatments;

(2) support consortium members in all stages of the process of developing treatments and cures based on adult stem cell research, beginning with initial laboratory research through successful cGMP manufacturing and clinical trials;

(3) establish appropriate regulatory standards and oversight bodies for:

(A) adult stem cell research conducted by consortium members; and

(B) the development of facilities for consortium members conducting adult stem cell research and cGMP manufacturing; and

(4) assist consortium members in applying for grants, investments, or loans under the program.

(b) The research coordinating board shall develop research priorities, guidelines, and procedures for providing grants, investments, and loans for specific research projects conducted by consortium members. The priorities, guidelines, and procedures must require the grants and loans to be made on a competitive, peer review basis.

Sec. 156.006. FUNDING. The program may only be funded by gifts, grants, investments, and donations described by Section 156.007.

Sec. 156.007. GIFTS, GRANTS, AND DONATIONS. The consortium shall solicit, and the research coordinating board may accept on behalf of the consortium, a gift, grant, or donation made from any public or private source for the purpose of promoting adult stem cell research or commercialization.

Sec. 156.008. BIENNIAL REPORT. Not later than September 1 of each even-numbered year, the research coordinating board shall submit a report of the board's activities and recommendations to the Texas Higher Education Coordinating Board and to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officer of each legislative standing committee or subcommittee with jurisdiction over higher education.

SECTION ____. Section 162.001, Health and Safety Code, is amended by adding Subdivision (4) to read as follows:

(4) "Adult stem cell" means an undifferentiated cell that is:

(A) found in differentiated tissue; and

(B) able to renew itself and differentiate to yield all or nearly all of the specialized cell types of the tissue from which the cell originated.

SECTION _____. Chapter 162, Health and Safety Code, is amended by adding Section 162.020 to read as follows:

Sec. 162.020. ADULT STEM CELL COLLECTION. Blood obtained by a blood bank may be used for the collection of adult stem cells if the donor consents in writing to that use.

SECTION _____. Section 241.003, Health and Safety Code, is amended by amending Subdivision (1) and adding Subdivision (1-a) to read as follows:

(1) "Adult stem cell" has the meaning assigned by Section 162.001.

(1-a) "Advanced practice nurse" means a registered nurse recognized as an advanced practice nurse by the Texas Board of Nursing.

SECTION _____. Subchapter A, Chapter 241, Health and Safety Code, is amended by adding Section 241.009 to read as follows:

Sec. 241.009. USE OF ADULT STEM CELLS. A hospital may use adult stem cells in a procedure if a physician providing services at the hospital determines that the use of adult stem cells in the procedure is appropriate and the patient consents in writing to the use.

SECTION _____. (a) As soon as practicable after the effective date of this Act, the governor, lieutenant governor, and speaker of the house of representatives shall appoint members to the Texas Adult Stem Cell Research Coordinating Board, as required by Section 156.002, Education Code, as added by this Act, as follows:

(1) the governor shall appoint one member to a term expiring February 1, 2015, one member to a term expiring February 1, 2017, and one member to a term expiring February 1, 2019;

(2) the lieutenant governor shall appoint one member to a term expiring February 1, 2017, and one member to a term expiring February 1, 2019; and

(3) the speaker of the house of representatives shall appoint one member to a term expiring February 1, 2017, and one member to a term expiring February 1, 2019.

(b) Not later than September 1, 2014, the Texas Adult Stem Cell Research Coordinating Board shall submit the first report of the board's activities and recommendations as required by Chapter 156, Education Code, as added by this Act.

Floor Amendment No. 7 on Third Reading

Amend **CSSB 215** on third reading by amending Section 54.017, Education Code, as added on second reading by Floor Amendment No. 20 by Capriglione, as that amendment was amended by Floor Amendment No. 22 by Capriglione, as follows:

(1) Strike the heading to added Section 54.017, Education Code, and substitute "STUDY ON TUITION RATES AND FEE AMOUNTS".

(2) Strike added Section 54.017(b), Education Code.

(3) In added Section 54.017(c), Education Code, strike "affordability of tuition and fee rates" and substitute "affordability of tuition rates and fee amounts".

(4) Strike the last sentence of added Section 54.017(c), Education Code, and substitute "The coordinating board shall submit the results of the study to general academic teaching institutions, the governor, and the legislative standing committees with primary jurisdiction over higher education."

(5) Redesignate added Section 54.017(c), Education Code, as Section 54.017(b), Education Code.

Floor Amendment No. 8 on Third Reading

Amend **CSSB 215** on third reading as follows:

(1) In the SECTION of the bill amending Section 56.451, Education Code, as amended by Second Reading Amendment No. 17 by Giddings:

(A) In the recital, strike "Section 56.451, Education Code, is amended by amending Subdivisions (2) and (3) and adding Subdivisions (4) and (5)" and substitute "Subdivisions (2) and (3), Section 56.451, Education Code, are amended".

(B) Strike added Subdivisions (4) and (5), Section 56.451, Education Code.

(2) Strike the SECTION of the bill amending Section 56.453, Education Code, as added by Second Reading Amendment No. 17 by Giddings, and substitute the following appropriately numbered SECTION:

SECTION _____. Section 56.453, Education Code, is amended by adding Subsection (d) to read as follows:

(d) The coordinating board, in collaboration with eligible institutions and other appropriate entities, shall adopt and implement measures to:

(1) improve student participation in the Texas B-On-time loan program, including strategies to better inform students and prospective students about the program; and

(2) improve the rate of student satisfaction of the requirements for obtaining Texas B-On-time loan forgiveness.

(3) In the SECTION of the bill amending Section 56.455, Education Code, as amended by Second Reading Amendment No. 17 by Giddings, strike amended Subdivision (5) and substitute the following:

(5) comply with any additional nonacademic requirement adopted by the coordinating board under this subchapter.

(4) In the SECTION of the bill amending Section 56.456(a), Education Code, as amended by second reading Amendment No. 17 by Giddings, strike amended Subdivision (5) and substitute the following:

(5) complies with any additional nonacademic requirement adopted by the coordinating board.

(5) In the SECTION of the bill amending Section 56.459, Education Code, as amended by second reading Amendment No. 17 by Giddings:

(A) In the recital, strike "Subsections (a), (b), (e), and (f)" and substitute "Subsections (a), (b), and (f)".

(B) Strike amended Subsection (a) and substitute the following:

(a) The amount of a Texas B-On-time loan for a semester or term for a student enrolled full-time at an eligible institution other than an institution covered by Subsection (b) ~~[(e), or (d)]~~ is an amount determined by the coordinating board as the average statewide amount of tuition and required fees that a resident student enrolled full-time in a baccalaureate ~~[an undergraduate]~~ degree program would be charged for that semester or term at general academic teaching institutions.

(C) Strike amended Subsections (e) and (f) and substitute the following:

(f) If in any academic year the amount of money in the Texas B-On-time student loan account, other than money appropriated to the account exclusively for loans at eligible institutions that are private or independent institutions of higher education, is insufficient to provide the loans in the maximum amount specified by this section to all eligible persons at eligible institutions that are institutions of higher education [~~in amounts specified by this section~~], the coordinating board shall determine the amount of that available money and shall allocate that amount to those eligible institutions in proportion to the amount of tuition set aside by [~~number of full-time equivalent undergraduate students enrolled at~~] each of those institutions under Section 56.465 for the preceding academic year [institution]. In the manner prescribed by the coordinating board for purposes of this subsection, each eligible institution that is a private or independent institution of higher education is entitled to receive an allocation only from the general revenue appropriations made for that academic year to eligible private or independent institutions of higher education for the purposes of this subchapter. Each institution shall use the money allocated to award Texas B-On-time loans to eligible students enrolled at the institution selected according to financial need.

(6) Strike the SECTION of the bill amending Section 56.465, Education Code, as added by second reading Amendment No. 17 by Giddings, and substitute the following appropriately numbered SECTION:

SECTION _____. Section 56.465, Education Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) If the amount of tuition set aside by an eligible institution under Subsection (a) in any academic year exceeds the amount necessary to fund Texas B-On-time loans awarded to students enrolled at the institution in that academic year, the coordinating board shall determine the amount by which the tuition set aside by the institution exceeds the amount necessary to fund those loans. The coordinating board shall transfer that amount from the Texas B-On-time student loan account to the credit of an account established for the institution if:

(1) the coordinating board determines that the participation rate of students of the institution in the Texas B-On-time loan program has increased from the participation rate for the preceding academic year; or

(2) the measures adopted by the coordinating board under Section 56.453(d) have been fully implemented at the institution in the current academic year.

(c) Money transferred to the credit of the account established for an eligible institution under Subsection (c) is considered to be institutional funds of the institution and may be used only for a purpose for which tuition set aside under Subchapter B may be used.

(7) Strike the following SECTIONS of the bill, as added by Second Reading Amendment No. 17 by Giddings:

(A) the SECTION amending Section 56.457, Education Code;

(B) the SECTION adding Section 56.4621, Education Code;

(C) the SECTION amending Sections 56.463 and 56.464, Education Code; and

(D) the SECTION adding Section 56.466, Education Code.

(8) Renumber the SECTIONS of the bill as appropriate.

Floor Amendment No. 9 on Third Reading

Amend **CSSB 215** on third reading by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill appropriately:

SECTION _____. The heading to Section 51.968, Education Code, is amended to read as follows:

Sec. 51.968. ALTERNATE METHODS FOR EARNING UNDERGRADUATE COURSE CREDIT [FOR HIGH SCHOOL STUDENTS COMPLETING POSTSECONDARY LEVEL PROGRAM].

SECTION _____. Section 51.968(a)(4), Education Code, is amended to read as follows:

(4) "Institution of higher education" has the meaning assigned [means an institution of higher education, as defined] by Section 61.003[, that offers freshman-level courses].

SECTION _____. Section 51.968, Education Code, is amended by adding Subsections (a-1), (a-2), (a-3), (d-1), and (f-1) and amending Subsections (b), (c), and (e) to read as follows:

(a-1) This section applies only to an institution of higher education that offers freshman-level and sophomore-level courses.

(a-2) To maximize opportunities for students to earn undergraduate course credit at the institution, each institution of higher education may develop and administer one or more institution-specific examinations or assessments by which entering or current undergraduate students may earn freshman-level or sophomore-level course credit in the same manner as an entering freshman student may earn course credit through a CLEP examination or Advanced Placement examination. The institution may charge students a reasonable fee for taking an examination or assessment described by this subsection. The institution may develop and administer examinations or assessments for course credit for as many freshman-level and sophomore-level courses as practicable and may develop those examinations or assessments using source material from other institutions of higher education.

(a-3) Each institution of higher education that ceases to offer credit through the College-Level Examination Program or the Advanced Placement Program for a specific course shall offer credit for the course through an institution-specific examination or assessment administered under Subsection (a-2).

(b) Each institution of higher education [~~that offers freshman-level courses~~] shall adopt and implement a policy to grant [~~undergraduate~~] course credit for freshman-level and sophomore-level courses to undergraduate [~~entering freshman~~] students who have:

(1) successfully completed the International Baccalaureate Diploma Program;

(2) [~~who have~~] achieved required scores on one or more examinations in the Advanced Placement Program or the College-Level Examination Program;

(3) [~~or who have~~] successfully completed one or more courses offered through concurrent enrollment in high school and at an institution of higher education;

or

(4) achieved required scores on one or more institution-specific examinations or assessments administered by the institution under Subsection (a-2).

(c) In the policy, the institution shall:

(1) establish the institution's conditions for granting course credit, including the minimum required scores on CLEP examinations, Advanced Placement examinations, ~~[and]~~ examinations for courses constituting the International Baccalaureate Diploma Program, and institution-specific examinations or assessments administered by the institution under Subsection (a-2); and

(2) based on the correlations identified under Subsections ~~[Subsection]~~ (f) and (f-1), identify the specific freshman-level or sophomore-level course credit or other academic requirements of the institution, including the number of semester credit hours or other course credit, that the institution will grant to a student who successfully completes a course or program or achieves a required score on an examination or assessment as described by Subsection (b) ~~[the diploma program, who successfully completes a course through concurrent enrollment, or who achieves required scores on CLEP examinations or Advanced Placement examinations].~~

(d-1) Each institution of higher education shall:

(1) report to the coordinating board:

(A) a list of courses for which the institution offers undergraduate students the opportunity to earn course credit through an institution-specific examination or assessment;

(B) the institution's policy adopted under this section; and

(C) any fee charged for an examination or assessment administered under Subsection (a-2); and

(2) include a copy of the list, policy, and applicable fee schedule with the institution's undergraduate student application materials, including application materials available on the institution's Internet website.

(e) On request of an applicant for admission as an entering undergraduate student ~~[freshman]~~, an institution of higher education, based on information provided by the applicant, shall determine and notify the applicant regarding:

(1) the amount and type of any course credit that would or could be granted to the applicant under the policy; and

(2) any other academic requirement that the applicant would satisfy under the policy.

(f-1) An institution of higher education shall:

(1) identify correlations between the subject matter and content of courses offered by the institution and the subject matter and content of institution-specific examinations or assessments administered by the institution under Subsection (a-2); and

(2) make that information available to the public on the institution's Internet website in a manner that conforms to the requirements of Section 51.974.

SECTION _____. Subchapter Z, Chapter 51, Education Code, is amended by adding Section 51.96852 to read as follows:

Sec. 51.96852. TRANSFER OF CREDIT FROM LOWER-DIVISION INSTITUTIONS; ARTICULATION AGREEMENTS. (a) In this section:

(1) "Articulation agreement" means a formal written agreement between a public junior college and a general academic teaching institution identifying courses offered by the public junior college that must be accepted for credit toward specific course requirements at the general academic teaching institution.

(2) "Lower-division institution of higher education" means a public junior college, public state college, or public technical institute.

(3) "Public junior college" and "general academic teaching institution" have the meanings assigned by Section 61.003.

(b) Each general academic teaching institution shall:

(1) publish on the institution's Internet website for use by prospective undergraduate students a detailed description developed by the institution's faculty of the learning objectives, content, and prior knowledge requirements for at least 12 courses offered by the institution for which credit is frequently transferred to the institution from lower-division institutions of higher education;

(2) identify the public junior colleges from which the general academic teaching institution regularly receives transfer students; and

(3) establish, for at least five degree plans for which credit is frequently transferred to the institution from lower-division institutions of higher education, articulation agreements with each public junior college from which the general academic teaching institution has received an average of at least five percent of the institution's transfer students in the three preceding academic years.

(c) A general academic teaching institution's participation in an articulation agreement under this section does not affect the institution's admissions policies.

(d) In consultation with general academic teaching institutions and public junior colleges, the Texas Higher Education Coordinating Board shall adopt any rules the coordinating board considers necessary for the administration of this section.

SECTION ____. Section 61.0515, Education Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) To earn a baccalaureate degree, a student may not be required by a general academic teaching institution to complete more than the minimum number of semester credit hours required for the degree by the institution's board-recognized accrediting agency [~~Southern Association of Colleges and Schools or its successor~~] unless the institution determines that there is a compelling academic reason for requiring completion of additional semester credit hours for the degree.

(d) The board shall adopt any rules the board considers necessary for the administration of this section.

SECTION ____. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.05151 to read as follows:

Sec. 61.05151. SEMESTER CREDIT HOURS REQUIRED FOR ASSOCIATE DEGREE. (a) To earn an associate degree, a student may not be required by an institution of higher education to complete more than the minimum number of semester credit hours required for the degree by the institution's board-recognized accrediting agency unless academic accreditation or professional licensure requirements require the completion of additional semester credit hours for the degree.

(b) The board may review one or more of an institution's associate degree programs to ensure compliance with this section.

(c) Subsection (a) does not apply to an associate degree awarded by an institution to a student enrolled in the institution before the 2015 fall semester.

(d) The board shall adopt any rules the board considers necessary for the administration of this section.

SECTION _____. Section 61.052, Education Code, is amended by amending Subsections (a) and (b) and adding Subsection (b-1) to read as follows:

(a) Each governing board shall submit to the board once each year on dates designated by the board a comprehensive list by department, division, and school of all courses, together with a description of content, scope, and prerequisites of all these courses, that will be offered by each institution under the supervision of that governing board during the following academic year. The list for each institution must also specifically identify any course included in the single common course numbering system under Section 61.832 that has been added to or removed from the institution's list for the current academic year, and the board shall distribute that information as necessary to accomplish the purposes of Section 61.832.

(b) After the comprehensive list of courses is submitted by a governing board under Subsection (a) ~~[of this section]~~, the governing board shall submit on dates designated by the board any changes in the comprehensive list of courses to be offered, including any changes relating to offering a course included in the single common course numbering system.

(b-1) Each governing board must certify at the time of submission under Subsection (a) that the institution does not:

(1) prohibit the acceptance of transfer credit based solely on the accreditation of the sending institution; or

(2) include language in any materials published by the institution, whether in printed or electronic form, suggesting that such a prohibition exists.

SECTION _____. Section 61.822, Education Code, is amended by amending Subsections (a) and (b) and adding Subsection (f) to read as follows:

(a) The board, with the assistance of advisory committees composed of representatives of institutions of higher education, shall develop a recommended core curriculum of at least 42 semester credit hours, including a statement of the content, component areas, and objectives of the core curriculum. Administrators of an institution of higher education may serve as representatives of the institution on any advisory committee under this section. At least a majority of the members of any advisory committee named under this section shall be faculty members of an institution of higher education. An institution shall consult with the faculty of the institution before nominating or recommending a person to the board as the institution's representative on an advisory committee.

(b) Each institution of higher education shall adopt a core curriculum of not ~~[no]~~ less than 42 semester credit hours, including specific courses comprising the curriculum. The core curriculum shall be consistent with the single common course numbering system approved by the board under Section 61.832(a) and with the statement, recommendations, and rules issued by the board. An institution may have a core curriculum of other than 42 semester credit hours only if approved by the board.

(f) In an effort to facilitate the transfer of major-related coursework beyond the general education core curriculum, the board, with the assistance of the advisory committees described by Subsection (a), shall:

(1) develop a course-specific core curriculum for each broad academic discipline within the general core curriculum; and

(2) identify those degree programs offered at institutions of higher education to which the course-specific core curriculum, if successfully completed by a student at another institution of higher education, is fully transferable.

SECTION _____. Section 61.830, Education Code, is amended to read as follows:

Sec. 61.830. PUBLICATION OF GUIDELINES ADDRESSING TRANSFER PRACTICES. In its course catalogs and on its website, each institution of higher education shall publish guidelines addressing the practices of the institution regarding the transfer of course credit. In the guidelines, the institution must identify a course by using the single common course numbering system approved by the board under Section 61.832(a).

SECTION _____. Section 61.832, Education Code, is amended to read as follows:

Sec. 61.832. COMMON COURSE NUMBERING SYSTEM. (a) The board shall approve a single common course numbering system for lower-division courses to facilitate the transfer of those courses among institutions of higher education by promoting consistency in course designation and identification.

(b) The board shall solicit input from institutions of higher education regarding the development of the single common course numbering system.

(c) Each institution of higher education other than The University of Texas at Austin and Texas A&M University shall:

(1) use the approved common course numbering system for each course for which a common number designation and course description are included in that system; and

(2) include the applicable course numbers from that system in its course catalogs and other course listings.

(d) The board may approve only a common course numbering system already in common use in this state by one or more institutions of higher education.

(e) ~~(e)~~ The board shall cooperate with institutions of higher education in any additional development or alteration of the common course numbering system approved under Subsection (a), including the taxonomy to be used, and in the development of rules for the administration and applicability of the system.

(f) A student who transfers from one institution of higher education to another shall receive academic credit from the receiving institution for each course that the student has successfully completed that serves as an equivalent course under the single common course numbering system at the institution from which the student transfers.

(g) Not later than June 1, 2014, the board shall:

(1) approve a single common course numbering system as required by Subsection (a); and

(2) establish a timetable that requires the institutions of higher education to which Subsection (c) applies to phase in the inclusion of the applicable course numbers from the single common course numbering system in their individual course listings and course numbering systems as required by this section so that each institution fully complies with this section for all courses offered for the 2018-2019 academic year and subsequent years.

(g-1) Subsection (g) and this subsection expire January 1, 2020. [(d) An institution of higher education shall include in its course listings the applicable course numbers from the common course numbering system approved by the board under this section. For good cause, the board may grant to an institution of higher education an exemption from the requirements of this subsection.]

SECTION _____. The change in law made by this Act to Section 51.968, Education Code, applies beginning with the 2014-2015 academic year. An academic year occurring before that academic year is covered by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION _____. Not later than May 31, 2015, each general academic teaching institution shall publish on the institution's Internet website the information required by Section 51.96852, Education Code, as added by this Act, and establish articulation agreements in accordance with that section.

SECTION _____. The change in law made by this Act to Section 61.0515(a), Education Code, applies beginning with undergraduate students who initially enroll in a general academic teaching institution for the 2015 fall semester. An undergraduate student who initially enrolls in a general academic teaching institution before that semester is covered by the law in effect before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION _____. The changes in law made by this Act to Section 61.052, Education Code, apply to the comprehensive lists of courses offered by public institutions of higher education beginning with lists required to be submitted for the 2014-2015 academic year. Course lists for an academic year before that academic year are covered by the law in effect before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION _____. Not later than May 31, 2015, the Texas Higher Education Coordinating Board shall develop core curricula for broad academic disciplines included within the general core curriculum that conform to the requirements of Section 61.822, Education Code, as amended by this Act.

SECTION _____. Section 61.832(f), Education Code, as added by this Act, applies beginning with the 2013 fall semester.

The amendments were read.

Senator Birdwell moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 215** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Birdwell, Chair; Nichols, Seliger, Watson, and Duncan.

**SENATE BILL 217 WITH HOUSE AMENDMENTS
(Motion In Writing)**

Senator Patrick submitted a Motion In Writing to call **SB 217** from the President's table for consideration of the House amendments to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 217** (house committee report) as follows:

(1) On page 5, strike lines 12-16 and substitute the following:

(1) developing and overseeing contracts; and

(2) developing the budget of the state employee charitable campaign.

(2) On page 12, lines 24-26, strike the recital to SECTION 13 of the bill and substitute "Sections 659.151(a), (b), and (c), Government Code, are amended to read as follows:".

(3) On page 13, strike lines 6-9.

Floor Amendment No. 1 on Third Reading

Amend **SB 217** (house committee report) as follows:

(1) On page 2, line 2, strike "and (e)" and substitute "(e), and (i)".

(2) On page 5, between lines 16 and 17, insert the following:

(i) The state employee charitable campaign policy committee is subject to the Texas Sunset Act. Unless continued in existence as provided by that chapter, the committee is abolished and Government Code Chapter 659, Subchapter I, and Sections 814.0095 and 814.0096 expire on September 1, 2025 [~~2013~~].

(3) Strike page 14, lines 4-6, and substitute the following:

SECTION 15. Subdivisions (1), (12), and (14), Section 659.131 and Sections 659.143 and 659.144, Government Code, are repealed.

The amendments were read.

Senator Patrick moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 217** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Patrick, Chair; Garcia, Whitmire, Birdwell, and Huffman.

HOUSE BILL 1951 REREFERRED
(Motion In Writing)

Senator Carona submitted a Motion In Writing requesting that **HB 1951** be withdrawn from the Committee on Agriculture, Rural Affairs and Homeland Security and rereferred to the Committee on Business and Commerce.

The Motion In Writing prevailed without objection.

HOUSE RESOLUTION ON FIRST READING

The following resolution received from the House was read first time and referred to the committee indicated:

HCR 80 to Committee on Business and Commerce.

SENATE RULE 11.18(a) SUSPENDED
(Public Hearings)

On motion of Senator Carona and by unanimous consent, Senate Rule 11.18(a) was suspended in order that the Committee on Business and Commerce might consider the following bill and resolution today: **HB 1951, HCR 80**.

SENATE RULE 11.18(a) SUSPENDED
(Public Hearings)

On motion of Senator Whitmire and by unanimous consent, Senate Rule 11.18(a) was suspended in order that the Committee on Criminal Justice might consider the following bill and resolution today: **HB 3952, HCR 57**.

SENATE RULE 11.18(a) SUSPENDED
(Public Hearings)

On motion of Senator Hinojosa and by unanimous consent, Senate Rule 11.18(a) was suspended in order that the Committee on Finance might consider **HB 2972** today.

SENATE RULE 11.18(a) SUSPENDED
(Public Hearings)

On motion of Senator Hinojosa and by unanimous consent, Senate Rule 11.18(a) was suspended in order that the Committee on Intergovernmental Relations might consider **HB 3350** today.

CO-AUTHOR OF SENATE BILL 115

On motion of Senator Williams, Senator Lucio will be shown as Co-author of **SB 115**.

CO-AUTHOR OF SENATE BILL 537

On motion of Senator Deuell, Senator Lucio will be shown as Co-author of **SB 537**.

CO-SPONSOR OF HOUSE BILL 148

On motion of Senator Paxton, Senator Campbell will be shown as Co-sponsor of **HB 148**.

CO-SPONSOR OF HOUSE BILL 462

On motion of Senator Patrick, Senator Campbell will be shown as Co-sponsor of **HB 462**.

CO-SPONSOR OF HOUSE BILL 866

On motion of Senator Seliger, Senator Patrick will be shown as Co-sponsor of **HB 866**.

CO-SPONSOR OF HOUSE BILL 928

On motion of Senator Estes, Senator Campbell will be shown as Co-sponsor of **HB 928**.

CO-SPONSOR OF HOUSE BILL 972

On motion of Senator Birdwell, Senator Campbell will be shown as Co-sponsor of **HB 972**.

CO-SPONSOR OF HOUSE BILL 1926

On motion of Senator Hegar, Senator Patrick will be shown as Co-sponsor of **HB 1926**.

CO-SPONSOR OF HOUSE BILL 2478

On motion of Senator Watson, Senator Garcia will be shown as Co-sponsor of **HB 2478**.

CO-SPONSORS OF HOUSE BILL 2500

On motion of Senator Watson, Senators Estes and Rodríguez will be shown as Co-sponsors of **HB 2500**.

CO-SPONSORS OF HOUSE BILL 2824

On motion of Senator Paxton, Senators Eltife and Seliger will be shown as Co-sponsors of **HB 2824**.

RESOLUTIONS OF RECOGNITION

The following resolutions were adopted by the Senate:

Memorial Resolutions

SR 1016 by Watson, In memory of John P. Nieman.

SR 1020 by Van de Putte, In memory of Rudolph G. Suniga.

SR 1021 by Van de Putte, In memory of Jerry "Coach" Dossier.

Welcome and Congratulatory Resolutions

SR 1013 by Birdwell and Huffman, Recognizing Lynn Forney Young on her installation as president general of the National Society Daughters of the American Revolution.

SR 1014 by Ellis, Welcoming Abiola and Florence Ajimobi to the State Capitol.

SR 1015 by Watson, Recognizing Mike and Pam Reese for their stewardship of Texas lands and water.

SR 1018 by Whitmire, Recognizing Northwest Preparatory Academy Charter School on the occasion of its 12th annual eighth grade promotion ceremony.

SR 1019 by Deuell, Recognizing members of the 2013 Leadership Rockwall Class.

ADJOURNMENT

On motion of Senator Whitmire, the Senate at 7:51 p.m. adjourned until 10:00 a.m. tomorrow.

APPENDIX

COMMITTEE REPORTS

The following committee reports were received by the Secretary of the Senate in the order listed:

May 20, 2013

CRIMINAL JUSTICE — **CSHB 3370**

HIGHER EDUCATION — **CSHB 2099, CSHB 870, CSHB 2448**

ECONOMIC DEVELOPMENT — **CSHB 3436, HB 3643**

TRANSPORTATION — **CSHB 1573, CSHB 3838**

AGRICULTURE, RURAL AFFAIRS AND HOMELAND SECURITY — **CSHB 2150**

FINANCE — **CSHB 7, CSHB 213, CSHB 500, CSHB 1025, CSHB 1223, CSHB 6, HB 97, HB 315, HB 697, HB 709, HB 1511, HB 1712, HB 2500, HB 2636, HB 2684, HB 2712, HB 2766, HB 2792, HB 3086, HB 3169, HB 3438, HB 3439, HJR 24**

STATE AFFAIRS — **HB 724, HB 1468, HB 3015, HB 3276**

EDUCATION — **CSHB 2012, CSHB 2836, CSHB 1926**

HIGHER EDUCATION — **CSHB 2036**

NATURAL RESOURCES — **CSHB 2532, CSHB 2859, HB 2781**

ADMINISTRATION — **HB 1260, HB 1588, HB 3954, HCR 115**

GOVERNMENT ORGANIZATION — **HB 2422, CSHB 1726, CSHB 12**

ADMINISTRATION — **HB 1587, HCR 111**

CRIMINAL JUSTICE — **CSHB 899**

NATURAL RESOURCES — **CSHB 3509**

FINANCE — **CSHB 3536, CSHB 3572**

JURISPRUDENCE — **HB 2621, HB 1228, HB 1245, HB 1846, HB 3314, HB 1755, HB 2080 (Amended), HB 2912 (Amended), HB 2913, HB 2918**

FINANCE — **CSHB 826, CSHB 585**

JURISPRUDENCE — **CSHB 2978, CSHB 3259**

AGRICULTURE, RURAL AFFAIRS AND HOMELAND SECURITY — **HB 1090, HB 1179, HB 1382, HB 3433, HB 3566, HB 3569, HB 3761**

VETERAN AFFAIRS AND MILITARY INSTALLATIONS — **CSHB 489**

ADMINISTRATION — **HB 3945**

JURISPRUDENCE — **CSHB 984, CSHB 1847**

BILLS ENGROSSED

May 17, 2013

SB 1648, SB 1909, SB 1920

BILLS AND RESOLUTIONS ENROLLED

May 17, 2013

SB 12, SB 63, SB 109, SB 111, SB 152, SB 201, SB 222, SB 246, SB 260, SB 286, SB 344, SB 356, SB 394, SB 395, SB 406, SB 772, SB 819, SB 944, SB 983, SB 1120, SB 1167, SB 1665, SB 1719, SB 1792, SJR 18, SJR 42, SR 973, SR 1001, SR 1002, SR 1003, SR 1004, SR 1005, SR 1006, SR 1007, SR 1008

SIGNED BY GOVERNOR

May 18, 2013

SB 60, SB 120, SB 162, SB 166, SB 202, SB 265, SB 275, SB 276, SB 299, SB 307, SB 330, SB 334, SB 348, SB 349, SB 354, SB 365, SB 366, SB 367, SB 411, SB 412, SB 447, SB 458, SB 466, SB 471, SB 506, SB 595, SB 611, SB 649, SB 655, SB 686, SB 698, SB 733, SB 743, SB 777, SB 795, SB 820, SB 849, SB 852, SB 866, SB 885, SB 900, SB 902, SB 905, SB 920, SB 945, SB 965, SB 972, SB 1019, SB 1026, SB 1041, SB 1110, SB 1157, SB 1236, SB 1286, SB 1489, SB 1537, SB 1814, SB 1815, SCR 35

SENT TO GOVERNOR

May 20, 2013

SB 12, SB 63, SB 109, SB 111, SB 152, SB 201, SB 222, SB 246, SB 260, SB 286, SB 344, SB 356, SB 377, SB 394, SB 395, SB 406, SB 715, SB 772, SB 819, SB 914, SB 944, SB 983, SB 1120, SB 1142, SB 1167, SB 1312, SB 1541, SB 1665, SB 1719, SB 1792, SB 1868

SENATE JOURNAL

EIGHTY-THIRD LEGISLATURE — REGULAR SESSION

AUSTIN, TEXAS

PROCEEDINGS

SIXTY-THIRD DAY
(Tuesday, May 21, 2013)

The Senate met at 10:18 a.m. pursuant to adjournment and was called to order by Senator Eltife.

The roll was called and the following Senators were present: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

The Presiding Officer announced that a quorum of the Senate was present.

Pastor Donnie Smith, The Fellowship, Round Rock, offered the invocation as follows:

Dear heavenly Father, this is the day You have made, we will rejoice in it. I praise You for the great men and women that You have empowered to lead our state. I ask for Your favor and blessing on each one of them. I ask that You watch over their families and bring peace in their hearts so they can focus on the responsibility You have given to them to conduct business for our state. I ask for wisdom and discernment for each one of them. Give them the tools they need to love, lead, and serve. We need Your guidance; we need Your strength; we need Your eyes to see what You see. Thank You for loving us and giving us a day we can rejoice in. You are good, and we proclaim You as God. Today with one voice we lift up those impacted by the destruction in Oklahoma. We pray for the leaders and volunteers as they work to restore what has been broken. Comfort those who are grieving and bring hope to the hopeless. Thank You so much for everything You have blessed us with. As You bless, we will be good stewards. Thank You today that You are our God and we are Your people. In Jesus' name we pray. Amen.

Senator Whitmire moved that the reading of the Journal of the proceedings of the previous day be dispensed with and the Journal be approved as printed.

The motion prevailed without objection.

HOUSE BILL ON FIRST READING

The following bill received from the House was read first time and referred to the committee indicated:

HB 3942 to Committee on Intergovernmental Relations.

PHYSICIAN OF THE DAY

Senator Huffman was recognized and presented Dr. Troy Fiesinger of Sugar Land as the Physician of the Day.

The Senate welcomed Dr. Fiesinger and thanked him for his participation in the Physician of the Day program sponsored by the Texas Academy of Family Physicians.

SENATE RESOLUTION 433

Senator Davis offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to recognize Ruby Cole Session for her laudable achievements as an educator and advocate; and

WHEREAS, Throughout her lifetime, this distinguished Fort Worth citizen has served as a role model for school children; she is also well regarded for her tireless efforts in the field of criminal justice reform; and

WHEREAS, Mrs. Session is the mother of the late Tim Cole, who was the first inmate in Texas to be posthumously exonerated; she is a fierce champion of the wrongly accused; her work on behalf of her son's case is a poignant testament to a mother's refusal to give up hope; and

WHEREAS, As a teacher for more than 30 years, Mrs. Session has also had a positive impact on the lives of innumerable school children; as one of the first 25 African-American women to graduate from Texas Christian University, she is, herself, a shining tribute to academic achievement; and

WHEREAS, This outstanding Fort Worth resident is revered by her friends and family as a devoted mother, an accomplished educator, and a resolute advocate of criminal justice reform; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 83rd Legislature, hereby commend Ruby Cole Session on her many achievements and extend to her sincere best wishes in all her future endeavors; and, be it further

RESOLVED, That a copy of this Resolution be prepared for Mrs. Session as an expression of esteem from the Texas Senate.

DAVIS
ELLIS

SR 433 was again read.

The resolution was previously adopted on Monday, March 18, 2013.

GUEST PRESENTED

Senator Davis, joined by Senator Ellis, was recognized and introduced to the Senate Ruby Cole Session, mother of Timothy Cole.

The Senate welcomed its guest.

CONCLUSION OF MORNING CALL

The Presiding Officer at 10:44 a.m. announced the conclusion of morning call.

HOUSE BILL 705 ON SECOND READING

On motion of Senator Schwertner and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 705** at this time on its second reading:

HB 705, Relating to the definition of emergency services personnel for purposes of the enhanced penalty prescribed for an assault committed against a person providing services in that capacity.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 705 ON THIRD READING

Senator Schwertner moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 705** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2792 ON SECOND READING

On motion of Senator Hegar and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2792** at this time on its second reading:

HB 2792, Relating to the circumstances under which an appraisal review board hearing shall be closed to the public.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2792 ON THIRD READING

Senator Hegar moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2792** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

LEAVE OF ABSENCE

On motion of Senator Whitmire, Senator Williams was granted leave of absence for the remainder of the day on account of important business.

HOUSE BILL 724 ON SECOND READING

Senator Zaffirini moved to suspend the regular order of business to take up for consideration **HB 724** at this time on its second reading:

HB 724, Relating to the creation of a commission to study unclaimed land grant mineral proceeds.

The motion prevailed.

Senators Campbell, Nelson, and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Campbell, Nelson, Schwertner.

Absent-excused: Williams.

HOUSE BILL 724 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 724** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 3.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nichols, Patrick, Paxton, Rodriguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Campbell, Nelson, Schwertner.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 3. (Same as previous roll call)

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Tuesday, May 21, 2013 - 1

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

- SB 31** Zaffirini Sponsor: Patrick, Diane
Relating to formula funding for certain semester credit hours earned for dual course credit.
- SB 62** Nelson Sponsor: Laubenberg
Relating to the vaccination against bacterial meningitis of entering students at public and private or independent institutions of higher education.
- SB 66** Nelson Sponsor: Laubenberg
Relating to the child fatality review team committee.
(Amended)
- SB 127** Nelson Sponsor: King, Susan
Relating to the creation of certain funding formulas and policies and to certain public health evaluations by the Department of State Health Services.
- SB 281** Estes Sponsor: Frank
Relating to the administration and powers of the Red River Authority of Texas.
(Committee Substitute)
- SB 389** West Sponsor: Lewis
Relating to the imposition of court costs in certain criminal proceedings.
- SB 391** West Sponsor: Herrero
Relating to a defendant's obligation to pay a fine or court cost after the expiration of a period of community supervision.
- SB 393** West Sponsor: Lewis
Relating to the criminal procedures related to children who commit certain Class C misdemeanors.
(Committee Substitute/Amended)
- SB 464** Deuell Sponsor: Flynn
Relating to the dismissal of complaints against property tax professionals.
- SB 474** Carona Sponsor: Villarreal
Relating to financing statements and other records under the secured transactions law.
- SB 511** Whitmire Sponsor: Workman
Relating to the commitment of certain juveniles to local post-adjudication secure correctional facilities in certain counties and to the release under supervision of those juveniles.
(Committee Substitute)
- SB 533** Zaffirini Sponsor: Keffer
Relating to a review of cost savings to state agencies and institutions of higher education under energy savings performance contracts.
- SB 545** Hancock Sponsor: Harper-Brown
Relating to the peace officers authorized to operate an authorized emergency service vehicle used to conduct a police escort.

- SB 551** Uresti Sponsor: Nevárez
Relating to the use of municipal hotel occupancy tax revenue to enhance and upgrade sports facilities in certain municipalities.
- SB 553** Uresti Sponsor: Johnson
Relating to certain high school students serving as early voting clerks in an election.
- SB 564** Hegar Sponsor: Murphy
Relating to the creation of the Harris County Municipal Utility District No. 536; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.
- SB 605** Hegar Sponsor: Zerwas
Relating to the creation of the Fort Bend County Improvement District No. 24; providing authority to impose an assessment, impose a tax, and issue bonds.
- SB 606** Hegar Sponsor: Fletcher
Relating to the powers and duties of the Harris County Municipal Utility District No. 457; providing authority to impose a tax and issue bonds.
- SB 608** Hegar Sponsor: Bell
Relating to the creation of the Harris-Waller Counties Municipal Utility District No. 3; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.
- SB 609** Hegar Sponsor: Bell
Relating to the creation of the Waller County Municipal Utility District No. 17; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.
- SB 623** Williams Sponsor: Toth
Relating to the creation of the Montgomery County Municipal Utility District No. 138; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.
- SB 658** Deuell Sponsor: Smith
Relating to the imposition and collection of a penalty for fraudulently obtaining unemployment compensation benefits.
- SB 677** Paxton Sponsor: Leach
Relating to the electronic recording of proceedings in a statutory probate court in Collin County.
- SB 691** Eltife Sponsor: Lavender
Relating to the intercollegiate athletics fee at Texas A&M University–Texarkana; authorizing a fee.
- SB 701** Hegar Sponsor: Herrero
Relating to a defense to prosecution for criminal trespass.

- SB 745** Nelson Sponsor: Otto
Relating to sexual assault prevention and crisis services and to the administration of the Crime Victims' Compensation Act.
(Committee Substitute)
- SB 778** Carona Sponsor: Clardy
Relating to trusts.
(Amended)
- SB 816** Hegar Sponsor: Huberty
Relating to the date by which a school district must complete a report of an initial evaluation of a student for special education services.
- SB 817** Hegar Sponsor: Johnson
Relating to certain requirements for political parties holding conventions and for officers of certain of those parties.
- SB 831** Taylor Sponsor: Coleman
Relating to a list of mental health, substance abuse, and suicide prevention programs that may be selected for implementation by public schools.
(Committee Substitute)
- SB 839** Hancock Sponsor: Morrison
Relating to the provision of insurance coverage for certain portable electronic devices.
(Committee Substitute)
- SB 841** Hancock Sponsor: Smithee
Relating to certain authorized investments under the Insurance Code.
(Committee Substitute)
- SB 856** Rodríguez Sponsor: Márquez
Relating to the administration and management of elections and public information of the El Paso County Water Improvement District No. 1.
- SB 863** Taylor Sponsor: Thompson, Ed
Relating to the creation of Pearland Municipal Management District No. 2; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
- SB 877** Patrick Sponsor: Guillen
Relating to establishing the Citizens' Star of Texas Award.
- SB 904** Van de Putte Sponsor: Morrison
Relating to the adoption of certain voting procedures and the modification of certain election deadlines, including those necessary to implement the federal Military and Overseas Voter Empowerment Act.
- SB 913** Lucio Sponsor: Naishtat
Relating to the reexamination of an applicant for a professional counselor license.
- SB 918** Estes Sponsor: Keffer
Relating to the sale by the Brazos River Authority and regulation of certain real property in the immediate vicinity of Possum Kingdom Lake.
(Committee Substitute)
- SB 958** Fraser Sponsor: Keffer
Relating to the liability of certain special-purpose districts or authorities providing water to a purchaser for the generation of electricity.

- SB 1031** Taylor Sponsor: Callegari
Relating to the Harris-Galveston Subsidence District; providing authority to impose a fee.
(Committee Substitute)
- SB 1063** Hegar Sponsor: Kolkhorst
Relating to the inclusion of natural gas as a public facility for a public facility corporation.
- SB 1065** Hegar Sponsor: Zerwas
Relating to the creation of the Fort Bend County Municipal Utility District No. 209; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.
- SB 1066** Hegar Sponsor: Zerwas
Relating to the creation of the Fort Bend County Municipal Utility District No. 210; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.
- SB 1068** Hegar Sponsor: Zerwas
Relating to the creation of the Fort Bend County Municipal Utility District No. 212; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.
- SB 1069** Hegar Sponsor: Zerwas
Relating to the creation of the Fort Bend County Municipal Utility District No. 213; granting a limited power of eminent domain; providing authority to impose a tax and issue bonds.
- SB 1086** Campbell Sponsor: Isaac
Relating to the regulation of certain water and sewage utilities to ensure public safety in and around certain municipalities.
(Committee Substitute)
- SB 1192** Davis Sponsor: Thompson, Senfronia
Relating to the rights of certain victims of sexual assault.
(Amended)
- SB 1224** Taylor Sponsor: Bonnen, Greg
Relating to the use by a property owner of a common or contract carrier to send a payment, report, application, statement, or other document or paper to a taxing unit or taxing official.
- SB 1241** Hegar Sponsor: Miller, Doug
Relating to the Edwards Aquifer Authority's regulation of wells with limited production capabilities.
- SB 1282** Duncan Sponsor: Price
Relating to deadlines for proposals for adoption by certain districts or authorities of desired future conditions of relevant aquifers.
- SB 1299** Patrick Sponsor: Callegari
Relating to powers of the West Harris County Regional Water Authority relating to certain wells.

- SB 1376** Eltife Sponsor: Paddie
Relating to specialty license plates issued to retired members of the United States armed forces.
(Amended)
- SB 1422** West Sponsor: King, Ken
Relating to the use of digitized signatures for pleadings and orders in suits affecting the parent-child relationship.
- SB 1430** Hinojosa Sponsor: Herrero
Relating to the applicability of certain public works contracting requirements.
(Committee Substitute)
- SB 1437** Paxton Sponsor: Sanford
Relating to authorizing certain persons to file documents electronically for recording with a county clerk.
- SB 1473** Deuell Sponsor: Flynn
Relating to the chief executive officer of the Hopkins County Hospital District and to the delegation of certain authority by the district's board of directors to the chief executive officer.
- SB 1510** Hinojosa Sponsor: Hilderbran
Relating to the public notice required to be provided by certain taxing units before adopting an ad valorem tax rate.
- SB 1531** Seliger Sponsor: Branch
Relating to providing information to entering undergraduate students at certain general academic teaching institutions to promote timely graduation.
- SB 1536** Van de Putte Sponsor: Menéndez
Relating to the Texas military; imposing criminal penalties; authorizing fees.
(Amended)
- SB 1542** Van de Putte Sponsor: Zerwas
Relating to clinical initiatives to improve the quality of care and cost-effectiveness of the Medicaid program.
- SB 1548** Eltife Sponsor: Lavender
Relating to the definition of "qualified employee" in an enterprise zone.
- SB 1596** Zaffirini Sponsor: Rodriguez, Eddie
Relating to the annexation by a municipality of territory of an emergency services district.
(Amended)
- SB 1759** Uresti Sponsor: Lewis
Relating to the procedures for the appointment of and the duties of attorneys ad litem in certain suits affecting the parent-child relationship.
- SB 1820** Hegar Sponsor: Bell
Relating to the creation of Waller County Improvement District No. 1; providing authority to impose an assessment, impose a tax, and issue bonds.
- SB 1821** Hegar Sponsor: Bell
Relating to the creation of Waller County Improvement District No. 2; providing authority to impose an assessment, impose a tax, and issue bonds.

- SB 1823** Hegar Sponsor: Zerwas
Relating to the administration, powers, and duties of the Fort Bend County Municipal Utility District No. 134.
- SB 1828** Deuell Sponsor: Sheets
Relating to the creation of Mesquite Medical Center Management District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
- SB 1831** Hegar Sponsor: Zerwas
Relating to the power and duties of the Fulshear Municipal Utility District No. 1 of Fort Bend County.
- SB 1832** Uresti Sponsor: Hilderbran
Relating to the operation of the juvenile board of Edwards County.
- SB 1835** Hegar Sponsor: Morrison
Relating to the Calhoun County Groundwater Conservation District; providing authority to impose a voter-approved tax.
- SB 1836** Deuell Sponsor: Zerwas
Relating to the funding of the Texas Home Visiting Program; authorizing voluntary contributions.
- SB 1838** Zaffirini Sponsor: Bonnen, Dennis
Relating to the creation of the Cotton Center Municipal Utility District No. 2 of Caldwell County; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.
- SB 1841** Taylor Sponsor: Davis, John
Relating to the creation of the Harris County Water Control and Improvement District No. 161; granting the power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
- SB 1846** Taylor Sponsor: Thompson, Ed
Relating to the creation of the Brazoria County Municipal Utility District No. 49; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.
- SB 1847** Taylor Sponsor: Thompson, Ed
Relating to the creation of the Brazoria County Municipal Utility District No. 50; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.
- SB 1852** Paxton Sponsor: Laubenberg
Relating to the powers and duties of the Collin County Water Control and Improvement District No. 3; providing authority to issue bonds.
- SB 1854** Hegar Sponsor: Miller, Rick
Relating to certain project powers and duties of the Fort Bend County Levee Improvement District No. 7; providing authority to impose a tax and issue bonds.
- SB 1855** Eltife Sponsor: Lavender
Relating to the Texarkana College District.
- SB 1861** Taylor Sponsor: Bonnen, Dennis
Relating to the Angleton-Danbury Hospital District of Brazoria County, Texas.

- SB 1864** Hegar Sponsor: Zerwas
Relating to the creation of Fulshear Parkway Improvement District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
- SB 1869** Campbell Sponsor: Miller, Doug
Relating to the creation of the Kendall County Municipal Utility District No. 1; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
- SB 1870** Hegar Sponsor: Zerwas
Relating to the creation of the West Fort Bend Water Authority; providing authority to issue bonds; granting the power of eminent domain; providing an administrative penalty.
- SB 1878** Estes Sponsor: Fallon
Relating to the creation of Highway 380 Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
- SB 1884** Taylor Sponsor: Bonnen, Greg
Relating to the creation of the Westwood Management District; providing authority to issue bonds; providing authority to impose fees or taxes.
- SB 1893** Birdwell Sponsor: Orr
Relating to the creation of the Chisholm Trails Municipal Utility District No. 1; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
- SB 1914** Garcia Sponsor: Pickett
Relating to certain specialty license plates.
(Committee Substitute)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

**COMMITTEE SUBSTITUTE
HOUSE BILL 1513 ON SECOND READING**

Senator West moved to suspend the regular order of business to take up for consideration **CSHB 1513** at this time on its second reading:

CSHB 1513, Relating to temporary increases in the records archive fees and the records management and preservation fees charged by district and county clerks.

The motion prevailed.

Senators Campbell and Hancock asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Campbell, Hancock, Hegar.

Absent-excused: Williams.

COMMITTEE SUBSTITUTE HOUSE BILL 1513 ON THIRD READING

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1513** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 2.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Campbell, Hancock.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 3.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Campbell, Hancock, Hegar.

Absent-excused: Williams.

HOUSE BILL 217 ON SECOND READING

Senator Uresti moved to suspend the regular order of business to take up for consideration **HB 217** at this time on its second reading:

HB 217, Relating to the types of beverages that may be sold to students on public school campuses.

The motion prevailed.

Senators Birdwell, Campbell, Estes, Fraser, Hancock, Huffman, Nichols, Patrick, Paxton, and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Estes, Fraser, Hancock, Hegar, Huffman, Nichols, Patrick, Paxton, Schwertner.

Absent-excused: Williams.

HOUSE BILL 217 ON THIRD READING

Senator Uresti moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 217** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 24, Nays 6.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Fraser, Garcia, Hegar, Hinojosa, Lucio, Nelson, Patrick, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Estes, Hancock, Huffman, Nichols, Schwertner.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 19, Nays 11.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Garcia, Hinojosa, Lucio, Nelson, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Estes, Fraser, Hancock, Hegar, Huffman, Nichols, Patrick, Paxton, Schwertner.

Absent-excused: Williams.

COMMITTEE SUBSTITUTE HOUSE BILL 506 ON SECOND READING

Senator Hinojosa moved to suspend the regular order of business to take up for consideration **CSHB 506** at this time on its second reading:

CSHB 506, Relating to the location of early voting polling places for elections held on the November uniform election date by a political subdivision.

The motion prevailed.

Senators Hancock and Nelson asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Hinojosa offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 506** (senate committee report) in SECTION 1 of the bill, in added Section 85.010(b), Election Code (lines 41-42), by striking "a county election precinct that contains territory from".

The amendment to **CSHB 506** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Absent-excused: Williams.

On motion of Senator Hinojosa and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 506 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hancock, Nelson.

Absent-excused: Williams.

COMMITTEE SUBSTITUTE HOUSE BILL 506 ON THIRD READING

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 506** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Hancock, Nelson.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 2. (Same as previous roll call)

SENATE RESOLUTION 1022

Senator Lucio offered the following resolution:

SR 1022, Congratulating Fred Farias III for being named president-elect of the Texas Optometric Association.

The resolution was read and was adopted without objection.

GUEST PRESENTED

Senator Lucio was recognized and introduced to the Senate Fred Farias III.

The Senate welcomed its guest.

GUEST PRESENTED

Senator Campbell was recognized and introduced to the Senate Vanessa Benavides.

The Senate welcomed its guest.

HOUSE BILL 2636 ON SECOND READING

Senator Duncan moved to suspend the regular order of business to take up for consideration **HB 2636** at this time on its second reading:

HB 2636, Relating to the transfer of money from the tax increment fund established for a tax increment financing reinvestment zone to the fund established for an adjacent zone.

The motion prevailed.

Senators Birdwell, Campbell, Hancock, and Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Hancock, Patrick.

Absent-excused: Williams.

HOUSE BILL 2636 ON THIRD READING

Senator Duncan moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2636** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 4.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Patrick.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 26, Nays 4. (Same as previous roll call)

HOUSE BILL 1302 ON SECOND READING

On motion of Senator Nichols and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1302** at this time on its second reading:

HB 1302, Relating to the imposition of a sentence of life without parole on certain repeat sex offenders and to certain restrictions on employment for certain sex offenders.

The bill was read second time.

Senator Nichols offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1302** (senate committee printing) as follows:

(1) In SECTION 6 of the bill, in proposed Article 62.063, Code of Criminal Procedure (page 2, line 65), strike "section" and substitute "article".

(2) In SECTION 8 of the bill, in amended Section 12.42(c)(4), Penal Code (page 3, line 42), immediately after "sexually violent offense", add ", committed by the defendant on or after the defendant's 18th birthday,".

(3) In SECTION 9 of the bill, in proposed Section 12.42(h)(1), Penal Code (page 3, line 55), strike "defined by Article 62.001" and substitute "described by Article 62.001(6)".

(4) In SECTION 9 of the bill, in proposed Section 12.42(h)(2), Penal Code, on page 3, strike lines 59 through 61 and substitute the following:
Criminal Procedure, for an offense other than an offense under Section 21.02 or 22.021.

The amendment to **HB 1302** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Absent-excused: Williams.

On motion of Senator Nichols and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 1302 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 1302 ON THIRD READING

Senator Nichols moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1302** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

HOUSE BILL 1775 ON SECOND READING

On motion of Senator Hancock and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1775** at this time on its second reading:

HB 1775, Relating to the authority of the University Interscholastic League regarding activities involving sports officials.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 1775 ON THIRD READING

Senator Hancock moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1775** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 899 ON SECOND READING

On motion of Senator Paxton and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 899** at this time on its second reading:

CSHB 899, Relating to certain rights of victims, guardians of victims, and close relatives of deceased victims in the criminal justice system.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

COMMITTEE SUBSTITUTE HOUSE BILL 899 ON THIRD READING

Senator Paxton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 899** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 3436 ON SECOND READING

On motion of Senator Whitmire and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 3436** at this time on its second reading:

CSHB 3436, Relating to the use and development of state property, including real property within the Capitol complex.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

COMMITTEE SUBSTITUTE HOUSE BILL 3436 ON THIRD READING

Senator Whitnire moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3436** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

HOUSE BILL 1228 ON SECOND READING

On motion of Senator Davis and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1228** at this time on its second reading:

HB 1228, Relating to consideration by the court of sexual abuse and conduct that constitutes sexual assault in certain suits affecting the parent-child relationship.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 1228 ON THIRD READING

Senator Davis moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1228** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

HOUSE BILL 124 ON SECOND READING

Senator Campbell moved to suspend the regular order of business to take up for consideration **HB 124** at this time on its second reading:

HB 124, Relating to the addition of Salvia divinorum and its derivatives and extracts to Penalty Group 3 of the Texas Controlled Substances Act.

The motion prevailed.

Senators Ellis and Hancock asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Ellis, Hancock.

Absent-excused: Williams.

HOUSE BILL 124 ON THIRD READING

Senator Campbell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 124** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Ellis, Hancock.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 2. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 2362 ON SECOND READING

On motion of Senator Birdwell and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2362** at this time on its second reading:

CSHB 2362, Relating to the efficiency review of river authorities.

The bill was read second time.

Senator Fraser offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2362** (senate committee printing), in SECTION 3 of the bill, on page 1, lines 51-53, by striking "and report the findings of the review and analysis to the governor and the legislature not later than December 31, 2015" and substituting "before conducting a review of other river authorities as authorized by this Act".

The amendment to **CSHB 2362** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Absent-excused: Williams.

On motion of Senator Birdwell and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 2362 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2362 ON THIRD READING**

Senator Birdwell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2362** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 1741 ON SECOND READING**

Senator West moved to suspend the regular order of business to take up for consideration **CSHB 1741** at this time on its second reading:

CSHB 1741, Relating to requiring child safety alarms in certain vehicles used by child-care facilities to transport children.

The motion prevailed.

Senators Birdwell, Campbell, Hancock, Nichols, Patrick, Paxton, and Taylor asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Hancock, Hegar, Nichols, Patrick, Paxton, Taylor.

Absent-excused: Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1741 ON THIRD READING**

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1741** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 24, Nays 6.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Patrick, Rodríguez, Schwertner, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Nichols, Paxton, Taylor.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 22, Nays 8.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hinojosa, Huffman, Lucio, Nelson, Rodríguez, Schwertner, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Hegar, Nichols, Patrick, Paxton, Taylor.

Absent-excused: Williams.

COMMITTEE SUBSTITUTE HOUSE BILL 2690 ON SECOND READING

Senator Ellis moved to suspend the regular order of business to take up for consideration **CSHB 2690** at this time on its second reading:

CSHB 2690, Relating to the sale of a vehicle by an unlicensed seller; creating an offense.

The motion prevailed.

Senators Birdwell and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Schwertner.

Absent-excused: Williams.

COMMITTEE SUBSTITUTE HOUSE BILL 2690 ON THIRD READING

Senator Ellis moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2690** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 2.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Schwertner.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 2. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 2532 ON SECOND READING**

Senator Fraser moved to suspend the regular order of business to take up for consideration **CSHB 2532** at this time on its second reading:

CSHB 2532, Relating to the regulation of propane distribution system retailers; authorizing a fee.

The motion prevailed.

Senators Birdwell, Campbell, Hancock, and Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Hancock, Hegar, Patrick.

Absent-excused: Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2532 ON THIRD READING**

Senator Fraser moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2532** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 4.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Patrick.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 5.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Hegar, Patrick.

Absent-excused: Williams.

STATEMENT OF LEGISLATIVE INTENT

Senator Fraser submitted the following statement of legislative intent for **CSHB 2532**:

CSHB 2532 is an "agreed to" Bill developed with input from both customer and industry stakeholders. Its intent is to provide oversight of community propane system gas rate pricing and other fees charged for services rendered by community propane system retailers to system gas customers, protect system customers from periods of extended outage, and provide certain standards of service. The Bill is not intended to affect or interfere with existing property rights and not affect or interfere with recorded deed restrictions or property development rules. The Bill does provide notice to purchasers of real property that they are buying property located within an area served by a community propane system.

FRASER

HOUSE BILL 3086 ON SECOND READING

On motion of Senator Huffman and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3086** at this time on its second reading:

HB 3086, Relating to an optional exemption from the diesel fuel tax for materials blended with taxable diesel fuel.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 3086 ON THIRD READING

Senator Huffman moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3086** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

COMMITTEE SUBSTITUTE**HOUSE BILL 3914 ON SECOND READING**

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 3914** at this time on its second reading:

CSHB 3914, Relating to the creation of the Old Celina Municipal Management District No. 1; providing authority to impose an assessment or fee.

The bill was read second time.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3914** (senate committee printing) as follows:

(1) Add the following appropriately numbered SECTIONS to the bill and renumber the subsequent SECTIONS accordingly:

SECTION _____. The Parker County Utility District No. 1 is dissolved.

SECTION _____. The following laws are repealed:

(1) Chapter 7208, Special District Local Laws Code; and

(2) Section 1.04, Chapter 1273, Acts of the 75th Legislature, Regular Session, 1997.

SECTION _____. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3918 to read as follows:

CHAPTER 3918. COMANCHE MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3918.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means the City of Aubrey.

(3) "County" means Denton County.

(4) "Director" means a board member.

(5) "District" means the Comanche Municipal Management District No. 1.

Sec. 3918.002. NATURE OF DISTRICT. The Comanche Municipal Management District No. 1 is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 3918.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The initial directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 3918.004. CITY CONSENT AND DEVELOPMENT AGREEMENT EXECUTION REQUIRED. (a) The initial directors may not hold an election under Section 3918.003 until the city has:

(1) consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and

(2) entered into a development agreement with the owners of the real property in the district under Section 212.172, Local Government Code.

(b) The district is dissolved and this chapter expires September 1, 2017, if:

(1) the city has not consented to the creation of the district and to the inclusion of land in the district under Subsection (a)(1) before that date; or

(2) the development agreement described by Subsection (a)(2) is not entered into before that date.

Sec. 3918.005. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district, and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant city and county services provided in the district.

Sec. 3918.006. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) The creation of the district is in the public interest and is essential to further the public purposes of:

- (1) developing and diversifying the economy of the state;
- (2) eliminating unemployment and underemployment; and
- (3) developing or expanding transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Sec. 3918.007. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section ___ of the Act enacting this chapter.

(b) The boundaries and field notes of the district contained in Section ___ of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

- (1) organization, existence, or validity;

(2) right to borrow money or issue any type of bonds or other obligations described by Section 3918.203 for a purpose for which the district is created or to pay the principal of and interest on the bonds or other obligations;

(3) right to impose or collect an assessment or collect other revenue;

(4) legality or operation; or

(5) right to contract.

Sec. 3918.008. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district that is not in the city's corporate limits is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created under Chapter 312, Tax

Code;

(3) an enterprise zone created under Chapter 2303, Government Code; or

(4) an industrial district created under Chapter 42, Local Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for:

(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and

(2) any other district purpose, including the right to pledge the money as security for any bonds or other obligations issued by the district under Section 3918.203.

(c) All or any part of the area of the district that is within the city's corporate limits is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;

or

(2) a tax abatement reinvestment zone created under Chapter 312, Tax

Code.

(d) If the city creates a tax increment reinvestment zone described by Subsection (c)(1), the city and the board of directors of the zone, by contract, may allocate money deposited in the tax increment fund between the city and the district to be used by the city and the district for:

(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code;

(2) any other district purpose, including the right to pledge the money as security for any bonds or other obligations issued by the district under Section 3918.203; and

(3) funding services provided by the city to the area in the district.

(e) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006, Tax Code.

Sec. 3918.009. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3918.010. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3918.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 3918.052, directors serve staggered four-year terms, with two or three directors' terms expiring June 1 of each odd-numbered year.

Sec. 3918.052. INITIAL DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal rolls for the county may submit a petition to the city requesting that the city appoint as initial directors the five persons named in the petition. The city shall appoint as initial directors the five persons named in the petition.

(b) Initial directors serve until the earlier of:

(1) the date permanent directors are elected under Section 3918.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 3918.003 and the terms of the initial directors have expired, successor initial directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 3918.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal rolls for the county may submit a petition to the city requesting that the city appoint as successor initial directors the five persons named in the petition. The city shall appoint as successor initial directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3918.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 3918.102. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter C-1 or activities in support of or incidental to those projects.

Sec. 3918.103. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Sec. 3918.104. ROAD DISTRICT POWERS. The district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code.

Sec. 3918.105. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Sec. 3918.106. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Sec. 3918.107. EMERGENCY SERVICES. (a) This section applies only to territory in the district:

- (1) that is in the extraterritorial jurisdiction of the city;
- (2) for which a plat has been filed; and
- (3) that includes 100 or more residents.

(b) To protect the public interest, the district shall provide or contract with a qualified party to provide emergency services, including law enforcement, fire, and ambulance services, in the territory described by Subsection (a).

Sec. 3918.108. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Sec. 3918.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES

Sec. 3918.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Sec. 3918.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project:

- (1) is necessary to accomplish a public purpose of the district; and
- (2) complies with the development agreement entered into under Section 3918.004(a)(2) or the parties to that development agreement agree to the project, in writing.

Sec. 3918.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be inside or outside the district.

Sec. 3918.154. CITY REQUIREMENTS. (a) An improvement project in the corporate limits of the city must comply with any applicable requirements of the city, including codes and ordinances, that are consistent with the development agreement entered into under Section 3918.004(a)(2).

(b) The district may not provide, conduct, or authorize any improvement project on the city's streets, highways, rights-of-way, or easements without the consent of the governing body of the city.

Sec. 3918.155. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREA. The district may undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district in accordance with:

- (1) Chapter 372, Local Government Code; or
- (2) Chapter 375, Local Government Code.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3918.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Sec. 3918.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may undertake and provide an improvement project or service authorized by this chapter using any money available to the district.

Sec. 3918.203. BORROWING MONEY; OBLIGATIONS. (a) The district may borrow money for a district purpose without holding an election by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract or other agreement payable wholly or partly from an assessment, a contract payment, a grant, revenue from a zone created under Chapter 311 or 312, Tax Code, other district revenue, or a combination of these sources.

(b) An obligation described by Subsection (a):

(1) may bear interest at a rate determined by the board; and

(2) may include a term or condition as determined by the board.

Sec. 3918.204. ASSESSMENTS. (a) Except as provided by Subsection (b), the district may impose an assessment on property in the district to pay for an obligation described by Section 3918.203 in the manner provided for:

(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or

(2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.

(b) The district may not impose an assessment on a municipality, county, or other political subdivision.

Sec. 3918.205. NOTICE OF ASSESSMENTS. (a) The board shall annually file written notice with the secretary of the city that specifies the assessments the district will impose in the district's next fiscal year in sufficient clarity to describe the assessments for the operation and maintenance of the district and the assessments for the payment of debt service of obligations issued or incurred by the district.

(b) The board shall annually record in the deed records of the county a current assessment roll approved by the governing body of the city.

(c) The assessment roll must clearly state that the assessments in the assessment roll are in addition to the ad valorem taxes imposed by other taxing units that tax real property in the district.

(d) The district shall generate and implement a program to provide notification to a prospective purchaser of property in the district of the assessments that have been approved and are imposed by the district.

Sec. 3918.206. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Sec. 3918.207. NO IMPACT FEES. The district may not impose an impact fee.

Sec. 3918.208. NO AD VALOREM TAX. The district may not impose an ad valorem tax.

SUBCHAPTER E. DISSOLUTION

Sec. 3918.251. DISSOLUTION BY CITY. (a) The city may dissolve the district by ordinance after the city annexes the district.

(b) Notwithstanding Subsection (a), the city may not dissolve the district until:

(1) the district's outstanding debt or contractual obligations have been repaid or discharged; or

(2) the city agrees to succeed to the rights and obligations of the district.

Sec. 3918.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, the city succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations of the district.

Sec. 3918.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

SECTION ____. The Comanche Municipal Management District No. 1 initially includes all the territory contained in the following area:

TRACT 1

248.67 ACRE

BEING a tract of land situated in the William Lumpkin Survey Abstract No. 730, Denton County, Texas, and also being all of a 173.545 acre tract as recorded in Volume 5347, Page 4702 of the Deed Records of Denton County, Texas, also being all of a 75.125 acre tract as recorded in Volume 4895, Page 1900 D.R.D.C.T. and being more particularly described by metes and bounds as follows:

BEGINNING at a capped 1/2 inch iron rod found for corner (controlling monument) at the northeast corner of said 173.545-acre tract;

THENCE South 1 degree 53 minutes 56 seconds West a distance of 2221.22 feet to a 1/2 inch iron rod set for corner in Bryan Road (gravel surface);

THENCE North 88 degrees 04 minutes 11 seconds West following Bryan Road a distance of 1267.37 feet to a 1/2 inch iron rod found for corner in the east line of a 75.125-acre tract;

THENCE South 02 degrees 13 minutes 34 seconds West a distance of 900.51 feet to a 1/2 inch iron rod found for corner at the northeast corner of a 52.63 acre tract as recorded in Volume 2261, Page 53, D.R.D.C.T.;

THENCE North 89 degrees 19 minutes 31 seconds West following the north line of said 52.63 acres tract a distance of 3578.05 feet to a 5/8 inch iron rod (bent) found for corner in the east line of a tract conveyed to the United States of America as recorded in Volume 2585, Page 305, D.R.D.C.T.;

THENCE North 02 degrees 15 minutes 46 seconds East following the USA tract a distance of 243.40 feet to concrete monument stamped 1033-4 for corner;

THENCE North 02 degrees 18 minutes 26 seconds East following the USA tract a distance of 349.95 feet to concrete monument stamped 1033-5 for corner;

THENCE North 36 degrees 42 minutes 11 seconds West following the USA tract a distance of 396.06 feet to concrete monument stamped 1033-6 for corner on the east bank of a dry creek;

THENCE South 89 degrees 12 minutes 38 seconds East a distance of 201.16 feet to 1/2 inch iron rod found for corner;

THENCE North 00 degrees 47 minutes 22 seconds East a distance of 131.81 feet to a point for corner in a creek;

THENCE up said creek the following calls:

N 09°28'51" E 13.38'

N 07°11'52" E 163.03'

N 72°07'15" E 37.14'

S 63°04'41" E 103.03'

S 88°21'20" E 52.55'

N 04°13'19" E 21.33'

N 11°19'26" W 59.51'

N 18°42'11" E 87.30'

N 17°43'03" W 81.64'

N 74°51'43" E 136.16'

N 31°30'01" E 64.83'

S 88°00'53" E 66.68'

S 35°42'40" E 58.03'

S 82°36'34" E 31.64'

N 17°26'44" E 95.82'

S 42°05'36" E 150.73'

N 83°20'18" E 36.07'

N 05°26'09" E 107.43'

N 31°37'22" W 51.38'

N 20°57'03" E 66.43'

N 28°51'15" W 102.21'

N 71°19'55" E 53.49'

S 53°48'09" E 44.26'

N 85°29'09" E 65.70'

N 40°30'41" E 86.41'

N 78°32'11" E 40.09'

N 24°32'25" E 53.98'

N 77°19'49" E 92.67'

N 58°04'48" E 80.57'

S 32°29'24" E 38.45'

N 48°05'23" E 47.84'

N 25°13'19" E 47.92'

S 89°41'30" E 57.89'

S 78°26'24" E 91.22'

N 67°15'30" E 29.70'

S 23°35'53" E 132.38'

S 87°07'12" E 40.32'
N 00°43'32" W 44.48'
N 56°26'03" E 92.01'
S 51°37'41" E 87.66'
S 01°35'49" w 42.96'
S 59°48'32" E 8.73'
N 60°27'41" E 125.92'
N 44°01'02" E 75.88'
N 01°26'58" E 82.39'
N 73°27'50" E 73.60'
N 54°29'34" E 46.92'
N 81°58'33" E 46.29'
N 49°14'37" E 44.19'
N 53°45'54" W 113.00'
N 18°22'20" W 130.69'
N 29°43'26" E 28.51'
N 50°28'25" W 43.10'
N 17°32'30" W 68.50'
N 88°47'34" E 108.29'
S 55°53'19" E 47.42'
S 45°21'21" E 32.24'
N 52°55'59" E 49.96'
S 35°25'53" E 72.10'
N 24°00'28" E 43.50'
N 49°35'12" W 52.21'
N 07°23'52" E 54.05'
N 01°09'32" E 45.90'
N 84°16'29" E 94.67'
N 86°33'49" E 67.50'
S 74°49'52" E 56.94'
N 51°27'10" E 21.10'
N 21°28'46" W 35.20'
N 67°07'22" E 44.39'
S 30°10'20" E 49.02'
S 85°45'43" E 39.09'
N 18°14'15" E 39.69'
N 69°16'16" E 39.39'
S 49°20'27" E 59.65'
N 55°13'09" E 41.34'
N 40°35'34" W 70.10'
N 33°06'50" E 69.98'
N 66°20'41" E 42.96'
N 01°12'16" E 3.53'

THENCE North 86 degrees 41 minutes 34 seconds East a distance of 401.38 feet to a 1/2 inch iron rod set for comer;

THENCE South 88 degrees 18 minutes 26 seconds East a distance of 2105.22 feet to the POINT OF BEGINNING and containing 10,832,069 square feet or 248.67 acres of land, more or less.

RELEASE TRACT

100.582 ACRE TRACT

BEING a tract of land situated in the William Lumpkin Survey Abstract No. 730, Denton County, Texas, and also being part of a 173.545 acre tract as recorded in Volume 5347, Page 4702 of the Deed Records of Denton County, Texas, also being part of a 75.125 acre tract as recorded in Volume 4895, Page 1900 D.R.D.C.T. and being more particularly described by metes and bounds as follows:

BEGINNING at a capped 1/2 inch iron rod found for corner (controlling monument) at the northeast corner of said 173.545-acre tract;

THENCE South 1 degree 53 minutes 56 seconds West a distance of 2221.22 feet to a 1/2 inch iron rod set for corner in Bryan Road (gravel surface);

THENCE North 88 degrees 04 minutes 11 seconds West following Bryan Road a distance of 1267.37 feet to a 1/2 inch iron rod found for corner in the east line of a 75.125-acre tract;

THENCE South 02 degrees 13 minutes 34 seconds West a distance of 528.88 feet to a 1/2 inch iron rod found for corner at the northeast corner of a 52.63 acre tract as recorded in Volume 2261, Page 53, D.R.D.C.T.;

THENCE North 89 degrees 19 minutes 31 seconds West following the north line of said 52.63 acres tract a distance of 653.67 feet to a point;

THENCE North 02 degrees 10 minutes 14 seconds East a distance of 769.82.40 feet to the beginning of a tangent curve to the right;

THENCE Northerly, along said tangent curve to the right which has a chord that bears North 11 degrees 39 minutes 21 seconds East for 2017.05 feet, a central angle of 18 degrees 58 minutes 13 seconds and a radius of 6120.00 feet, for an arc distance of 2026.29 feet to the end of said curve;

THENCE South 88 degrees 18 minutes 26 seconds East a distance of 1578.43 feet to the POINT OF BEGINNING and containing 4,381,338 square feet or 100.582 acres of land.

TRACT 2

52.631 ACRE TRACT

All that certain tract or parcel of land situated in the WILLIAM LUMPKIN SURVEY, ABSTRACT NUMBER 73, County of DENTON, State of Texas, said tract being all of a called 52.630 acre tract as described in Deed 2261, Page 53 of the Real Property Records of the County of DENTON, State of Texas, and being more fully described as follows:

Beginning for the Northeast corner of the tract described herein at a found 1/2 inch rebar said rebar being the Northeast corner of said Layman tract, same being the Southeast corner of a called 75.125 acre tract as described in deed to Denton County 250 LP, filed 29 June 2004, and recorded in County Clerk's Number 2004-85167 of said Real Property Records, and said rebar being on the West line of a called 166.48 acre tract as described in deed to Jos. A. I. Worsham, Trustee, filed 24 December 2003, and recorded in County Clerk's Number 2003-205831 of said deed records, said rebar also being in Bryan Road;

Thence: South 02 degrees 07 minutes 23 seconds West, with the East line of said Layman tract, and with the West line of said Worsham tract, and with said road, a distance of 616.86 feet to a found 1/2 inch rebar for the Southeast corner of said Layman tract, same being the Northeast corner of Lot No. 2, a called 139.76 acre tract as described in partition, dated 18 September 1899, and recorded in Volume L, Page 587 of the District Court Minutes of DENTON County, Texas, and further described in Boundary Agreement, filed 22 May 1985, and recorded in Volume 1640, Page 779 of said Real Property Records;

Thence: North 89 degrees 19 minutes 30 seconds West, with the South line of said Layman tract, and with the North line of said Lot 2, and with the line as described in said Boundary Agreement, a distance of 3950.80 feet to a found Corps of Engineers concrete monument with a brass cap marked 1033-1, 1034-5, dated 1966 for the Southwest corner of said Layman tract, said monument being the East line of USA Tract L-1033 (Lake Lewisville);

Thence: North 40 degrees 32 minutes 30 seconds East, with the West line of said Layman tract, and with the East line of said USA tract, and with a barbed wire fence, a distance of 299.74 feet to a found Corps of Engineers concrete monument remains for an angle point in the West line of said Layman tract;

Thence: North 40 degrees 28 minutes 28 seconds East, with the West line of said Layman tract, and with the East line of said USA tract, and with a barbed wire fence, a distance of 299.71 feet to a found Corps of Engineers concrete monument with a brass cap marked 1033-3, dated 1966 for an angle point in the West line of said Layman tract, same being an angle point in the East line of said USA tract;

Thence: North 02 degrees 16 minutes 40 seconds East, with the West line of said Layman tract, and with the East line of said USA tract, and with a barbed wire fence, a distance of 156.12 feet to a found I inch rebar by a pipe fence corner post for the Northwest corner of said Layman tract, same being the Southwest corner of said Denton County 250 tract;

Thence: South 89 degrees 19 minutes 46 seconds East, with the North line of said Layman tract, and with the South line of said Denton County 250 tract, and with a barbed wire fence, and passing at 3550.64 feet a pipe fence corner post on the West side of said road, and continuing on said course a total distance of 3578.04 feet to a POINT OF BEGINNING and CONTAINING 52.613 acres of land.

RELEASE TRACT

9.257 ACRE TRACT

All that certain tract or parcel of land situated in the WILLIAM LUMPKIN SURVEY, ABSTRACT NUMBER 73, County of DENTON, State of Texas, said tract being part of a called 52.630 acre tract as described in Deed 2261, Page 53 of the Real Property Records of the County of DENTON, State of Texas, and being more fully described as follows:

Beginning for the Northeast corner of the tract described herein at a found 1/2 inch rebar said rebar being the Northeast corner of said Layman tract, same being the Southeast corner of a called 75.125 acre tract as described in deed to Denton County 250 LP, filed 29 June 2004, and recorded in County Clerk's Number 2004-85167 of said Real Property Records, and said rebar being on the West line of a called 166.48

acre tract as described in deed to Jos. A. I. Worsham, Trustee, filed 24 December 2003, and recorded in County Clerk's Number 2003-205831 of said deed records, said rebar also being in Bryan Road;

Thence: South 02 degrees 07 minutes 23 seconds West, with the East line of said Layman tract, and with the West line of said Worsham tract, and with said road, a distance of 616.86 feet to a found 1/2 inch rebar for the Southeast corner of said Layman tract, same being the Northeast corner of Lot No.2, a called 139.76 acre tract as described in partition, dated 18 September 1899, and recorded in Volume L, Page 587 of the District Court Minutes of DENTON County, Texas, and further described in Boundary Agreement, filed 22 May 1985, and recorded in Volume 1640, Page 779 of said Real Property Records;

Thence: North 89 degrees 19 minutes 30 seconds West, with the South line of said Layman tract, and with the North line of said Lot 2, and with the line as described in said Boundary Agreement, a distance of 654.18 feet a point;

Thence: North 02 degrees 10 minutes 14 seconds East, a distance of 616.82 feet to a point;

Thence: South 89 degrees 19 minutes 46 seconds East, with the North line of said Layman tract, and with the South line of said Denton County 250 tract, and with a barbed wire fence, a distance of 653.67 feet to a POINT OF BEGINNING and CONTAINING 9.257 acres of land.

SECTION ____ Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8469 to read as follows:

CHAPTER 8469. VENABLE RANCH MUNICIPAL UTILITY DISTRICT NO. 1
OF DENTON COUNTY
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8469.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "City" means the City of Aubrey, Texas.
- (3) "Commission" means the Texas Commission on Environmental Quality.
- (4) "Director" means a board member.
- (5) "District" means the Venable Ranch Municipal Utility District No. 1 of

Denton County.

Sec. 8469.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8469.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8469.004. CONSENT OF CITY REQUIRED. The temporary directors may not hold an election under Section 8469.003 until:

- (1) the city has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and
- (2) the city and an owner or owners of land in the district have entered into a development agreement under Section 212.172, Local Government Code.

Sec. 8469.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8469.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section ___ of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section ___ of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8469.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8469.052, directors serve staggered four-year terms.

Sec. 8469.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2013, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8469.003; or

(2) September 1, 2017.

(c) If permanent directors have not been elected under Section 8469.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8469.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8469.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8469.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8469.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8469.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 8469.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 8469.106. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

- (1) has no outstanding bonded debt; and
- (2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8469.151 to authorize the issuance of bonds.

(f) An order dividing the district must:

- (1) name each new district;
- (2) include the metes and bounds description of the territory of each new

district;

(3) appoint temporary directors for each new district; and

(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8469.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(j) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Sec. 8469.107. FIREFIGHTING SERVICES. Notwithstanding Section 49.351(a), Water Code, the district may, as authorized by Section 59(f), Article XVI, Texas Constitution, and Section 49.351, Water Code:

(1) establish, operate, and maintain a fire department;

(2) contract with another political subdivision for the joint operation of a fire department; or

(3) contract with any other person to perform firefighting services in the district and may issue bonds and impose taxes to pay for the department and the activities.

Sec. 8469.108. FEES AND CHARGES. (a) The district may adopt and enforce all necessary charges, mandatory fees, or rentals, in addition to taxes, for providing or making available any district facility or service, including firefighting activities provided under Section 8469.107.

(b) To enforce payment of an unpaid fee or charge due to the district, on the request of the district, a retail public utility, as defined by Section 13.002, Water Code, providing water or sewer service to a customer in the district shall terminate the service.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8469.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8469.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8469.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8469.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8469.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8469.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8469.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8469.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SUBCHAPTER F. ANNEXATION BY CITY

Sec. 8469.251. EFFECT OF ANNEXATION BY CITY. (a) Notwithstanding any other law, if all of the territory of the district is annexed by the city into the corporate limits of the city before the date of the election held to confirm the creation of the district and the district is confirmed at that election, the district may not be dissolved and continues in existence following annexation until:

(1) water, sanitary sewer, and drainage improvements and roads have been constructed to serve at least 90 percent of the territory of the district capable of development; or

(2) the board adopts a resolution consenting to the dissolution of the district.

(b) Notwithstanding Section 54.016(f)(2), Water Code, an allocation agreement between the city and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of the district's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the city and the district from taxable property within the city's corporate limits may exceed the city's ad valorem tax on that property.

SECTION ____ . The Venable Ranch Municipal Utility District No. 1 of Denton County initially includes all the territory contained in the following area:

VENABLE PROPERTY DESCRIPTION:

TRACT 1

Being a tract of land situated in the George Smith Survey, Abstract No. 1219, the S. Williams Survey, Abstract No. 1333, the M. McBride Survey, Abstract No. 804, the N. McMillan Survey, Abstract No. 841, the J. Cantwell Survey, Abstract No. 282, the

T. Chambers Survey, Abstract No. 223, the J. Moses Survey, Abstract No. 894, the J. Wells Survey, Abstract No. 1426, the J. Wilburn Survey, Abstract No. 1427, and the W. Boydston Survey, Abstract No. 117, Denton County, Texas and being all of the following tracts of land conveyed to Venable Royalty, LTD.; a called 10.69 acre tract by deed recorded in Volume 5128, Page 563 of the Real Property Records of Denton County, Texas (R.P.R.D.C.T.); a called 11.00 acre tract by deed recorded in Volume 5144, Page 2973, R.P.R.D.C.T.; a called a called 29.089 acre tract by deed recorded in Volume 4077, Page 1372, R.P.R.D.C.T.; a called 27.20 acre tract by deed recorded in Volume 5076, Page 822, R.P.R.D.C.T. (50% interest); a called 54.08 acre tract by deed recorded in Volume 4867, Page 3255, R.P.R.D.C.T.; a called 7.000 acre tract, called Parcel One, Tract I, a called 0.228 acre tract, called Parcel One, Tract II, and a called 14.586 acre tract, called Parcel Two by deed recorded in Volume 4506, Page 1340 of the Deed Records of Denton County, Texas (D.R.D.C.T.); all of Lots 16 and 17 of Scenic Acres by deed recorded in Volume 4399, Page 1845, R.P.R.D.C.T., said Scenic Acres being an addition to Denton County, Texas according to the plat recorded in Cabinet B, Page 379 of the Map Records of Denton County, Texas (M.R.D.C.T.); all of the following tracts of land conveyed to Venable Estate, LTD.; a called 4.02 acre tract by deed recorded in Instrument No. 2008-41088 of the Official Records of Denton County, Texas (O.R.D.C.T.); a called 27.20 acre tract by deed recorded in Instrument No. 2004-101157, O.R.D.C.T. (50% interest); all of the following recorded in Instrument No. 2005-43578, O.R.D.C.T.; of Exhibit "A-1"; a called 48.9 acre tract, called First Tract; a called 70 acre tract, called Second Tract; a called 40 acre tract, called Third Tract; a called 30 acre tract, called Fourth Tract; a called 70.80 acre tract, called Fifth Tract; a called 70.62 acre tract, called Sixth Tract; a called 53.83 acre tract, called Seventh Tract; a called 88 acre tract, called Eighth Tract; a called 40 acre tract, called Ninth Tract; a called 40 acre tract, called Tenth Tract; a called 54 acre tract, called Eleventh Tract; a called 63 acre tract, called Twelfth Tract; a called 55 acre tract, called Thirteenth Tract; a called 50 acre tract, called Fourteenth Tract; a called 3 acre tract, called Fifteenth Tract; a called 6 acre tract, called Sixteenth Tract; a called 100 acre tract, called Seventeenth Tract; a called 58 acre tract, called Eighteenth Tract; a called 29.37 acre tract, called Nineteenth Tract; the remainder of a called 20 acre tract, called Twentieth Tract; a called 80 acre tract, called Twenty-First Tract; a called 3.5 acre tract, called Twenty-Second Tract; a called 114.8 acre tract, called Twenty-Third Tract; a called 412 acre tract, called Twenty-Fourth Tract; a called 40 acre tract, called Twenty-Fifth Tract; a called 40 acre tract, called Twenty-Sixth Tract; a called 65.93 acre tract, called Twenty-Seventh Tract; of Exhibit "A-2"; First Tract; Second Tract; and a called 118.3 acre tract, called Third Tract; all of Exhibit "A-3", called 24 acres; all of Exhibit "A-6", called 70 acres; of Exhibit "A-7"; a called 63 acre tract, called First Tract; and a called 80 acre tract, called Second Tract; and all of Exhibit "A-8", called 54.089 acres, and being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod found for the northeast corner of said Venable 10.69 acre tract, said corner being in the west line of the Texas and Pacific Railway Company right-of-way (80 foot wide right-of-way);

THENCE along the west line of said Texas and Pacific Railway Company right-of-way the following courses and distances:

South 07°41'12" West, a distance of 3421.85 feet to the beginning of a tangent curve to the right;

Southwesterly along said tangent curve to the right having a central angle of 18°23'37", a radius of 5679.58 feet, a chord bearing of South 16°53'01" West, a chord distance of 1815.49 feet, and an arc length of 1823.31 feet to a point at the end of said curve;

South 26°04'49" West, a distance of 3713.98 feet to the southeast corner of said Venable Exhibit "A-1" Twenty-Fourth Tract, said point being in the approximate centerline of Black Jack Road;

THENCE with the approximate centerline of Black Jack Road and along the south lines of said Venable Exhibit "A-1" Twenty-Fourth Tract and Twentieth Tract, the following courses and distances:

North 89°23'03" West, passing at a distance of 88.61 feet the northeast corner of Quail Ridge Estates, an addition to the City of Aubrey, Texas according to the plat recorded in Cabinet T, Page 40, M.R.D.C.T., and continuing for a total distance of 1122.68 feet to the most northerly northwest corner of said Quail Ridge Estates;

North 89°59'13" West, a distance of 2643.79 feet to the northwest corner of a called 15.000 acre tract of land, called Tract Eight, conveyed to Old south Royalty Company by deed recorded in Volume 2138, Page 809, R.P.R.D.C.T. and the northeast corner of a called 15.28 Acre tract of land conveyed to Robert A. Foster and Etta J. Luongo, by deed recorded in Document No. 2007-88559, O.R.D.C.T.;

South 89°49'29" West, passing at a distance of 39.40 feet a mag nail found, and continuing for a total distance of 368.29 feet to the southwest corner of said Venable Exhibit "A-1" Twentieth Tract, said point being in the west line of Wilson Cemetery Road;

THENCE North 01°18'58" West, along the west line of said Venable Exhibit "A-1" Twentieth Tract and the west line of said Wilson Cemetery Road, passing at a distance of 8.98 feet a mag nail found for the southeast corner of a called 25.196 acre tract of land conveyed to Russell W. Streng and Truly W. Streng, by deed recorded in Volume 4326, Page 1990, R.P.R.D.C.T., and continuing along said west lines and the east line of said 25.196 acre tract for a total distance of 224.04 feet to a point in a fence line at the southerly corner of a called 0.100 acre tract of land conveyed to Russell W. Streng and Truly W. Streng by deed recorded in Document No. 2012-53458, O.R.D.C.T.;

THENCE North 00°08'42" West, with said fence line along the west line of said Wilson Cemetery Road, and along the east line of said 0.100 acre tract, a distance of 653.39 feet to the northeast corner of said 0.100 acre tract and the southeast corner of a called 0.422 acre tract of land conveyed to Rodney Ivan Streng and Judith Ann Streng, Trustees, or Their Successor Trustees Under The Rodney I. Streng and Judith A. Streng Living Trust, by deed recorded in Document No. 2012-53328, O.R.D.C.T.;

THENCE continuing along said fence line along the west line of said Wilson Cemetery Road, and along the east line of said 0.422 acre tract, the following courses and distances:

North 00°10'08" West, a distance of 816.15 feet to a point for corner;

North 15°07'16" West, a distance of 23.99 feet to a point for corner;

North 54°47'59" West, a distance of 29.83 feet to the most northerly corner of said 0.422 acre tract, said point being in the west line of said Venable Exhibit "A-1" Twentieth Tract and east line of a called 25.196 acre tract of land conveyed to Rodney I. Streng and Judith A. Streng Family Trust, by deed recorded in Instrument Number 2010-59229, O.R.D.C.T.;

THENCE North 01°18'58" West, a distance of 12.03 feet to a mag nail found for the northwest corner of said Venable Exhibit "A-1" Twentieth Tract and the northeast corner of said Streng Family Trust 25.196 acre tract, said corner being in the south line of said Venable Exhibit "A-1" Eighth Tract;

THENCE North 89°45'07" West, with said Wilson Cemetery Road, and along the south line of said Venable Exhibit "A-1" Eighth Tract and the north line of said Streng Family Trust 25.196 acre tract, a distance of 1254.71 feet to a 1/2 inch iron rod found for the southwest corner of said Venable Exhibit "A-1" Eighth Tract and the northwest corner of said Streng Family Trust 25.196 acre tract, said corner being in the east line of a called 5.30 acre tract of land, called Tract Three, conveyed to Cedars Development, Inc. by deed recorded in Instrument Number 2011-95252, O.R.D.C.T.;

THENCE North 01°20'47" West, with said Wilson Cemetery Road, and along the west line of said Venable Exhibit "A-1" Eighth Tract and the east line of said 5.30 acre tract, a distance of 573.91 feet to a 1/2 inch iron rod found for the northeast corner of said 5.30 acre tract and the southeast corner of said Venable Exhibit "A-1" Fourteenth Tract, said corner being at the intersection of Wilson Cemetery Road with Grubbs Road;

THENCE North 88°33'37" West, with said Grubbs Road, and along the south lines of said Venable Exhibit "A-1" Fourteenth Tract and Fifteenth Tract, a distance of 1429.54 feet to a mag nail found for the southwest corner of said Venable Exhibit "A-1" Fifteenth Tract, and the southeast corner of a called 0.743 acre tract of land, called Tract One, conveyed to Old South Royalty Company by deed recorded in Volume 2138, Page 809, R.P.R.D.C.T.;

THENCE North 00°16'29" East, along the west line of said Venable Exhibit "A-1" Fifteenth Tract and the east line of said 0.743 acre tract, passing at a distance of 1078.75 feet the northeast corner of said 0.743 acre tract and the most southerly southeast corner of a called 352.393 acre tract of land, called Tract Three, conveyed to Old South Royalty Company by deed recorded in Volume 2138, Page 809, R.P.R.D.C.T., and continuing along said west line and the east line of said 352.393 acre tract, for a total distance of 2079.16 feet to a 1/2 inch iron rod with plastic cap stamped "J E Smith 3700" found for the northwest corner of said Venable Exhibit "A-1" Fifteenth Tract and an ell corner of said 352.393 acre tract;

THENCE South 89°57'36" East, along the north line of said Venable Exhibit "A-1" Fifteenth Tract and a south line of said 352.393 acre tract, a distance of 69.55 feet to a 1/2 inch iron rod with plastic cap stamped "J E Smith 3700" found for the northeast corner of said Venable Exhibit "A-1" Fifteenth Tract, the northwest corner of said Venable Exhibit "A-1" Fourteenth Tract, the southwest corner of said Venable Exhibit "A-1" Twelfth Tract, and the most easterly southeast corner of said 352.393 acre tract;

THENCE North 00°07'55" West, along the west line of said Venable Exhibit "A-1" Twelfth Tract and the east line of said 352.393 acre tract, a distance of 1866.24 feet to a 1/2 inch iron rod with plastic cap stamped "J E Smith 3700" found for the northeast corner of said 352.393 acre tract and the southeast corner of said Venable Exhibit "A-1" Nineteenth Tract;

THENCE along the south line of said Venable Exhibit "A-1" Nineteenth Tract and the north line of said 352.393 acre tract the following courses and distances:

South 84°01'58" West, a distance of 569.60 feet to a point for corner;

South 89°43'26" West, a distance of 841.22 feet to a 1/2 inch iron rod with plastic cap stamped "J E Smith 3700" found for the corner;

South 51°33'10" West, a distance of 179.90 feet to a 1/2 inch iron rod with plastic cap stamped "J E Smith 3700" found for corner;

South 87°42'24" West, a distance of 225.93 feet to a 1/2 inch iron rod with plastic cap stamped "J E Smith 3700" found for corner;

South 62°36'29" West, a distance of 502.48 feet to a 1/2 inch iron rod with plastic cap stamped "J E Smith 3700" found the southwest corner of said Venable Exhibit "A-1" Nineteenth Tract and the southeast corner of said Venable Exhibit "A-1" Fifth Tract;

THENCE North 89°55'15" West, continuing along the north line of said 352.393 acre tract and the south lines of said Venable Exhibit "A-1" Fifth Tract and Seventh Tract, passing at a distance of 4118.63 feet a Corps. of Engineers concrete monument with brass disk found for the northeast corner of Tract No. 2512E, conveyed to the United States of America by deed recorded in County Clerk's File No. 95-R0068092, D.R.D.C.T., and continuing along the south line of said Venable Exhibit "A-1" Seventh Tract and the north line of said Tract No. 2512E, for a total distance of 4768.62 feet to a 5/8 inch iron rod found for the northwest corner of said Tract No. 2512E, said corner being in the east line of Tract No. 2512, conveyed to the United States of America by deed recorded in County Clerk's File No. 95-R0068092, D.R.D.C.T.;

THENCE North 14°20'32" East, along the east line of said Tract No. 2512, a distance of 116.96 feet to a 5/8 inch iron rod found for the northeast corner of said Tract No. 2512;

THENCE South 89°21'47" West, along the north line of said Tract No. 2512, passing at a distance of 63.04 feet the northwest corner of said Tract No. 2512 and a northeast corner of Tract No. 2510, conveyed to the United States of America by deed recorded in County Clerk's File No. 97-R0083048, D.R.D.C.T., and continuing along a north line of said Tract No. 2510, for a total distance of 325.98 feet to a 5/8 inch iron rod found for an ell corner of said Tract No. 2510, said corner being in the west line of said Venable Exhibit "A-1" Sixth Tract and the east line of a called 2.73 acre tract of land conveyed to Venable Estate, LTD., by deed recorded in Instrument No. 2005-43578, O.R.D.C.T.;

THENCE North 00°37'33" West, along the east lines of said Tract No. 2510 and said Venable Exhibit "A-4", 2.73 acre tract and the west line of said Venable Exhibit "A-1" Sixth Tract, a distance of 2548.77 feet to a Corps. of Engineers concrete monument with brass disk found for the northeast corners of said Tract No. 2510 and said Venable Exhibit "A-4", 2.73 acre tract, the Northwest corner of said Venable Exhibit

"A-1" Sixth Tract, the southwest corner of said Venable Exhibit "A-1" Fourth Tract, and the southeast corner of a called 331.388 acre tract of land conveyed to Robert G. McGraw and Helen McGraw, by deed recorded in County Clerk's File No. 97-R0089771, D.R.D.C.T.;

THENCE North $00^{\circ}44'14''$ West, along the west line of said Venable Exhibit "A-1" Fourth Tract and the east line of said 331.388 acre tract, a distance of 750.63 feet to a Corps. of Engineers concrete monument with brass disk found for the northwest corner of said Venable Exhibit "A-1" Fourth Tract and a northeast corner of said 331.388 acre tract, being in the south line of a called 119.83 acre tract of land conveyed to Helen McGraw, by deed recorded in Volume 4407, Page 1179, R.P.R.D.C.T.;

THENCE South $89^{\circ}47'07''$ East, along the north lines of said Venable Exhibit "A-1" Fourth Tract and Third Tract, and the south line of said 119.83 acre tract, a distance of 1787.66 feet to a 1/2 inch iron rod found for a southeast corner of said 119.83 acre tract and the southwest corner of said Venable Parcel Two, 14.586 acre tract, said corner being in the approximate centerline of McKinney Bridge Road;

THENCE with the approximate centerline of McKinney Bridge Road, and with the northwesterly line of said Venable Parcel Two, 14.586 acre tract, and the southeasterly line of said 119.83 acre tract, the following courses and distances:

North $67^{\circ}10'55''$ East, a distance of 1377.39 feet to a 1/2 inch iron rod found for corner;

North $36^{\circ}16'40''$ East, a distance of 261.33 feet to a 1/2 inch iron rod with yellow plastic cap stamped "THROUGH CAP" found for corner;

North $49^{\circ}01'29''$ East, passing at a distance of 270.75 feet a 1/2 inch iron rod found, and continuing for a total distance of 273.58 feet to the most northerly corner of said Venable Parcel Two, 14.586 acre tract, and the most easterly southeast corner of said 119.83 acre tract, said corner being in the west line of the aforesaid Scenic Acres;

THENCE South $00^{\circ}22'24''$ West, along the east line of said Venable Parcel Two, 14.586 acre tract, and the west line of said Scenic Acres, a distance of 714.48 feet to the northwest corner of Lot 17 of said Scenic Acres;

THENCE South $89^{\circ}37'31''$ East, along the north line of said Lot 17, a distance of 206.82 feet to the most northerly northeast corner of said Lot 17, said corner being in a 60 foot radius cul-de-sac right-of-way line of Scenic Drive and being at the beginning of a non-tangent curve to the left;

THENCE, southeasterly along said cul-de-sac right-of-way line and with said non-tangent curve to the left having a central angle of $165^{\circ}08'50''$, a radius of 60.00 feet, a chord bearing of South $82^{\circ}18'25''$ East, a chord distance of 118.99 feet, passing at an arc length of 72.26 feet the most easterly northeast corner of said Lot 17 and the most westerly northwest corner of Lot 16 of said Scenic Acres, and continuing for a total arc length of 172.94 feet to the most easterly northwest corner of said Lot 16, being in the south right-of-way line of Scenic Drive (a 60 foot wide right-of-way);

THENCE North $74^{\circ}55'19''$ East, along the south right-of-way line of said Scenic Drive, a distance of 18.10 feet to the northeast corner of said Lot 16;

THENCE South 05°05'59" West, along the east line of said Lot 16, a distance of 422.16 feet to the southeast corner of said Lot 16, said corner being in the south line of said Scenic Acres and the north line of said Venable Exhibit "A-1" Third Tract;

THENCE South 89°37'50" East, along the south line of said Scenic Acres and the north lines of said Venable Exhibit "A-1" Third Tract and Second Tract, a distance of 667.01 feet to a 1/2 inch iron rod found for the southeast corner of said Scenic Acres and the southwest corner of a called 39.04 acre tract of land conveyed to Pete Kenny, by deed recorded in Instrument No. 2010-28786, O.R.D.C.T.;

THENCE North 89°55'56" East, along the north lines of said Venable Exhibit "A-1" Second Tract and Seventeenth Tract, and the south line of said 39.04 acre tract, a distance of 958.70 feet to a wood corner post found for the southeast corner of said 39.04 acre tract and an ell corner of said Venable Exhibit "A-1" Seventeenth Tract;

THENCE North 00°47'57" West, along the east line of said 39.04 acre tract and the west lines of said Venable Exhibit "A-1" Seventeenth Tract and Venable Exhibit "A-7" First Tract, a distance of 1748.72 feet to a 1/2 inch iron rod found for the northeast corner of said 39.04 acre tract and the southeast corner of said Venable Parcel One, Tract I, 7.000 acre tract;

THENCE South 89°17'34" West, along the south line of said Venable Parcel One, Tract I, and the north line of said 39.04 acre tract, a distance of 72.46 feet to a 1/2 inch iron rod found for the southwest corner of said Venable Parcel One, Tract I, and the southeast corner of a called 7.000 acre tract of land conveyed to Ronald G. Johnson and Wife, Hester L. Johnson, by deed recorded in Volume 1191, Page 694, D.R.D.C.T.;

THENCE North 52°27'48" West, along the southwesterly line of said Venable Parcel One, Tract I and the northeasterly line of said Johnson 7.000 acre tract, a distance of 989.37 feet to the northwest corner of said Venable Parcel One, Tract I, the southwest corner of said Venable Parcel One, Tract II, 0.228 acre tract, the northeast corner of said Johnson 7.000 acre tract, and the southeast corner of a called 0.110 acre tract of land conveyed to Ronald G. Johnson et ux, Hester L. Johnson, by deed recorded in Volume 1197, Page 860, D.R.D.C.T.;

THENCE North 04°02'10" West, along the west line of said Venable Parcel One, Tract II and the east line of said 0.110 acre tract, a distance of 104.40 feet to the northwest corner of said Venable Parcel One, Tract II and the northeast corner of said 0.110 acre tract, said point being in the approximate centerline of McKinney Bridge Road;

THENCE with the approximate centerline of said McKinney Bridge Road, and along the northwesterly line of said Venable Parcel One, Tract II the following courses and distances:

North 39°51'20" East, a distance of 56.10 feet to a point for corner;

North 20°28'10" East, a distance of 132.92 feet to the northeast corner of said Venable Parcel One, Tract II, said corner being in the west line of a called 103.4117 acre tract of land conveyed to E E Ranches of Texas, Inc., by deed recorded in Volume 2256, Page 840, R.P.R.D.C.T.;

THENCE South $00^{\circ}18'17''$ East, along the east line of said Venable Parcel One, Tract II and the west line of said 103.4117 acre tract, a distance of 266.23 feet to the southeast corner of said Venable Parcel One, Tract II and the most westerly southwest corner of said 103.4117 acre tract, said point being in the north line of said Venable Parcel One, Tract I;

THENCE North $85^{\circ}40'16''$ East, along the north line of said Venable Parcel One, Tract I and a south line of said 103.4117 acre tract, a distance of 774.60 feet to a concrete monument found for the northeast corner of said Venable Parcel One, Tract I and an ell corner of said 103.4117 acre tract;

THENCE South $00^{\circ}41'49''$ East, along the east line of said Venable Parcel One, Tract I and a west line of said 103.4117 acre tract, a distance of 427.62 feet to the northwest corner of said Venable Exhibit "A-7" First Tract and the most southerly southwest corner of said 103.4117 acre tract;

THENCE North $89^{\circ}37'44''$ East, along the north line of said Venable Exhibit "A-7" First Tract and the south line of said 103.4117 acre tract, passing at a distance of 25.00 a concrete monument found, and continuing for a total distance of 1995.90 feet to a concrete monument found for the northeast corner of said Venable Exhibit "A-7" First Tract and the southeast corner of said 103.4117 acre tract, said corner being in the west line of said Venable Exhibit "A-7" Second Tract;

THENCE North $00^{\circ}17'05''$ East, along the west line of said Venable Exhibit "A-7" Second Tract and the east line of said 103.4117 acre tract, a distance of 788.98 feet to a wood corner post found for the northwest corner of said Venable Exhibit "A-7" Second Tract and an ell corner of said 103.4117 acre tract;

THENCE South $89^{\circ}29'26''$ East, along the north line of said Venable Exhibit "A-7" Second Tract and a south line of said 103.4117 acre tract, passing at a distance of 99.73 feet a wood corner post found for the most easterly southeast corner of said 103.4117 acre tract and the southwest corner of a called 51.9010 acre tract of land conveyed to Helen K. McGraw, by deed recorded in County Clerk's File No. 94-R0085683, D.R.D.C.T., and continuing along said north line and the south line of said 51.9010 acre tract, for a total distance of 1357.89 feet to a 1/2 inch iron rod found for the northeast corner of said Venable Exhibit "A-7" Second Tract, the northwest corner of said Venable Exhibit "A-1" Ninth Tract, the southeast corner of said 51.9010 acre tract, and the southwest corner of Lot 28 of Yellow Rose Estates Subdivision, an addition to Denton County, Texas according to the plat recorded in Cabinet L, Page 177, M.R.D.C.T.;

THENCE South $88^{\circ}46'23''$ East, along the north line of said Venable Exhibit "A-1" Ninth Tract and the south line of said Yellow Rose Estates Subdivision, a distance of 1323.42 feet to a 1/2 inch iron rod found for the northeast corner of said Venable Exhibit "A-1" Ninth Tract and the northwest corner of Lot 10 of St. John's Place, an addition to Denton County, Texas according to the plat recorded in Cabinet L, Page 119, M.R.D.C.T.;

THENCE South $00^{\circ}48'05''$ West, along the east line of said Venable Exhibit "A-1" Ninth Tract and the west line of said St. John's Place, a distance of 1315.38 feet to a 1/2 inch iron rod found for the southeast corner of said Venable Exhibit "A-1" Ninth

Tract, the northeast corner of said Venable Exhibit "A-1" Tenth Tract, the northwest corner of said Venable Exhibit "A-1" Twenty-Fifth Tract, and the southwest corner of Lot 9 of said St. John's Place;

THENCE South 88°50'34" East, along the north line of said Venable Exhibit "A-1" Twenty-Fifth Tract and the south line of said St. John's Place, a distance of 978.68 feet to metal corner post found for the southeast corner of Lot 8 of said St. John's Place, and the southwest corner of a called 129.223 acre tract of land conveyed to Texas Motor Speedway, Inc. d/b/a Texas International Raceways, by deed recorded in County Clerk's File No. 96-R0079309, D.R.D.C.T.;

THENCE South 88°46'04" East, along the north lines of said Venable Exhibit "A-1" Twenty-Fifth Tract and Twenty-Sixth Tract and the south line of said 129.223 acre tract, a distance of 1653.96 feet to a metal corner post found for the northeast corner of said Venable Exhibit "A-1" Twenty-Sixth Tract and the southeast corner of said 129.223 acre tract, said corner being in the west line of a called 71.114 acre tract of land, File No. F0072.00, conveyed to The Rudman Partnership, by deed recorded in Volume 2844, Page 42, R.P.R.D.C.T.;

THENCE South 01°46'53" West, along the east line of said Venable Exhibit "A-1" Twenty-Sixth Tract and the west line of said 71.114 acre tract, passing at a distance of 789.91 feet a 1/2 inch iron rod found for the southwest corner of said 71.114 acre tract and the northwest corner of a called 61.36 acre tract of land conveyed to Michelle Lynette Roberts, by deed recorded in Instrument No. 2008-40245, O.R.D.C.T., and continuing along said east line and the west line of said 61.36 acre tract, for a total distance of 1296.74 feet to a wood corner post found for the southeast corner of said Venable Exhibit "A-1" Twenty-Sixth Tract and the most westerly southwest corner of said 61.36 acre tract, said corner being in the north line of said Venable Exhibit "A-2" Third Tract;

THENCE along the north line of said Venable Exhibit "A-2" Third Tract and the south line of said 61.36 acre tract, the following courses and distances:

North 89°02'25" East, a distance of 1193.53 feet to a wood corner post found for corner;

South 03°32'32" West, a distance of 565.50 feet to a wood corner post found for corner;

South 85°40'05" East, passing at a distance of 1460.68 feet a wood corner post found for the most northerly northeast corner of said Venable Exhibit "A-2" Third Tract, the northwest corner of said Venable Exhibit "A-3", 24 acre tract, the most southerly southeast corner of said 61.36 acre tract, and the most westerly southwest corner of a called 18.78 acre tract of land conveyed to Zandra Bean, by deed recorded in Volume 4229, Page 2901, R.P.R.D.C.T., and continuing along the south line of said 18.78 acre tract for a total distance of 1552.99 feet to a wood corner post found for and ell corner of said 18.78 acre tract;

THENCE South 02°38'27" West, along a west line of said 18.78 acre tract, a distance of 210.21 feet to a wood corner post found for the most southerly southwest corner of said 18.78 acre tract;

THENCE South 87°34'17" East, along the south line of said 18.78 acre tract, a distance of 925.13 feet to a 5/8 inch iron rod found for the southeast corner of said 18.78 acre tract, said corner being in the west line of said Venable 10.69 acre tract, and being in the approximate centerline of Massey Road;

THENCE North 04°51'52" East, with the approximate centerline of said Massey Road, and along the west line of said Venable 10.69 acre tract and east line of said 18.78 acre tract, a distance of 228.51 feet to the northwest corner of said Venable 10.69 acre tract, from which a 1/2 inch iron rod found bears North 87°55'27" West a distance of 6.38 feet;

THENCE South 87°55'27" East, along the north line of said Venable 10.69 acre tract, passing at a distance of 24.76 feet a 1/2 inch iron rod found in the east line of said Massey Road, and continuing for a total distance of 526.66 feet to the POINT OF BEGINNING and containing 2521.094 acres or 109,818,863 square feet of land, more or less.

SAVE AND EXCEPT THE FOLLOWING TRACTS A, B, and C:

TRACT A

Being a tract of land situated in the J. Moses Survey, Abstract No. 894 and the N. McMillan Survey, Abstract No. 841, Denton County, Texas, and consisting of the following; those tracts of land conveyed to Patricia Ann Harmon Brockett, a 105 foot by 210 foot tract, called Tract 1, a called 27.20 acre tract, called Tract 2, and a called 26.23 acre tract, called Tract 3, by deed recorded in Instrument No. 2011-9037, O.R.D.C.T.; a called 27.20 acre tract of land conveyed to Willie Pearlene Harmon Johnson by deed recorded in Volume 5033, Page 3166, R.P.R.D.C.T.; a called 0.5 acre tract of land conveyed to J. R. Johnson and wife, Pearlene Johnson by deed recorded in Volume 400, Page 32, D.R.D.C.T.; a called 1.000 acre tract of land conveyed to Pearlene Johnson, et ux by deed recorded in Volume 794, Page 219, D.R.D.C.T.; a called 1.001 acre tract of land conveyed in deed to J.S. Dubose and/or Lee J. Brookshire, Jr., Trustees, by deed recorded in Volume 2015, Page 147, R.P.R.D.C.T.; a called 3.046 acre tract of land conveyed to Tracy Glenn Henderson and Linda Gail Henderson by deed recorded in Volume 4897, Page 3357, R.P.R.D.C.T.; a called 1.001 acre tract of land conveyed to Michael J. Behrend by deed recorded in Volume 3016, Page 596, R.P.R.D.C.T.; a called 5.061 acre tract of land conveyed to Michael Jon Behrend by deed recorded in County Clerk's File No. 94-R0003414, D.R.D.C.T.; a called 1.000 acre tract of land conveyed to Brad Hines and Margaret Hines by deed recorded in Volume 4991, Page 695, R.P.R.D.C.T.; the remainder of a called 29.553 acre tract of land conveyed to L.Z. Harmon, Sr., by deed recorded in Volume 5033, Page 3143, R.P.R.D.C.T.; a called 2.116 acre tract of land conveyed to Wade Franklin Lewis and Harry Lou Lewis, husband and wife, by deed recorded in County Clerk's File No. 94-R008814, D.R.D.C.T.; a called 1.000 acre tract of land, called Tract 1 and a called 1.00 acre tract of land, called Tract 2, conveyed to Brad Hines and Wife, Margaret Hines, by deed recorded in Volume 4401, Page 1042, R.P.R.D.C.T.; a called 1.000 acre tract of land conveyed to Hugo E. Richter, Jr. and Wife, Jolene J., by deed recorded in Volume 733, Page 574, D.R.D.C.T.; a called 1.01 acre tract of land conveyed to Carol Puckett by deed recorded in Instrument No. 2007-96075, R.P.R.D.C.T.; a called 0.724 acre tract of land conveyed to Marcus Wayne Pierce, et ux, by deed recorded in Instrument No. 2004-104661, O.R.D.C.T.; a tract of land

conveyed to Kenneth W. Wilson and Wife, Carolyn Wilson by deed recorded in Volume 4873, Page 2682, R.P.R.D.C.T.; a called 3.00 acre tract of land conveyed to George Wayne Pierce and Wife, Sue Pierce by deed recorded in Volume 719, Page 602, D.R.D.C.T.; a called 1.269 acre tract of land conveyed to Kenneth W. Wilson and Wife, Carolyn Wilson by deed recorded in Document No. 2011-95837, O.R.D.C.T.; and a called 0.254 acre tract of land conveyed to Black Rock Water Supply Corporation by deed recorded in Volume 1788, Page 989, R.P.R.D.C.T., and being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod with yellow plastic cap stamped "H & N 1849" found for the northwest corner of said 27.20 acre Patricia Ann Harmon Brockett tract, called Tract 2, and the southwest corner of the above mentioned 27.20 acre tract of land conveyed to Venable Roaylty, Ltd., by deed recorded in Volume 5076, Page 822, R.P.R.D.C.T. and to Venable Estate, Ltd., by deed recorded in Instrument No. 2004-101157, O.R.D.C.T., said corner being in the east line of the above mentioned Venable Exhibit "A-1" Twenty-First Tract;

THENCE North 89°20'09" East, a distance of 1045.44 feet to a 1/2 inch iron rod with yellow plastic cap stamped "H & N 1849" found for the southeast corner of said Venable 27.20 acre tract, said corner being in the west line of said 26.23 acre Patricia Ann Harmon Brockett tract, called Tract 3;

THENCE North 0°38'15" West, along the east line of said Venable 27.20 acre tract and the west line of said 26.23 acre tract, a distance of 1112.40 feet to the northeast corner of said Venable 27.20 acre tract and northwest corner of said 26.23 acre tract, said corner being in the south line of the above mentioned Venable Exhibit "A-8", 54.089 acre tract, being the same as the above mentioned Venable 54.08 acre tract recorded in Volume 4867, Page 3255, R.P.R.D.C.T.;

THENCE South 88°18'52" East, along the south line of said Venable Exhibit "A-8", 54.089 acre tract and the north line of said 26.23 acre tract, a distance of 907.17 feet to the southeast corner of said Venable Exhibit "A-8", 54.089 acre tract and the northeast corner of said 26.23 acre tract, said corner being in the west line of the above mentioned Venable Exhibit "A-2" Second Tract;

THENCE South 0°33'39" West, along the west line of said Venable Exhibit "A-2" Second Tract and the east line of said 26.23 acre tract, a distance of 1151.30 feet to a wood corner post found for the southwest corner of said Venable Exhibit "A-2" Second Tract and the northwest corner of said Harmon 29.553 acre tract;

THENCE South 88°23'05" East, along the south line of said Venable Exhibit "A-2" Second Tract and the north line of said 29.553 acre tract, a distance of 555.23 feet to a 1/2 inch iron rod found for the most westerly northeast corner of said 29.553 acre tract and the northwest corner of said Pierce 3.00 acre tract;

THENCE South 88°18'08" East, continuing along the south line of said Venable Exhibit "A-2" Second Tract and the north line of said Pierce 3.00 acre tract, a distance of 626.29 feet to a 1/2 inch iron rod found for the northeast corner of said Pierce 3.00 acre tract and the northwest corner of said Wilson 1.269 acre tract;

THENCE South 88°04'56" East, continuing along the south line of said Venable Exhibit "A-2" Second Tract and the north lines of said Wilson 1.269 acre tract and said Black Rock Water Supply Corporation 0.254 acre tract, a distance of 365.79 feet

to a wood corner post found for the northeast corner of said Black Rock Water Supply Corporation 0.254 acre tract and the northwest corner of the above mentioned Venable Exhibit "A-6" 70 acre tract;

THENCE South $01^{\circ}20'17''$ West, along the west line of said Venable Exhibit "A-6" 70 acre tract and the east lines of said Black Rock Water Supply Corporation 0.254 acre tract, said Harmon 29.553 acre tract, and said Pierce 0.724 acre tract, passing at a distance of 1388.97 feet a 1/2 inch iron rod found in the north line of Richter Road for the southeast corner of said Pierce 0.724 acre tract, and continuing along said west line for a total distance of 1413.97 feet to the southwest corner of said Venable Exhibit "A-6" 70 acre tract, said corner being in the north line of the above mentioned Venable Exhibit "A-1" Twenty-Fourth Tract;

THENCE North $88^{\circ}16'47''$ West, along the north line of said Venable Exhibit "A-1" Twenty-Fourth Tract, a distance of 1403.72 feet to the most southerly southeast corner of said Lewis 2.116 acre tract, from which a 1/2 inch iron rod found in the north line of Richter Road bears North $00^{\circ}28'03''$ East a distance of 25.01 feet;

THENCE North $88^{\circ}01'16''$ West, continuing along the north line of said Venable Exhibit "A-1" Twenty-Fourth Tract and the south lines of said Lewis 2.116 acre tract, said Johnson 0.5 acre tract, and said Johnson 27.20 acre tract, a distance of 2024.03 feet to a wood corner post found for the southwest corner of said Johnson 27.20 acre tract, the northwest corner of said Venable Exhibit "A-1" Twenty-Fourth Tract, the northeast corner of the above mentioned Venable Exhibit "A-1" Eighth Tract, and the southeast corner of said Venable Exhibit "A-1" Twenty-First Tract;

THENCE North $00^{\circ}39'41''$ West, along the east line of said Venable Exhibit "A-1" Twenty-First Tract and the west lines of said Johnson 27.20 acre tract and said 27.20 acre Patricia Ann Harmon Brockett tract, a distance of 1401.57 feet to the POINT OF BEGINNING and containing 135.931 acres or 5,921,167 square feet of land, more or less.

TRACT B

Being a tract of land situated in the George Smith Survey, Abstract No. 1219, Denton County, Texas, and being described as a 210 foot by 210 foot tract of land conveyed to Faith Assembly Church by deed recorded in Instrument No. 2004-26872, O.R.D.C.T., and being more particularly described as follows:

BEGINNING at the northeast corner of said Church tract, from which a wood corner post found bears South $89^{\circ}52'15''$ East a distance of 130.00 feet;

THENCE South $00^{\circ}07'45''$ West, along the east line of said Church tract, passing at a distance of 203.40 feet a wood corner post found in the north line of Black Jack Road, and continuing along said east line for a total distance of 210.00 feet to the southeast corner of said Church tract;

THENCE North $89^{\circ}52'15''$ West, along the south line of said Church tract, a distance of 210.00 feet to the southwest corner of said Church tract, said corner being in the approximate centerline of Harmon Road;

THENCE North $00^{\circ}07'45''$ East, with the approximate centerline of Harmon Road and along the west line of said Church tract, a distance of 210.00 feet to the northwest corner of said Church tract;

THENCE South $89^{\circ}52'15''$ East, along the north line of said Church tract, a distance of 210.00 feet to the POINT OF BEGINNING and containing 1.012 acres or 44,100 square feet of land, more or less.

TRACT C

Being a tract of land situated in the J. Moses Survey, Abstract No. 894, Denton County, Texas, and being all of a called 2 acre tract of land, conveyed to Trustees of Wilson Cemetery by deed recorded in Volume 57, Page 402, D.R.D.C.T., and being more particularly described as follows:

BEGINNING at a chain link fence corner post found for the northwest corner of said Cemetery tract and the southwest corner of the above mentioned Venable Exhibit "A-1" Twenty-Second Tract, said corner being in the east line of the above mentioned Venable Exhibit "A-1" Fourteenth Tract;

THENCE North $89^{\circ}39'39''$ East, along the north line of said Cemetery tract and the south line of said Venable Exhibit "A-1" Twenty-Second Tract; passing at a distance of 288.86 feet a chain link fence corner post found and continuing for a total distance of 305.55 feet to the northeast corner of said Cemetery tract, the southwest corner of the above mentioned Venable Exhibit "A-1" Twenty-First Tract, and the northwest corner of the above mentioned Exhibit "A-1" Eighth Tract;

THENCE South $00^{\circ}20'21''$ East, along the east line of said Cemetery tract and the west line of said Venable Exhibit "A-1" Eighth Tract, a distance of 285.28 feet to the southeast corner of said Cemetery tract and the most easterly northeast corner of said Venable Exhibit "A-1" Fourteenth Tract;

THENCE South $89^{\circ}39'39''$ West, along the south line of said Cemetery tract and a north line of said Venable Exhibit "A-1" Fourteenth Tract; a distance of 305.55 feet to the southwest corner of said Cemetery tract and an ell corner of said Venable Exhibit "A-1" Fourteenth Tract, from which a chain link fence corner post found bears North $30^{\circ}04'24''$ East a distance of 9.80 feet;

THENCE North $00^{\circ}20'21''$ West, along the west line of said Cemetery tract and the east line of said Venable Exhibit "A-1" Fourteenth Tract, a distance of 285.28 feet to the POINT OF BEGINNING and containing 2.001 acres or 87,168 square feet of land, more or less.

VENABLE PROPERTY DESCRIPTION

TRACT 2

Being a tract of land situated in the T. Chambers Survey, Abstract No. 223, Denton County, Texas, and being all the following tracts of land conveyed to Venable Royalty, Ltd.; a called 4.37 acre tract of land by deed recorded in Instrument No. 2003-193459 of the Official Records of Denton County, Texas, and all of a called 4.35 acre tract of land by deed recorded in Volume 4952, Page 1406 of the Real Property Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING at a wood corner post found for the northwest corner of said 4.35 acre tract and the southwest corner of a called 2.726 acre tract of land conveyed to Dennard's Farm Supply Incorporated by deed recorded in Instrument No. 2009-52074 of the Official Records of Denton County, Texas, said corner being in the east line of the Texas and Pacific Railway Company right-of-way (80 foot wide right-of-way); THENCE South $87^{\circ}59'39''$ East, along the north line of said 4.35 acre tract and the south line of said 2.726 acre tract, a distance of 307.30 feet to the northeast corner of said 4.35 acre tract and the southeast corner of said 2.726 acre tract, said corner being in the west right-of-way line of State Highway 377 (a 120 foot wide right-of-way), from which a metal corner post found bears North $87^{\circ}59'39''$ West a distance of 1.44 feet, said point also being at the beginning of a non-tangent curve to the right; THENCE along the west right-of-way line of State Highway 377, the following courses and distances:

Southwesterly, along said non-tangent curve to the right having a central angle of $02^{\circ}03'24''$, a radius of 5669.58 feet, a chord bearing of South $03^{\circ}44'56''$ West, a chord distance of 203.52 feet, passing at an arc length of 203.12 feet a wood highway marker found for the southeast corner of said 4.35 acre tract and being at the intersection of the west right-of-way line of State Highway 377 with the northwesterly right-of-way line of Farm to Market 3524 (a 80 foot wide right-of-way), and continuing for a total an arc length of 203.53 feet to the end of said curve;

South $04^{\circ}46'38''$ West, passing at a distance of 570.19 feet the northeast corner of said 4.37 acre tract, from which a 60d nail found bears South $85^{\circ}13'22''$ East a distance of 1.33 feet, and continuing for a total distance of 1120.24 feet to the southeast corner of said 4.37 acre tract, from which a 1/2 inch iron rod found bears North $88^{\circ}16'01''$ West a distance of 1.06 feet; THENCE North $88^{\circ}16'01''$ West, along the south line of said 4.37 acre tract, a distance of 387.22 feet to the southwest corner of said 4.37 acre tract, said corner being in the east line of said Texas and Pacific Railway Company right-of-way, from which a 1/2 inch iron rod found bears North $88^{\circ}16'01''$ West a distance of 1.30 feet, said point also being at the beginning of a non-tangent curve to the left; THENCE along the west lines of said 4.35 acre tract and said 4.37 acre tract and the east line of said Texas and Pacific Railway Company right-of-way, the following courses and distances:

Northeasterly along said non-tangent curve to the left having a central angle of $03^{\circ}06'33''$, a radius of 5779.58 feet, a chord bearing of North $09^{\circ}14'29''$ East, a chord distance of 313.59 feet, and an arc length of 313.63 feet to the end of said curve;

North $07^{\circ}41'12''$ East, passing at a distance of 91.78 feet the northwest corner of said 4.37 acre tract in the southeasterly line of said Farm to Market 3524, and passing at a distance of 204.92 feet a 1/2 inch iron rod with red plastic cap stamped "ALLIANCE" found for the most southerly corner of said 4.35 acre tract in the northwesterly right-of-way line of said Farm to Market 3524, and continuing for a total distance of 1018.10 feet to the POINT OF BEGINNING and containing 10.487 acres or 456,819 square feet of land, more or less.

This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

SECTION _____. (a) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8469, Special District Local Laws Code, as added by Section __ of this Act, is amended by adding Section 8469.109 to read as follows:

Sec. 8469.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(b) This section is not intended to be an expression of a legislative interpretation of the requirements of Subsection (c), Section 17, Article I, Texas Constitution.

(2) Renumber cross-references in the added SECTIONS accordingly.

The amendment to **CSHB 3914** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Absent-excused: Williams.

On motion of Senator Estes and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 3914 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

COMMITTEE SUBSTITUTE HOUSE BILL 3914 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3914** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

HOUSE BILL 1712 ON SECOND READING

Senator Zaffirini moved to suspend the regular order of business to take up for consideration **HB 1712** at this time on its second reading:

HB 1712, Relating to an exemption from ad valorem and sales and use taxes for property used in connection with an offshore spill response containment system.

The motion prevailed.

Senator Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Schwertner.

Absent-excused: Williams.

HOUSE BILL 1712 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1712** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 1.

Nays: Schwertner.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 1. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 3459 ON SECOND READING

Senator Taylor moved to suspend the regular order of business to take up for consideration **CSHB 3459** at this time on its second reading:

CSHB 3459, Relating to the determination of the boundaries of, and the enforcement of the law governing access to, public beaches.

The motion prevailed.

Senators Birdwell, Estes, Patrick, and Paxton asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Estes, Hegar, Patrick, Paxton.

Absent-excused: Williams.

COMMITTEE SUBSTITUTE HOUSE BILL 3459 ON THIRD READING

Senator Taylor moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3459** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 5.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Fraser, Garcia, Hancock, Hinojosa, Huffman, Lucio, Nelson, Nichols, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Estes, Hegar, Patrick, Paxton.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 5. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 3838 ON SECOND READING**

On motion of Senator Hancock and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 3838** at this time on its second reading:

CSHB 3838, Relating to motorcycle equipment and training and the license requirements for a three-wheeled motorcycle; creating an offense.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3838 ON THIRD READING**

Senator Hancock moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3838** be passed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

**(President in Chair)
HOUSE BILL 3233 ON SECOND READING**

On motion of Senator Fraser and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3233** at this time on its second reading:

HB 3233, Relating to interbasin transfers of state water.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Williams.

HOUSE BILL 3233 ON THIRD READING

Senator Fraser moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3233** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Williams.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 3536 ON SECOND READING**

Senator Hinojosa moved to suspend the regular order of business to take up for consideration **CSHB 3536** at this time on its second reading:

CSHB 3536, Relating to imposing a fee on the sale of cigarettes and cigarette tobacco products manufactured by certain companies; providing penalties.

The motion prevailed by the following vote: Yeas 23, Nays 7.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire.

Nays: Birdwell, Estes, Hancock, Nichols, Patrick, Schwertner, Zaffirini.

Absent-excused: Williams.

The bill was read second time.

Senator Hinojosa offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3536** (senate committee report) in SECTION 1 of the bill, in added Section 161.614, Health and Safety Code (page 6, line 1), by striking "and attorney general".

The amendment to **CSHB 3536** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Absent-excused: Williams.

On motion of Senator Hinojosa and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 3536 as amended was passed to third reading by the following vote: Yeas 23, Nays 7.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Estes, Hancock, Nichols, Patrick, Paxton, Schwertner.

Absent-excused: Williams.

SENATOR ANNOUNCED PRESENT

Senator Williams, who had previously been recorded as "Absent-excused," was announced "Present."

**COMMITTEE SUBSTITUTE
HOUSE BILL 3536 ON THIRD READING**

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3536** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Estes, Hancock, Nichols, Patrick.

The bill was read third time and was passed by the following vote: Yeas 24, Nays 7.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Estes, Hancock, Nichols, Patrick, Paxton, Schwertner.

HOUSE BILL 1843 ON SECOND READING

Senator Seliger moved to suspend the regular order of business to take up for consideration **HB 1843** at this time on its second reading:

HB 1843, Relating to limitations on the automatic admission of undergraduate students to general academic teaching institutions.

The motion prevailed.

Senators Nelson, Paxton, and Williams asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Williams offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1843** (senate committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. The heading to Section 51.805, Education Code, is amended to read as follows:

Sec. 51.805. ELIGIBILITY TO APPLY FOR ADMISSION; FACTORS CONSIDERED IN [OTHER] ADMISSIONS.

SECTION 2. Section 51.805, Education Code, is amended by amending Subsections (a) and (b) and adding Subsections (a-1) and (a-2) to read as follows:

(a) A graduating high school student ~~[who does not qualify for admission under Section 51.803 or 51.804]~~ may apply to any general academic teaching institution if:

(1) the student [satisfies the requirements of]:

(A) successfully completed:

(i) at a public high school, the curriculum requirements established under Section 28.025 for the recommended or advanced high school program; or

(ii) at a high school to which Section 28.025 does not apply, including a high school outside this state, a curriculum that is equivalent in content and rigor to the recommended or advanced high school program; or

(B) satisfied the ACT College Readiness Benchmarks on the ACT assessment applicable to the student or earned on the SAT assessment a score of at least 1,500 out of 2,400 or the equivalent; and

(2) the student provides a high school transcript or diploma that satisfies the requirements of Subsection (a-2) [(1) Section 51.803(a)(2)(A) or 51.803(b), as applicable to the student, or Section 51.803(a)(2)(B); and

[(2) Sections 51.803(c)(2) and 51.803(d)].

(a-1) A student who does not satisfy the curriculum requirements prescribed by Subsection (a)(1)(A)(i) or (ii) is considered to have satisfied those requirements if the student completed the portion of the recommended or advanced curriculum or of the curriculum equivalent in content and rigor, as applicable, that was available to the student but was unable to complete the remainder of the curriculum solely because courses necessary to complete the remainder were unavailable to the student at the appropriate times in the student's high school career as a result of course scheduling, lack of enrollment capacity, or another cause not within the student's control.

(a-2) For purposes of Subsection (a)(1)(A), a student's official transcript or diploma must, not later than the end of the student's junior year, indicate:

(1) whether the student has satisfied or is on schedule to satisfy the requirements of Subsection (a)(1)(A)(i) or (ii), as applicable; or

(2) if Subsection (a-1) applies to the student, whether the student has completed the portion of the recommended or advanced curriculum or of the curriculum equivalent in content and rigor, as applicable, that was available to the student.

(b) [The general academic teaching institution, after admitting students under Sections 51.803 and 51.804, shall admit other applicants for admission as undergraduate students.] It is the intent of the legislature that all institutions of higher education pursue academic excellence by considering students' academic achievements in decisions related to admissions. Because of changing demographic trends, diversity, and population increases in the state, each general academic teaching institution shall also consider all of, any of, or a combination of the following socioeconomic indicators or factors in making first-time freshman admissions decisions:

(1) the applicant's academic record;

(2) the socioeconomic background of the applicant, including the percentage by which the applicant's family is above or below any recognized measure of poverty, the applicant's household income, and the applicant's parents' level of education;

- (3) whether the applicant would be the first generation of the applicant's family to attend or graduate from an institution of higher education;
- (4) whether the applicant has bilingual proficiency;
- (5) the financial status of the applicant's school district;
- (6) the performance level of the applicant's school as determined by the school accountability criteria used by the Texas Education Agency;
- (7) the applicant's responsibilities while attending school, including whether the applicant has been employed, whether the applicant has helped to raise children, or other similar factors;
- (8) the applicant's region of residence;
- (9) whether the applicant is a resident of a rural or urban area or a resident of a central city or suburban area in the state;
- (10) the applicant's performance on standardized tests;
- (11) the applicant's performance on standardized tests in comparison with that of other students from similar socioeconomic backgrounds;
- (12) whether the applicant attended any school while the school was under a court-ordered desegregation plan;
- (13) the applicant's involvement in community activities;
- (14) the applicant's extracurricular activities;
- (15) the applicant's commitment to a particular field of study;
- (16) the applicant's personal interview;
- (17) the applicant's admission to a comparable accredited out-of-state institution; and
- (18) any other consideration the institution considers necessary to accomplish the institution's stated mission.

SECTION 3. Section 29.911(b), Education Code, is amended to read as follows:

(b) During the designated week, each middle school, junior high school, and high school shall provide students with comprehensive grade-appropriate information regarding the pursuit of higher education. The information provided must include information regarding:

- (1) higher education options available to students;
- (2) standard admission requirements for institutions of higher education, including:
 - (A) overall high school grade point average;
 - (B) required curriculum;
 - (C) college readiness standards and expectations as determined under Section 28.008; and
 - (D) scores necessary on generally recognized tests or assessment instruments used in admissions determinations, including the Scholastic Assessment Test and the American College Test; and
- (3) ~~automatic admission of certain students to general academic teaching institutions as provided by Section 51.803; and~~

~~[(4)]~~ financial aid availability and requirements, including the financial aid information provided by counselors under Section 33.007(b).

SECTION 4. Section 33.007(b), Education Code, is amended to read as follows:

(b) During the first school year a student is enrolled in a high school or at the high school level in an open-enrollment charter school, and again during a student's senior year, a counselor shall provide information about higher education to the student and the student's parent or guardian. The information must include information regarding:

(1) the importance of higher education;

(2) the advantages of completing the recommended or advanced high school program adopted under Section 28.025(a);

(3) the disadvantages of taking courses to prepare for a high school equivalency examination relative to the benefits of taking courses leading to a high school diploma;

(4) financial aid eligibility;

(5) instruction on how to apply for federal financial aid;

(6) the center for financial aid information established under Section 61.0776;

~~(7) [the automatic admission of certain students to general academic teaching institutions as provided by Section 51.803;~~

~~[(8)]~~ the eligibility and academic performance requirements for the TEXAS Grant as provided by Subchapter M, Chapter 56; and

(8) ~~[(9)]~~ the availability of programs in the district under which a student may earn college credit, including advanced placement programs, dual credit programs, joint high school and college credit programs, and international baccalaureate programs.

SECTION 5. Section 51.4032, Education Code, is amended to read as follows:

Sec. 51.4032. ANNUAL REPORT OF PARTICIPATION IN HIGHER EDUCATION. Not later than December 1 of each year and in the form prescribed by the coordinating board, each general academic teaching institution and medical and dental unit as defined in Section 61.003 shall provide to the Texas Higher Education Coordinating Board and shall publish on the institution's website a report describing the composition of the institution's entering class of students. The report must include a demographic breakdown of the class, including a breakdown by race, ethnicity, economic status, and high school class standing. A report submitted by a general academic teaching institution or medical and dental unit as defined in Section 61.003 must include ~~[separate demographic breakdowns of the students admitted under Sections 51.803, 51.804, and 51.805 and]~~ a description of any plans, policies, or programs developed or implemented by the institution to recruit and retain students from underrepresented groups such as racial or ethnic minority groups.

SECTION 6. Section 51.842(a), Education Code, is amended to read as follows:

(a) A graduate or professional program of a general academic teaching institution or medical or dental unit may consider the following factors in making an admissions or scholarship decision for admissions into or competitive scholarships for the graduate or professional program:

(1) an applicant's academic record as a high school student and undergraduate student;

(2) the socioeconomic background of the applicant while the applicant attended elementary and secondary school and was an undergraduate student, including any change in that background;

(3) whether the applicant would be the first generation of the applicant's family to attend or graduate from an undergraduate program or from a graduate or professional program;

(4) whether the applicant has multilingual proficiency;

(5) the applicant's responsibilities while attending elementary and secondary school and as an undergraduate student, including whether the applicant was employed, whether the applicant helped to raise children, and other similar factors;

(6) to achieve geographic diversity, the applicant's region of residence at the time of application and, if the applicant graduated from a public high school in this state within the preceding 20 years, the region in which the applicant's school district is located;

(7) the applicant's involvement in community activities;

(8) the applicant's demonstrated commitment to a particular field of study;

(9) for admission into a professional program, the current comparative availability of members of that profession in the applicant's region of residence while the applicant attended elementary and secondary school; and

(10) ~~whether the applicant was automatically admitted to a general academic teaching institution as an undergraduate student under Section 51.803; and~~ [(H)] the applicant's personal interview.

SECTION 7. The following provisions of the Education Code are repealed:

(1) Sections 28.026, 33.007(c), 51.803, 51.8035, 51.804, and 51.8045; and

(2) Subchapter R, Chapter 56.

SECTION 8. The changes in law made by this Act to Subchapter U, Chapter 51, Education Code, apply beginning with admissions to an institution of higher education for the 2014-2015 academic year. Admissions to an institution of higher education for an academic year before that academic year are governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 9. The repeal by this Act of Subchapter R, Chapter 56, Education Code, does not affect a student initially awarded a scholarship under that subchapter for a semester or other academic term before the effective date of this Act. A student who initially receives a scholarship for a semester or other academic term before that date may continue to receive a scholarship under Subchapter R, Chapter 56, Education Code, as that subchapter existed immediately before the effective date of this Act, to the extent funds are available for that purpose, as long as the student

remains eligible for a scholarship under the former law. The Texas Higher Education Coordinating Board shall adopt rules to administer this section and shall notify each student who receives a scholarship in the 2013-2014 academic year of the provisions of this section.

SECTION 10. This Act takes effect January 1, 2014.

WILLIAMS	HANCOCK	PATRICK
BIRDWELL	HEGAR	PAXTON
CAMPBELL	HUFFMAN	TAYLOR
ESTES	NELSON	

The amendment to **HB 1843** was read.

On motion of Senator Seliger, Floor Amendment No. 1 was tabled by the following vote: Yeas 19, Nays 11.

Yeas: Davis, Deuell, Duncan, Ellis, Eltife, Fraser, Garcia, Hinojosa, Lucio, Nichols, Rodriguez, Schwertner, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Estes, Hancock, Hegar, Huffman, Nelson, Patrick, Paxton, Taylor, Williams.

Absent: Carona.

HB 1843 was passed to third reading by the following vote: Yeas 28, Nays 3.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nichols, Patrick, Rodriguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Nelson, Paxton, Williams.

HOUSE BILL 1843 ON THIRD READING

Senator Seliger moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1843** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Nelson.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nichols, Patrick, Rodriguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Nelson, Paxton, Williams.

HOUSE BILL 3116 ON SECOND READING

On motion of Senator Schwertner and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3116** at this time on its second reading:

HB 3116, Relating to the recovery of uniform statewide accounting project costs from state agencies and vendors.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3116 ON THIRD READING

Senator Schwertner moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3116** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**SENATE RULE 11.10(a) SUSPENDED
(Public Notice of Committee Meetings)**

On motion of Senator Hegar and by unanimous consent, Senate Rule 11.10(a) was suspended in order that the Committee on Nominations might meet today.

RECESS

On motion of Senator Whitmire, the Senate at 12:37 p.m. recessed until 1:15 p.m. today.

AFTER RECESS

The Senate met at 1:51 p.m. and was called to order by Senator Eltife.

HOUSE BILL 3105 ON SECOND READING

Senator Deuell moved to suspend the regular order of business to take up for consideration **HB 3105** at this time on its second reading:

HB 3105, Relating to availability of certain benefits under individual accident and health insurance policies.

The motion prevailed.

Senators Birdwell, Hancock, Nichols, and Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Hancock, Nichols, Patrick.

HOUSE BILL 3105 ON THIRD READING

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3105** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Paxton, Rodriguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Hancock, Nichols, Patrick.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 1129 ON SECOND READING**

On motion of Senator Van de Putte and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 1129** at this time on its second reading:

CSHB 1129, Relating to a program allowing certain military voters on active duty overseas to cast a ballot electronically.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1129 ON THIRD READING**

Senator Van de Putte moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1129** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3169 ON SECOND READING

On motion of Senator Lucio and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3169** at this time on its second reading:

HB 3169, Relating to the imposition of the sales and use tax on taxable items sold or provided under certain contracts.

The bill was read second time.

Senator Lucio offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3169** (senate committee printing) as follows:

(1) Strike page 1, lines 33 through 34, and substitute the following:
following services [~~when provided under a qualified destination management services contract~~]:

(2) Strike page 1, line 58, and substitute the following:
of a combination of at least six destination management services;

(3) Strike page 2, lines 2 through 4, and substitute the following:

(F) during the preceding tax year, had [has] at least 80 percent of the entity's client contracts for:

(i) clients from [described by Subdivision (3)(A) located] outside this state who were determined by a contracting entity outside this state; or

(ii) clients from outside this state who were program attendees staying in a hotel in this state;

The amendment to **HB 3169** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Deuell offered the following amendment to the bill:

Floor Amendment No. 2

Amend **HB 3169** (senate committee report) by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS accordingly:

SECTION _____. Section 151.313, Tax Code, is amended by amending Subsection (a) and adding Subsections (e) and (f) to read as follows:

(a) The following items are exempted from the taxes imposed by this chapter:

(1) a drug or medicine, other than insulin, if prescribed or dispensed for a human or animal by a licensed practitioner of the healing arts;

(2) insulin;

(3) a drug or medicine that is required to be labeled with a "Drug Facts" panel in accordance with regulations of the federal Food and Drug Administration, without regard to whether it is prescribed or dispensed by a licensed practitioner of the healing arts;

(4) a hypodermic syringe or needle;

(5) a brace; hearing aid or audio loop; orthopedic, dental, or prosthetic device; ileostomy, colostomy, or ileal bladder appliance; or supplies or replacement parts for the listed items;

(6) a therapeutic appliance, device, and any related supplies specifically designed for those products, if dispensed or prescribed by a licensed practitioner of the healing arts, when those items are purchased and used by an individual for whom the items listed in this subdivision were dispensed or prescribed;

(7) corrective lens and necessary and related supplies, if dispensed or prescribed by an ophthalmologist or optometrist;

(8) specialized printing or signalling equipment used by the deaf for the purpose of enabling the deaf to communicate through the use of an ordinary telephone and all materials, paper, and printing ribbons used in that equipment;

(9) a braille wristwatch, braille writer, braille paper and braille electronic equipment that connects to computer equipment, and the necessary adaptive devices and adaptive computer software;

(10) each of the following items if purchased for use by the blind to enable them to function more independently: a slate and stylus, print enlarger, light probe, magnifier, white cane, talking clock, large print terminal, talking terminal, or harness for guide dog;

(11) hospital beds;

(12) blood glucose monitoring test strips;

(13) an adjustable eating utensil used to facilitate independent eating if purchased for use by a person, including a person who is elderly or physically disabled, has had a stroke, or is a burn victim, who does not have full use or control of the person's hands or arms;

(14) subject to Subsection (d), a dietary supplement; and

(15) intravenous systems, supplies, and replacement parts designed or intended to be used in the diagnosis or treatment of humans.

(e) A product is an intravenous system for purposes of this section if, regardless of whether the product is designed or intended to be inserted subcutaneously into any part of the body, the product is designed or intended to be used to administer fluids, electrolytes, blood and blood products, or drugs to patients, or to withdraw tissue samples, blood, or fluids from patients. The term includes access ports, adapters, bags and bottles, cannulae, cassettes, catheters, clamps, connectors, drip chambers, extension sets, filters, in-line ports, luer locks, needles, poles, pumps and batteries, spikes, tubing, valves, volumetric chambers, and items designed or intended to connect qualifying products to one another or secure qualifying products to a patient.

(f) A product is a hospital bed for purposes of this section if it is a bed purchased, sold, leased, or rented, regardless of the terms of the contract, not including a stretcher, gurney, or delivery table, that is specially designed for the comfort and well-being of patients and the convenience of health care workers, with special features that may include wheels, adjustable height, adjustable side rails, and electronic buttons to operate both the bed and other nearby devices. The term includes:

(1) a mattress for the bed;

(2) any devices built into the bed or designed for use with the bed;

(3) infant warmers;

(4) incubators;

(5) other beds for neonatal and pediatric patients; and

(6) beds specifically designed and marketed for use in the rest, recuperation, and treatment of obese patients, obstetric patients, and burn patients.

The amendment to **HB 3169** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

On motion of Senator Lucio and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3169 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3805 ON SECOND READING

Senator Schwertner moved to suspend the regular order of business to take up for consideration **HB 3805** at this time on its second reading:

HB 3805, Relating to the discharge of an officer or employee of the Department of Public Safety of the State of Texas.

The motion prevailed.

Senators Davis, Ellis, Garcia, Lucio, Rodríguez, Van de Putte, Watson, West, and Zaffirini asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by the following vote: Yeas 22, Nays 9.

Yeas: Birdwell, Campbell, Carona, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Uresti, Whitmire, Williams.

Nays: Davis, Ellis, Garcia, Lucio, Rodríguez, Van de Putte, Watson, West, Zaffirini.

HOUSE BILL 3805 ON THIRD READING

Senator Schwertner moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3805** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, Whitmire, Williams.

Nays: Ellis, Garcia, Lucio, Rodríguez, West, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 22, Nays 9.

Yeas: Birdwell, Campbell, Carona, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Uresti, Whitmire, Williams.

Nays: Davis, Ellis, Garcia, Lucio, Rodríguez, Van de Putte, Watson, West, Zaffirini.

HOUSE JOINT RESOLUTION 87 ON SECOND READING

On motion of Senator Hinojosa and by unanimous consent, the regular order of business was suspended to take up for consideration **HJR 87** at this time on its second reading:

HJR 87, Proposing a constitutional amendment authorizing a home-rule municipality to provide in its charter the procedure to fill a vacancy on its governing body for which the unexpired term is 12 months or less.

The resolution was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE JOINT RESOLUTION 87 ON THIRD READING

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HJR 87** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The resolution was read third time and was passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE HOUSE BILL 462 ON SECOND READING

Senator Patrick moved to suspend the regular order of business to take up for consideration **CSHB 462** at this time on its second reading:

CSHB 462, Relating to state control of teacher appraisal criteria, curriculum standards, and assessment instruments.

The motion prevailed.

Senators Garcia, Rodríguez, Van de Putte, Watson, Whitmire, and Zaffirini asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Garcia, Rodríguez, Van de Putte, Watson, Whitmire, Zaffirini.

COMMITTEE SUBSTITUTE HOUSE BILL 462 ON THIRD READING

Senator Patrick moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 462** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Uresti, West, Williams.

Nays: Garcia, Rodríguez, Van de Putte, Watson, Whitmire, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 6. (Same as previous roll call)

HOUSE BILL 2824 ON SECOND READING

On motion of Senator Paxton and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2824** at this time on its second reading:

HB 2824, Relating to the Texas High Performance Schools Consortium.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2824 ON THIRD READING

Senator Paxton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2824** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3648 ON SECOND READING**

On motion of Senator Paxton and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 3648** at this time on its second reading:

CSHB 3648, Relating to the award and performance of certain state contracts.

The bill was read second time.

Senator Davis offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3648** by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS accordingly:

SECTION ____ . Subchapter B, Chapter 223, Transportation Code, is amended by adding Section 223.050 to read as follows:

Sec. 223.050. PREFERENCE FOR CERTAIN PROVIDERS. (a) Except as provided by Subsection (d), in awarding a contract to a private sector provider, the department shall give preference to a private sector provider if:

(1) the preference serves to create a positive economic impact on job growth and job retention in this state;

(2) the transportation project for which the contract is being awarded is funded entirely from:

(A) state funds;

(B) local funds; or

(C) a combination of state and local funds; and

(3) the amount of the bid or proposal of the provider does not exceed an amount equal to 105 percent of the lowest bid or proposal received by the department for the transportation project.

(b) The department, in determining whether the preference under Subsection (a) serves to create a positive economic impact on job growth and job retention in this state, may consider a private sector provider's employment presence and business establishments in this state.

(c) This section does not apply to the procurement of professional services under Subchapter A, Chapter 2254, Government Code.

(d) The department must give equal preference to a private sector provider under Subsection (a) and a private sector provider whose principal place of business is located in a state that:

(1) borders this state; and

(2) does not award preferential treatment to private sector providers in a manner similar to this section.

The amendment to **CSHB 3648** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Nays: Fraser, Nelson, Nichols.

On motion of Senator Paxton and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 3648 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

COMMITTEE SUBSTITUTE HOUSE BILL 3648 ON THIRD READING

Senator Paxton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3648** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3660 ON SECOND READING

On motion of Senator Hegar and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3660** at this time on its second reading:

HB 3660, Relating to requiring the Texas Commission on Fire Protection to conduct a study and prepare a report on administrative attachment.

The bill was read second time.

Senator Hegar offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3660** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter Z, Chapter 419, Government Code, is amended by adding Section 419.910 to read as follows:

Sec. 419.910. CERTAIN REGULATION PROHIBITED. (a) In this section:

(1) "State agency" has the meaning assigned by Section 2103.001.

(2) "Volunteer firefighter" means a member of a volunteer fire department who is not a full-time paid employee.

(b) A state agency may not:

(1) require a volunteer firefighter to obtain a license or certification in order to be a volunteer firefighter; or

(2) require a member of an industrial emergency response team to obtain a license or certification in order to be a member of an industrial emergency response team.

The amendment to **HB 3660** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Hegar and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3660 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3660 ON THIRD READING

Senator Hegar moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3660** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

GUESTS PRESENTED

Senator Ellis was recognized and introduced to the Senate students and staff of Edgar Allan Poe Elementary School.

The Senate welcomed its guests.

SENATE RULE 5.14(a) SUSPENDED

(Intent Calendar)

(Motion In Writing)

Senator Whitmire submitted the following Motion In Writing:

Mr. President:

I move suspension of Senate Rule 5.14 so that we may move the Intent Calendar deadline to 7:00 p.m. today.

WHITMIRE

The Motion In Writing prevailed without objection.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2099 ON SECOND READING**

On motion of Senator Hinojosa and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2099** at this time on its second reading:

CSHB 2099, Relating to improving access to nursing education programs.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2099 ON THIRD READING**

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2099** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 29 ON SECOND READING**

Senator Seliger moved to suspend the regular order of business to take up for consideration **CSHB 29** at this time on its second reading:

CSHB 29, Relating to the governance of public institutions of higher education in this state.

The motion prevailed.

Senator Birdwell asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Seliger offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 29** (senate committee printing) as follows:

(1) Strike the introductory clause to SECTION 1 of the bill (page 1, lines 22-24) and substitute the following:

Section 51.352, Education Code, is amended by amending Subsections (a), (b), (d), and (e) and adding Subsections (a-1), (a-2), (a-3), (a-4), and (a-5) to read as follows:

(2) In SECTION 1 of the bill, in added Section 51.352(a-2), Education Code (page 1, line 59), strike "employment, or personal or familial financial" and substitute "employment, personal financial, or familial financial".

(3) In SECTION 1 of the bill, strike added Section 51.352(a-4), Education Code (page 2, lines 9-19), and substitute the following:

(a-4) A member of the governing board of an institution of higher education is prohibited from voting on a budgetary or personnel matter related to system administration or institutions of higher education until the member attends a training program that provides instruction in ethics, conflict-of-interest law, and the role of a governing board in a higher education institution or system and that is conducted by the Texas Higher Education Coordinating Board, by the system office of a university system, or by the office of a governing board that does not govern a university system. A governing board is responsible for maintaining records of each board member's attendance of a training program described by this subsection.

(4) In SECTION 1 of the bill, strike added Section 51.352(a-6), Education Code (page 2, lines 25-33).

(5) In SECTION 1 of the bill, in amended Section 51.352(d)(1), Education Code (page 2, line 42), between "and" and "consulting", insert "if applicable the chancellor of the university system and after".

(6) Add the following appropriately numbered SECTIONS to the bill and renumber the other SECTIONS of the bill accordingly:

SECTION _____. (a) Section 103.03, Education Code, is amended to read as follows:

Sec. 103.03. BOARD MEMBERS: APPOINTMENT, TERMS, OATH. Members of the board shall be appointed by the governor and confirmed by the senate. Members hold office for staggered terms of six years, with the terms of three members expiring on February 1 of each odd-numbered year. Any vacancy that occurs on the board shall be filled for the unexpired term by appointment of the governor. Each member of the board shall take the constitutional oath of office.

(b) The change in law made by this section does not apply to a member of the board of regents of Midwestern State University who serves all or part of a full term of office if that full term begins before September 1, 2013. To implement the change in law made by this section to Section 103.03, Education Code, the terms of office of members of the board that begin in 2014 expire on February 1, 2019, the terms of office of members of the board that begin in 2016 expire on February 1, 2021, and the terms of office of members of the board that begin in 2018 expire on February 1, 2023.

SECTION _____. (a) Section 105.052, Education Code, is amended to read as follows:

Sec. 105.052. TERM OF OFFICE; REMOVAL; VACANCY. The term of office of each regent is six years, with the terms of three regents expiring on February 1 of each odd-numbered year [~~every two years~~]. Members of the board may be removed from office for inefficiency or malfeasance of office. Any vacancy that occurs on the board shall be filled by the governor for the unexpired term.

(b) The change in law made by this section does not apply to a member of the board of regents of the University of North Texas System who serves all or part of a full term of office if that full term begins before September 1, 2013. To implement the change in law made by this section to Section 105.052, Education Code, the terms of office of members of the board that begin in 2015 expire on February 1, 2021, the

terms of office of members of the board that begin in 2017 expire on February 1, 2023, and the terms of office of members of the board that begin in 2019 expire on February 1, 2025.

SECTION _____. (a) Section 111.12, Education Code, is amended to read as follows:

Sec. 111.12. APPOINTMENTS TO BOARD; TERMS. Members of the board are appointed by the governor with the advice and consent of the senate. The term of office of each regent shall be six years, with the terms of three regents expiring on February 1 of each odd-numbered year ~~[except that in making the first appointments the governor shall appoint three members for six years, three members for four years, and three members for two years]~~. Any vacancy that occurs on the board shall be filled for the unexpired term by appointment of the governor.

(b) The change in law made by this section does not apply to a member of the board of regents of the University of Houston System who serves all or part of a full term of office if that full term begins before August 26, 2013. To implement the change in law made by this section to Section 111.12, Education Code, the terms of office of members of the board that begin in 2013 expire on February 1, 2019, the terms of office of members of the board that begin in 2015 expire on February 1, 2021, and the terms of office of members of the board that begin in 2017 expire on February 1, 2023.

(7) In SECTION 7 of the bill, in the language providing the effective date (page 4, line 38), strike "September 1, 2013" and substitute "August 26, 2013".

The amendment to **CSHB 29** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Duncan offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 29** (senate committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. The heading to Subchapter A, Chapter 109, Education Code, is amended to read as follows:

SUBCHAPTER A. GENERAL AND ADMINISTRATIVE PROVISIONS

SECTION _____. Section 109.001, Education Code, is amended by adding Subsection (d) to read as follows:

(d) The board may accept, retain in depositories of its choosing, and administer, on terms and conditions acceptable to the board, gifts, grants, or donations of any kind, from any source, for use by the system or any of the component institutions of the system.

SECTION _____. Sections 109.21, 109.22, and 109.23, Education Code, are transferred to Subchapter A, Chapter 109, Education Code, redesignated as Sections 109.002, 109.003, and 109.004, Education Code, and amended to read as follows:

Sec. 109.002 [~~109.21~~]. BOARD OF REGENTS. The government, control, and direction of the policies of the university system and the component institutions are vested in a board of nine regents, who shall be appointed by the governor with the advice and consent of the senate.

Sec. 109.003 [~~109.22~~]. BOARD MEMBERS: TERMS, VACANCIES. Members of the board will [~~Except for the initial appointees, members~~] hold office for staggered [~~of~~] terms of six years, with the terms of three members expiring on January 31 of odd-numbered years. [~~In making the initial appointments, the governor shall designate three for terms expiring in 1971, three for terms expiring in 1973, and three for terms expiring in 1975.~~] Any vacancy shall be filled for the unexpired portion of the term by appointment by the governor with the advice and consent of the senate.

Sec. 109.004 [~~109.23~~]. CHIEF EXECUTIVE OFFICER: SELECTION, DUTIES. The board shall appoint [~~provide~~] a chief executive officer, who shall devote the officer's [~~his~~] attention to the executive management of the university system and who shall be directly accountable to the board for the conduct of the university system. The board, when required by law to be the governing body of any other state educational institution or facility, shall also direct the chief executive officer to be directly responsible for the executive management of that other institution or facility.

SECTION _____. The heading to Subchapter B, Chapter 109, Education Code, is amended to read as follows:

SUBCHAPTER B. POWERS AND DUTIES [~~ADMINISTRATIVE PROVISIONS~~]

SECTION _____. Sections 109.41, 109.42, 109.48, and 109.54, Education Code, are transferred to Subchapter B, Chapter 109, Education Code, redesignated as Sections 109.051, 109.052, 109.053, and 109.054, Education Code, and amended to read as follows:

Sec. 109.051 [~~109.41~~]. EMINENT DOMAIN. The board of regents has the power of eminent domain to acquire land and improvements needed to carry out the purposes of the university system and the component institutions.

Sec. 109.052 [~~109.42~~]. RESIDENCES FOR CHANCELLOR AND PRESIDENTS [~~RESIDENCE FOR PRESIDENT~~]. The board may purchase a house or may purchase land and construct a house suitable for the residence of the chancellor of the university system or a president of a component [~~the~~] university.

Sec. 109.053 [~~109.48~~]. UTILITIES EASEMENTS. On terms, conditions, stipulations, and compensation as determined by the board, the board may convey, dedicate, or use any other appropriate method of conveyance to grant, convey, or dedicate rights, title, rights-of-way, or easements involving or in connection with the furnishing or providing of electricity, water, sewage disposal, natural gas, telephone, telegraph, or other utility service on, over, or through the campuses [~~campus~~] of the Texas Tech University System and the component institutions [~~in Lubbock County~~]. The chairman of the board may execute and deliver conveyances or dedications on behalf of the university system and the component institutions [~~Texas Tech University~~].

Sec. 109.054 [~~109.54~~]. MANAGEMENT OF LANDS. The board has the sole and exclusive management and control of lands set aside and appropriated to or acquired by the institutions under its governance. The board may lease, sell,

exchange, acquire, dispose of, and otherwise manage, control, and use the lands in any manner and at prices and under terms and conditions the board deems best for the interest of the institutions. However, the board may not sell any of the original main campus of Texas Tech University located in Lubbock, Lubbock County, unless the sale is approved by act of the legislature. No grazing lease shall be made for a period of more than five years.

SECTION _____. The heading to Subchapter C, Chapter 109, Education Code, is amended to read as follows:

SUBCHAPTER C. TEXAS TECH UNIVERSITY [~~POWERS AND DUTIES~~]

SECTION _____. Section 109.01, Education Code, is transferred to Subchapter C, Chapter 109, Education Code, and redesignated as Section 109.101, Education Code, to read as follows:

Sec. 109.101 [~~109.01~~]. TEXAS TECH UNIVERSITY. Texas Tech University is a coeducational institution of higher education located in the city of Lubbock.

SECTION _____. Sections 109.43, 109.45, and 109.52, Education Code, are redesignated as Sections 109.102, 109.103, and 109.104, Education Code, and amended to read as follows:

Sec. 109.102 [~~109.43~~]. DORMITORIES: RULES AND REGULATIONS. The board may adopt rules and regulations it deems advisable requiring any class or classes of students to reside in university dormitories or other buildings.

Sec. 109.103 [~~109.45~~]. [~~CITY~~] MUSEUM. (a) The board may establish [~~rent, lease, or convey, for a sum of money to be determined by the board, a part of the campus, not to exceed four acres, to the city of Lubbock for the sole purpose of building, with bonds or current city taxes, and maintaining with city tax money,~~] a history, science, and art museum.

(b) The board may provide [~~rent or lease~~] a building or any part of a building [~~on the parcel of land to the city of Lubbock~~] for the sole purpose of maintaining a history, science, and art museum [~~for a sum of money to be determined by the board~~].

[~~(c) The board may dedicate for public use a street or streets leading to and connecting the parcel of land and building and to provide ingress and egress to and from a public highway and to and from adjacent parking lots.~~

[~~(d) The board, at its discretion, may contract with the city of Lubbock for the staffing, operation, and maintenance of a history and art museum with funds provided by the city of Lubbock.~~

[~~(e) The board may enter into contracts and agreements which are necessary and proper for carrying out the provisions of this section, provided that no expenditure of money by the board shall be made except as may be appropriated by the legislature.~~]

Sec. 109.104 [~~109.52~~]. DONATIONS, GIFTS, GRANTS, AND ENDOWMENTS. The board may accept donations, gifts, grants, and endowments for Texas Tech University to be held for the benefit of the institution [~~in trust~~] and administered by the board.

SECTION _____. Subchapter D, Chapter 109, Education Code, is amended to read as follows:

SUBCHAPTER D. MINERAL DEVELOPMENT IN UNIVERSITY LAND

Sec. 109.151 ~~[409.64]~~. MINERAL LEASES; DISPOSITION OF PROCEEDS.

(a) The board may lease for oil, gas, sulphur, or other mineral development to the highest bidder at public auction all or part of the lands under the exclusive control of the board owned by the State of Texas and acquired for the use of Texas Tech University and its divisions.

(b) Any money received by virtue of this section shall be deposited in a special fund managed by the board to be known as the Texas Tech University special mineral fund. Money in the fund is considered to be institutional funds, as defined by Section 51.009, of the university and is to be used exclusively for the university ~~[and its branches and divisions]~~. All deposits in and investments of the fund shall be made in accordance with Section 51.0031. Section 34.017, Natural Resources Code, does not apply to the fund.

Sec. 109.152 ~~[409.62]~~. MAJORITY OF BOARD TO ACT. A majority of the board has power to act in all cases under this subchapter except as otherwise provided in this subchapter.

Sec. 109.153 ~~[409.63]~~. SUBDIVISION OF LAND; TITLES. (a) The board may have the lands surveyed or subdivided into tracts, lots, or blocks which, in its ~~[their]~~ judgment, will be most conducive and convenient to an advantageous sale or lease of oil, gas, sulphur, or other minerals in and under and that may be produced from the lands; and the board may make maps and plats which it deems necessary to carry out the purposes of this subchapter.

(b) The board may obtain authentic abstracts of title to the lands from time to time as it deems necessary and may take necessary steps to perfect a merchantable title to the lands.

Sec. 109.154 ~~[409.64]~~. SALE OF LEASES; ADVERTISEMENTS; PAYMENTS. (a) Whenever in the opinion of the board there is a demand for the purchase of oil, gas, sulphur, or other mineral leases on any tract or part of any tract of land which can be ~~[will]~~ reasonably expected to result in ~~[insure]~~ an advantageous sale, the board shall place the oil, gas, sulphur, or other mineral leases on the land on the market in a tract or tracts, or any part of a tract, which the board may designate.

(b) The board shall have advertised a brief description of the land from which the oil, gas, sulphur, or other minerals is proposed to be leased. The advertisement shall be made by publishing ~~[inserting]~~ in two or more papers of general circulation in this state, and in addition, the board may, in its discretion, cause the advertisement to be placed in an oil and gas journal published in and out of the state. The board may also mail copies of the proposals to the county judge of the county where the lands are located and to other persons the board believes would be interested. The board may specify that publication of the offer by electronic means, including an Internet posting, satisfies the requirement for publication of the advertisement in at least two papers of general circulation in this state.

(c) The board may sell the lease or leases to the highest bidder at public auction ~~[at the university in Lubbock at any hour between 10 a. m. and 5 p. m.]~~.

(d) The highest bidder shall pay to the board on the day of the sale 25 percent of the bonus bid, and the balance of the bid shall be paid within 24 hours after the bidder is notified that the bid has been accepted. Payments shall be made in cash, certified

check, ~~or~~ cashier's check, or electronic payment, as the board directs. The failure of the bidder to pay the balance of the amount bid will forfeit to the board the 25 percent of the bonus bid paid.

Sec. 109.155 [~~109.65~~]. SEPARATE BIDS; MINIMUM ROYALTY; DELAY RENTAL. (a) A separate bid shall be made for each tract or subdivision of a tract.

(b) No bid shall be accepted which offers a royalty of less than one-eighth of the gross production of oil, gas, sulphur, and other minerals in the land bid upon. The board may increase [~~and~~] this minimum royalty [~~may be increased~~] at the discretion of the board.

(c) Every bid shall carry the obligation to pay an amount not less than \$5 [~~\$1~~] per acre for delay in drilling or development. The amount shall be fixed by the board in advance of the advertisement. The delay rental [~~amount fixed~~] shall be paid every year for five years unless in the meantime production in paying quantities is had upon the land or the land is released by the lessee.

Sec. 109.156 [~~109.66~~]. REJECTION OF BIDS; WITHDRAWAL OF LAND. The board may reject any and all bids and may withdraw any land advertised for lease.

Sec. 109.157 [~~109.67~~]. ACCEPTANCE; CONDITIONS AND PROVISIONS OF LEASE. (a) If, in the opinion of the board, [~~any one of~~] the highest bidder [~~bidders~~] has offered a reasonable and proper price for any tract, which is not less than the price set by the board, the lands advertised may be leased for oil, gas, sulphur, and other mineral purposes under the terms of this section and subject to regulations prescribed by the board which are not inconsistent with the provisions of this section. In the event no bid is accepted by the board at public auction, any subsequent procedure for the sale of the leases shall be in the manner prescribed in the preceding sections.

(b) No lease shall be made by the board which will permit the drilling or mining for oil, gas, sulphur, or other minerals within 500 [~~300~~] feet of any building or structure on the land without the consent of the board. In making any lease on any experimental station or farm, the lease shall provide that the operations for oil, gas, and other minerals shall not in any way interfere with use of the land for university purposes and shall not cause the abandonment of the property or its use for experimental farm purposes. The lease shall also provide that the lessee operating the property shall drill and carry on the lessee's [~~his~~] operations in such a way as not to interfere with uses [~~cause the abandonment~~] of the property for university purposes, and the leased property shall be subject to the use by the state for all university purposes[, ~~and the board shall continue to operate the university~~].

Sec. 109.158 [~~109.68~~]. ACCEPTANCE AND FILING OF BIDS; [~~YEARLY PAYMENTS~~]; TERMINATION OF LEASE. (a) If the board determines that a satisfactory bid has been received for the oil, gas, sulphur, or other mineral lands, it shall accept the bid and reject all others and shall file the accepted bid in the general land office.

(b) [~~Whenever the royalties shall amount to as much as the yearly payments fixed by the board, the yearly payments may be discontinued.~~]

[~~€~~] If before the expiration of five years oil, gas, sulphur, or other minerals have not been produced in paying quantities, the lease shall terminate unless extended as provided in Sections 109.160 [~~109.70~~] and 109.161 [~~109.71 of this code~~].

Sec. 109.159 [~~109.69~~]. AWARD AND FILING OF LEASE. If the board determines that a satisfactory bid has been received for the oil, gas, sulphur, or other minerals, it shall make an award to the bidder offering the highest price, and a lease shall be filed in the general land office.

Sec. 109.160 [~~109.70~~]. EXPLORATORY TERM OF LEASE; EXTENSION; OTHER PROVISIONS. (a) The exploratory term of a lease as determined by the board prior to the promulgation of the advertisement shall not exceed five years, and each lease shall provide that the lease will terminate at the expiration of its exploratory term unless by unanimous vote of the board the lease is extended for a period not to exceed [~~of~~] three years.

(b) [~~The lease may be extended if the board finds that there is a likelihood of oil, gas, sulphur, or other minerals being discovered by the lessees, and that the lessees have proceeded with diligence to protect the interest of the state.~~] If oil, gas, sulphur, or other minerals are being produced in paying quantities from the premises, the lease shall continue in force and effect as long as the oil, gas, sulphur, or other minerals are being so produced. No extension may be made by the board until the last 30 days of the original term of the lease.

(c) The lease shall include additional provisions and regulations prescribed by the board to preserve the interest of the state, not inconsistent with the provisions of this subchapter.

Sec. 109.161 [~~109.71~~]. EXTENSION OF LEASES. When in the discretion of the board it is deemed for the best interest of the state to extend a lease issued by the board, the board may by unanimous vote extend the lease for a period not to exceed three years, on the condition that the lessee shall continue to pay yearly rental as provided in the lease and shall comply with any additional terms [~~which~~] the board requires [~~may see fit and proper to demand~~]. The board may extend the lease and execute an extension agreement.

Sec. 109.162 [~~109.72~~]. CONTROL OF DRILLING AND PRODUCTION. The drilling for and the production of oil, gas, and other minerals from the lands shall be governed and controlled by the Railroad Commission of Texas and other applicable regulatory bodies which govern and control other fields in this state.

Sec. 109.163 [~~109.73~~]. DRILLING OPERATIONS: SUSPENSION OF RENT; CONTINUANCE OF LEASE; DUTY TO PREVENT DRAINAGE. (a) If during the term of a lease issued under the provisions of this subchapter the lessee is engaged in actual drilling operations for the discovery of oil, gas, sulphur, or other minerals, no rentals shall be payable as to the tract on which the operations are being conducted as long as the operations are proceeding in a good and workmanlike manner in a good faith attempt to produce oil, gas, sulphur, or other minerals from the well [~~faith~~].

(b) In the event oil, gas, sulphur, or other minerals are discovered in paying quantities on any tract of land covered by a lease, then the lease as to that tract shall remain in force as long as oil, gas, sulphur, or other minerals are produced in paying quantities from the tract.

(c) In the event of the discovery of oil, gas, sulphur, or other minerals on any tract covered by a lease or on any land adjoining the tract, the lessee shall conduct such operations as may be necessary to prevent drainage from the tract covered by the lease to properly develop the same to the extent that a reasonably prudent individual [~~man~~] would do under the same and similar circumstances.

Sec. 109.164 [~~109.74~~]. TITLE TO RIGHTS PURCHASED; ASSIGNMENT; RELINQUISHMENT. (a) Title to all rights purchased may be held by the lessee [~~owners~~] as long as the area produces oil, gas, sulphur, or other minerals in paying quantities.

(b) All rights purchased may be assigned. All assignments shall be filed in the general land office as prescribed by rule, accompanied by 10 cents per acre for each acre assigned and the filing fee as prescribed by rule. An assignment shall not be effective unless filed as required by rule.

(c) All rights to all or any part of a leased tract may be released to the state at any time by recording a release instrument in the county or counties in which the tract is located. Releases shall also be filed with the chairman of the board and the general land office, accompanied by the filing fee prescribed by rule. A release shall not relieve the lessee [~~owner~~] of any obligations or liabilities incurred prior to the release.

(d) The board shall authorize any required infrastructure, including [~~the laying of pipeline and telephone line and~~] the opening of roads deemed reasonably necessary in carrying out the purposes of this subchapter.

Sec. 109.165 [~~109.75~~]. PAYMENT OF ROYALTIES; RECORDS; REPORT OF RECEIPTS. (a) If oil, gas, or other minerals are developed on any of the lands leased by the board, the royalty as stipulated in the sale shall be paid to the general land office in Austin on or before the last day of each month for the preceding month during the life of the rights purchased. The royalty payments shall be set aside as specified in Section 109.151 [~~109.61~~] and used as provided in that section.

(b) The royalty paid to the general land office shall be accompanied by the sworn statement of the lessee [~~owner~~], manager, or other authorized agent showing the gross amount of oil, gas, sulphur, or other minerals produced and sold off the premises and the market value of the minerals, together with a copy of all daily gauges, or vats, tanks, gas meter readings, pipeline receipts, gas line receipts, and other checks and memoranda of the amounts produced and put into pipelines, vats, tanks, or pool and gas lines or gas storage. The books and accounts, receipts and discharges of all wells, tanks, vats, pools, meters, and pipelines, and all contracts and other records pertaining to the production, transportation, sale, and marketing of the oil, gas, sulphur, or other minerals shall at all times be subject to inspection and examination by any member of the board or any duly authorized representative of the board.

(c) The commissioner of the general land office shall tender to the board on or before the 10th day of each month a report of all receipts that are collected from the lease or sale of oil, gas, sulphur, or other minerals and that are deposited in the special fund as provided by Section 109.151 [~~109.61~~] during the preceding month.

Sec. 109.166 [~~109.76~~]. PROTECTION FROM DRAINAGE; FORFEITURE OF RIGHTS. (a) In every case where the area in which oil, gas, sulphur, or other minerals sold is contiguous or adjacent to lands which are not lands belonging to and

held by the university, the acceptance of the bid and the sale made thereby shall constitute an obligation of the lessee [owner] to adequately protect the land leased from drainage from the adjacent lands to the extent that a reasonably prudent operator would do under the same and similar circumstances.

(b) In cases where the area in which the oil, gas, sulphur, or other minerals sold is contiguous to other lands belonging to and held by the university which have been leased or sold at a lesser royalty, the lessee [owner] shall protect the land from drainage from the lands leased or sold for a lesser royalty.

(c) On failure to protect the land from drainage as provided in this section, the sale and all rights acquired may be forfeited by the board in the manner provided in Section 109.167 [409.77 of this code] for forfeitures.

Sec. 109.167 [409.77]. FORFEITURE AND OTHER REMEDIES; LIENS. (a) Leases granted under the provisions of this chapter are subject to forfeiture by the board by an order entered in the minutes of the board reciting the acts or omissions constituting a default and declaring a forfeiture.

(b) Any of the following acts or omissions constitutes a default:

(1) the failure or refusal by the lessee [owner] of the rights acquired under this chapter to make a payment of a sum due, either as rental or royalty on production, within 30 days after the payment becomes due;

(2) the making of a false return or false report concerning production, royalty, drilling, or mining by the lessee [owner] or the lessee's [his] authorized agent;

(3) the failure or refusal of the lessee [owner] or the lessee's [his] agent to drill an offset well or wells in good faith, as required by the lease;

(4) the refusal of the lessee [owner] or the lessee's [his] agent to allow the proper authorities access to the records and other data pertaining to the operations authorized in this subchapter;

(5) the failure or refusal of the lessee [owner] or the lessee's [his] authorized agent to give correct information to the proper authorities, or to furnish the log of any well within 30 days after production is found in paying quantities; or

(6) the violation by the lessee [owner] of any material term of the lease.

(c) The board may, if it so desires, have suit for forfeiture instituted through the attorney general.

(d) On proper showing by the forfeiting lessee [owner] within 30 days after the declaration of forfeiture, the lease may be reinstated at the discretion of the board and upon terms prescribed by the board.

(e) In case of violation by the lessee [owner] of the lease contract, the remedy of forfeiture shall not be the exclusive remedy, and the state may institute suit for damages or specific performance or both.

(f) The state shall have a first lien on oil, gas, sulphur, or other minerals produced or that may be produced in the leased area, and on all rigs, tanks, vats, pipelines, telephone lines, and machinery and appliances used in the production and handling of oil, gas, sulphur, or other minerals produced, to secure the amount due from the lessee [owner of the lease].

Sec. 109.168 [109.78]. FILING OF DOCUMENTS AND PAYMENT OF ROYALTIES, FEES, AND RENTALS. (a) All surveys, files, copies of sale and lease contracts, and other records pertaining to the sales and leases authorized in this subchapter shall be filed in the general land office and shall constitute archives.

(b) Payment of all royalties, lease fees, rentals for delay in drilling or mining, filing fees for assignments and relinquishments, and all other payments shall be made to the commissioner of the general land office at Austin. The commissioner shall transmit all payments received to the board for deposit to the credit of the Texas Tech University special mineral fund as provided by Section 109.151 [109.61].

Sec. 109.169 [109.79]. FORMS, REGULATIONS, RULES, AND CONTRACTS. The board shall adopt proper forms, regulations, rules, and contracts which, in its judgment, will protect the income from lands leased pursuant to this subchapter.

Sec. 109.170 [109.80]. MANAGEMENT OF SURFACE AND MINERAL ESTATES. (a) The board may lease for oil, gas, sulphur, ore, water, and other mineral development all land under its exclusive control for the use of the university. The board may make and enter into pooling agreements, division orders, or other contracts necessary in the management and development of its land.

(b) All leases, pooling agreements, division orders, or other contracts entered into by the board shall be on terms that the board considers in the best interest of the university. The board may not sell a lease for less than the royalty and rental terms demanded at that time by the General Land Office in connection with the sale of oil, gas, and other mineral leases of the public lands of this state.

(c) All money received under the leases and contracts executed for the management and development of the land, except revenue pledged to the payment of revenue bonds or notes, shall be deposited to the credit of a special fund created by the board. The board shall designate a depository for the special fund and protect the money deposited in it by the pledging of assets of the depository in the same manner as is required for the protection of public funds. Money deposited in the special fund may be used by the board for the administration of the university, for payment of principal of and interest on revenue bonds or notes issued by the board, and for any other purpose that in the judgment of the board may be for the good of the university.

SECTION _____. Sections 110.01, 110.02, and 110.11, Education Code, are amended to read as follows:

Sec. 110.01. SEPARATE INSTITUTION. Texas Tech University Health Sciences Center is a separate institution and not a department, school, or branch of Texas Tech University but is under the direction, management, and control of the Texas Tech University System Board of Regents. The center is composed of a medical school and other components assigned by law or by the coordinating board.

Sec. 110.02. CONCURRENT AND SEPARATE POWERS. The board of regents has the same powers of governance, control, jurisdiction, and management [~~direction, management, and control~~] over the Health Sciences Center as it exercises [~~they exercise~~] over Texas Tech University System and its components. However, the board shall act separately and independently on all matters affecting the Health Sciences Center as a separate institution.

Sec. 110.11. MEDICAL SCHOOL ADMISSION POLICIES. The board of regents [~~Board of Regents~~] shall promulgate appropriate rules and regulations pertaining to the admission of students to the medical school [~~which will provide for admission of those students to its entering class each year who are equally or as well qualified as all other students and who have entered a contract with or received a commitment for a stipend, grant, loan or scholarship from the State Rural Medical Education Board. The State Rural Medical Education Board may contract with medical students providing for such students to engage in a general or family practice of medicine for not less than four years after licensing and a period of medical residency, as determined by the rules and regulations established by the State Rural Medical Education Board, in cities of Texas which have a population of less than 5,000 or in rural areas, as that term may be defined by the State Rural Medical Education Board, and said Board is hereby given the authority to define and from time to time redefine the term rural area, at the time the medical practice is commenced. This contract shall provide for a monthly stipend of at least \$100 to be granted by the State Rural Medical Education Board to each person under contract with the State while enrolled as a medical school student~~].

SECTION _____. The following provisions of the Education Code are repealed:

- (1) Section 109.44;
- (2) Section 109.46;
- (3) Section 109.47;
- (4) Section 109.49;
- (5) Section 110.04; and
- (6) Section 110.14.

The amendment to **CSHB 29** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

On motion of Senator Seliger and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 29 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell.

COMMITTEE SUBSTITUTE HOUSE BILL 29 ON THIRD READING

Senator Seliger moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 29** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Birdwell.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 3903 ON SECOND READING

On motion of Senator Campbell and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3903** at this time on its second reading:

HB 3903, Relating to the Hays Trinity Groundwater Conservation District; providing authority to increase certain fees; authorizing a fee.

The bill was read second time.

Senator Fraser offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3903** (senate committee printing) as follows:

(1) Add the following appropriately numbered SECTIONS to the bill:

SECTION _____. (a) The West Travis County Public Utility Agency is converted to a conservation and reclamation district to be known as the Hill Country Regional Water Authority located in Hays and Travis Counties.

(b) The Hill Country Regional Water Authority is not required to hold an election to confirm the creation of the authority.

SECTION _____. It is the intent and finding of the legislature that:

(1) the residents and customers served by the West Travis County Public Utility Agency before the effective date of this Act will be provided by the creation of the Hill Country Regional Water Authority under this Act with the means to obtain services authorized by Sections 8601.101 and 8601.102, Special District Local Laws Code, as added by this Act, in the most effective and efficient manner without the impairment of any existing contracts or obligations of the West Travis County Public Utility Agency; and

(2) the creation of the Hill Country Regional Water Authority under this Act will further important public policy objectives by:

(A) supporting public ownership of important water and wastewater utility infrastructure in an environmentally sensitive area; and

(B) protecting the interests of current ratepayers.

SECTION _____. The heading to Subtitle G, Title 6, Special District Local Laws Code, is amended to read as follows:

SUBTITLE G. RIVER AUTHORITIES AND OTHER SPECIAL WATER AUTHORITIES

SECTION 4. Subtitle G, Title 6, Special District Local Laws Code, is amended by adding Chapter 8601 to read as follows:

CHAPTER 8601. HILL COUNTRY REGIONAL WATER AUTHORITY
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8601.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Hill Country Regional Water Authority.

(2) "Board" means the board of directors of the authority.

(3) "Director" means a member of the board.

(4) "Member entity" means:

(A) Hays County;

(B) the City of Bee Cave; or

(C) West Travis County Municipal Utility District No. 5.

Sec. 8601.002. NATURE OF AUTHORITY. The authority is a conservation and reclamation district in Hays and Travis Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8601.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The authority is created to serve a public use and benefit.

(b) All land and other property included in the territory of the authority will benefit from the works and projects to be accomplished by the authority under powers conferred by Section 59, Article XVI, Texas Constitution, and powers granted under this chapter.

(c) The authority is created to accomplish the control, storage, conservation, preservation, distribution, and use of water for domestic, industrial, municipal, and all other useful purposes, including the protection, preservation, and restoration of the purity and sanitary condition of water within this state, as provided by Section 59, Article XVI, Texas Constitution.

Sec. 8601.004. AUTHORITY BOUNDARIES. (a) The authority's boundaries are coextensive with the boundaries of the territory described by Certificate of Public Convenience and Necessity No. 13207, as those boundaries exist on the effective date of the Act enacting this chapter and as they may be amended in accordance with applicable law.

(b) Notwithstanding Subsection (a), any territory within the boundaries described by Subsection (a) that is also located within a municipality or within the extraterritorial jurisdiction of a municipality that has not given its written consent to the authority's creation on or before the effective date of the Act enacting this chapter is excluded from the authority's boundaries until the municipality gives its written consent to the authority's creation.

Sec. 8601.005. APPLICABILITY OF OTHER LAW. (a) Except as otherwise provided by this chapter, Chapter 49, Water Code, applies to the authority. For the purposes of Chapter 49, Water Code, the authority is a special water authority.

(b) The following subchapters of Chapter 49, Water Code, do not apply to the authority:

- (1) Subchapter J;
- (2) Subchapter L;
- (3) Subchapter M; and
- (4) Subchapter N.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8601.051. DIRECTORS; TERMS. (a) The authority is governed by a board of five appointed directors.

(b) Except for a director serving on the initial board, directors serve staggered four-year terms that expire September 30 of even-numbered years.

(c) A director may serve consecutive terms of office.

Sec. 8601.0515. INITIAL BOARD. (a) The initial board consists of:

- Position 1—Larry Fox;
- Position 2—Ray Whisenant;
- Position 3—Michael Murphy;
- Position 4—Scott Roberts; and

Position 5—Bill Goodwin.

(b) Directors Fox, Whisenant, and Murphy serve initial terms expiring September 30, 2016. Directors Roberts and Goodwin serve initial terms expiring September 30, 2014.

(c) A vacancy in a position on the initial board shall be filled in the manner provided by Section 8601.053 for making an appointment to the same position, except that an appointment to fill a vacancy in position 4 or 5 does not require that both positions be seated simultaneously.

(d) This section expires September 30, 2016.

Sec. 8601.052. ELIGIBILITY TO SERVE AS A DIRECTOR. (a) To be eligible to serve as a director, an individual must be at least 18 years of age.

(b) To be eligible to serve as a director:

(1) in position 1, 2, or 3, an individual must reside in Hays or Travis County;

(2) in position 4, an individual must reside in Hays County; or

(3) in position 5, an individual must reside in Travis County.

Sec. 8601.053. METHOD OF APPOINTING DIRECTORS. (a) Directors are appointed or recommended for appointment to the five numbered positions on the board by the governing body of each member entity as follows:

(1) West Travis County Municipal Utility District No. 5 shall appoint the director who serves in position 1;

(2) Hays County shall appoint the director who serves in position 2;

(3) the City of Bee Cave shall appoint the director who serves in position 3;

(4) Hays County shall appoint the director who serves in position 4, subject to approval by the member entities as provided by Subsection (b); and

(5) the City of Bee Cave shall appoint the director who serves in position 5, subject to approval by the member entities as provided by Subsection (b).

(b) The governing bodies of all member entities must approve the appointments of directors for positions 4 and 5 before the persons begin to serve as directors. Upon approval, directors appointed to serve in those positions shall be seated simultaneously.

(c) Except to fill a vacancy, the appointment of a director must be made during September of the year in which that position's term begins.

Sec. 8601.054. VACANCY. (a) A vacancy in a position on the board shall be filled in the same manner as an appointment to the board for that position, except that a vacancy in position 4 or 5 does not require that positions 4 and 5 be seated simultaneously.

(b) A person appointed to fill a vacancy serves for the remainder of the vacated term.

(c) Section 49.105, Water Code, does not apply to the authority.

Sec. 8601.055. SERVICE ON BOARD BY EMPLOYEE OR OFFICER OF OTHER PUBLIC ENTITY. (a) The common law doctrine of incompatibility does not disqualify an employee or official of a public entity from serving as a director.

(b) An employee, officer, or member of the governing body of a public entity may serve as a director but may not have a personal interest in a contract executed by the authority other than as an employee, officer, or member of the governing body of

the public entity. If a director has a personal interest in a contract executed by the authority, the director must abstain from any participation in the matter. A director is not required to abstain from further participation in the matter if a majority of the members of the board of directors have similar interests in the same official action.

Sec. 8601.056. COMPENSATION; EXPENSES. (a) A director serves without compensation but, subject to board approval, may be reimbursed for travel or other expenses incurred on behalf of the authority if the director presents the board with a verified statement of the expenses.

(b) Section 49.060, Water Code, does not apply to the authority.

Sec. 8601.057. QUORUM. A majority of the membership of the board constitutes a quorum for any meeting, and a concurrence of a majority of the entire membership of the board is sufficient for transacting any business of the authority.

Sec. 8601.058. OFFICERS. (a) Every two years on the appointment or reappointment of directors, the board shall meet and elect a president, a vice president, a secretary, and any other officers or assistant officers the board considers necessary.

(b) The president is the chief executive officer of the authority, presides at all meetings of the board, and shall execute all documents on behalf of the authority unless the board authorizes the general manager or other representative of the authority to execute a document or documents on behalf of the authority.

(c) The vice president shall act as president in case of the absence or disability of the president.

(d) The secretary is responsible for seeing that all records and books of the authority are properly kept and may attest the president's signature on documents.

(e) The board may appoint another director, the general manager, or any employee as assistant or deputy secretary to assist the secretary, and any such person shall be entitled to certify as to the authenticity of any record of the authority, including all proceedings relating to bonds, contracts, or indebtedness of the authority.

Sec. 8601.059. REMOVAL FROM OFFICE. A director may be removed from office at any time, with or without cause, by the member entity that appointed the director.

Sec. 8601.060. EX OFFICIO BOARD MEMBERS. (a) This section applies only to a person who is not an appointed director.

(b) Any of the following persons, or any of those persons' designees, is entitled to serve as an ex officio, nonvoting member of the board:

(1) the Hays County judge;

(2) the City of Bee Cave city administrator; or

(3) the president of the West Travis County Municipal Utility District No. 5

Board of Directors.

(c) A person designated as an ex officio member of the board is entitled to receive notice of and to attend the authority's board meetings.

(d) A person designated as an ex officio member of the board is not counted for purposes of determining a quorum under Section 8601.057.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8601.101. GENERAL POWERS AND DUTIES. (a) The authority has all the rights, powers, privileges, functions, and duties necessary and convenient to accomplish the purposes of this chapter.

(b) Except as provided by this chapter, the authority has the powers and duties provided by the general law of this state applicable to a special water authority under Chapter 49, Water Code.

(c) The authority retains all the rights, powers, privileges, functions, obligations, and duties of the West Travis County Public Utility Agency as in effect before the effective date of the Act enacting this chapter.

Sec. 8601.102. WATER AND WASTE POWERS. (a) The authority may supply water for municipal uses, domestic uses, power, and commercial purposes, and all other beneficial uses or controls.

(b) The authority may not use groundwater from the Barton Springs Segment of the Edwards Aquifer as a source of the authority's water supply. This section shall not be interpreted to prohibit an aquifer storage and recovery project or a recharge improvement project that enhances water supply in the Barton Springs Segment of the Edwards Aquifer.

(c) The authority may collect, transport, process, dispose of, and control all domestic, industrial, or communal wastes whether in fluid, solid, or composite state.

Sec. 8601.103. AUTHORITY POLICIES, RULES, AND BYLAWS. The authority may adopt and enforce policies, rules, and bylaws reasonably required to implement this chapter, including rules governing procedures before the board and rules regarding implementation, enforcement, and any other matters related to the exercise of the rights, powers, privileges, and functions conferred on the authority by this chapter for the provision of water and wastewater service.

Sec. 8601.104. EXTENSION OF SERVICES. (a) In this section, "commission" means the Texas Commission on Environmental Quality.

(b) Except as provided by this section, the authority may extend service to customers located inside or outside the authority's boundaries.

(c) The authority may not extend wastewater service to new customers in Hays County that are located inside the extraterritorial jurisdiction or municipal limits of a municipality or to new customers located inside the extraterritorial jurisdiction or municipal limits of the City of Austin unless the authority sends the applicable municipality written notice of its intent to provide the service and the municipality does not object in writing to the extension of service on or before the 60th day after the date of receiving notice.

(d) In accordance with the provisions of Section 8601.003(c) related to the protection, preservation, and restoration of the purity and sanitary condition of water in this state, except as provided by this subsection, the authority may not extend service to new customers in an area served by the authority that is located in the contributing and recharge zone of the Barton Springs Segment of the Edwards Aquifer. Before the authority approves an extension of authority service under this subsection, the applicant requesting the service must certify to the authority that:

(1) the applicant has submitted any required applications, notifications, or plans to the commission; and

(2) a draft permit has been issued by the executive director of the commission or by any other governmental entity with the requisite jurisdiction for the purpose of managing stormwater and all domestic, industrial, or communal wastes in

a manner sufficient to maintain and support the Texas Surface Water Quality Standards, 30 T.A.C. Chapter 307, including the anti-degradation policy adopted under those standards.

(e) The authority shall hold a public hearing and provide an opportunity for public comment before extending authority service to new customers not located in the service area identified in the 10-year capital improvement plan that:

(1) has been adopted from time to time in compliance with Chapter 395, Local Government Code; and

(2) is in effect when an application for service is received.

Sec. 8601.105. ACQUISITION, CONSTRUCTION, MAINTENANCE, AND OPERATION OF SYSTEMS. (a) The authority may purchase, construct, acquire, own, operate, maintain, repair, improve, or extend inside or outside its boundaries any works, improvements, facilities, plants, equipment, or appliances necessary to accomplish authority purposes under this chapter, including all works, improvements, facilities, plants, equipment, and appliances incident, helpful, or necessary to provide services inside or outside the authority's boundaries.

(b) Any new construction or extension of authority facilities in the jurisdiction of a municipality must comply with the municipality's:

(1) ordinances governing subdivision platting and site development; and

(2) design criteria for fire flow.

Sec. 8601.106. WATER CONSERVATION OR DROUGHT CONTINGENCY PLANS. The authority by rule may develop, prepare, revise, adopt, implement, enforce, and manage comprehensive water conservation or drought contingency plans for the authority or any portion of the authority.

Sec. 8601.107. CONTRACTS AND INSTRUMENTS. The authority may, as necessary or convenient to the exercise of the rights, powers, privileges, and functions conferred on the authority by this chapter:

(1) enter into a contract, including an interlocal contract under Chapter 791, Government Code; or

(2) execute an instrument.

Sec. 8601.108. MEMBER ENTITY CONVEYANCES AND ACQUISITIONS. (a) In this section, "utility system" has the meaning assigned by Section 1502.001, Government Code.

(b) A member entity may convey a utility system facility or asset or its interest in a utility system facility or asset to the authority without holding an election to approve the conveyance.

(c) A member entity is exempt from the provisions of Chapter 1502, Government Code, regarding the conveyance, sale, or acquisition of a utility system, or any related works, improvements, facilities, plants, equipment, or appliances.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8601.151. FEES, RATES, AND OTHER CHARGES. The board shall establish, charge, and collect tolls, fees, user fees, rates, and other charges for the sale or use of water, water connections, wastewater service, wastewater connections, or other services sold, furnished, or supplied by the authority inside and outside the authority's boundaries. The tolls, fees, user fees, rates, and other charges must be reasonable and nondiscriminatory and sufficient to produce revenue adequate to:

(1) pay all expenses necessary to the operation and maintenance of the properties and facilities of the authority;

(2) pay the interest on and principal of all bonds, notes, or other obligations assumed, issued, or incurred by the authority;

(3) pay the principal of and interest on and any other amounts owed under any legal debt created or assumed by the authority;

(4) pay all sinking fund and reserve fund payments agreed to be made with respect to bonds, notes, or other obligations and payable out of those revenues, as the payments become due and payable; and

(5) fulfill the terms of any agreements made with the bondholders, other counterparties or creditors, or with any person on their behalf.

Sec. 8601.152. IMPACT FEES. The authority may assess and collect impact fees under Chapter 395, Local Government Code, inside and outside the authority's boundaries.

Sec. 8601.153. LATE OR PARTIAL PAYMENTS: INTEREST AND PENALTIES. (a) The board may require the payment of interest on any late or unpaid tolls, fees, user fees, impact fees, rates, or other charges due the authority. The interest rate may not exceed the interest rate permitted by Section 2251.025, Government Code.

(b) The board may impose penalties for the failure to make a complete or timely payment to the authority.

Sec. 8601.154. ADMINISTRATIVE PENALTY. A person who violates a rule or order of the authority is subject to an administrative penalty of not more than \$5,000, as determined by the board, for each violation or each day of a continuing violation. The person shall pay the penalty to the authority.

Sec. 8601.155. DISBURSEMENTS. (a) The authority may disburse authority money by check, draft, order, federal reserve wire system, or other instrument or authorization.

(b) Except as provided by Subsection (c), disbursements of the authority must be signed by at least a majority of the directors.

(c) The board by resolution may allow the general manager, treasurer, bookkeeper, or other employee or representative of the authority to sign disbursements.

Sec. 8601.156. NO AD VALOREM TAXATION OR SPECIAL ASSESSMENTS. The authority may not impose an ad valorem tax or a special assessment.

Sec. 8601.157. FISCAL YEAR. The authority's fiscal year begins on October 1 and ends on September 30.

Sec. 8601.158. FRANCHISE FEES. The authority may not assess or collect a franchise fee for the use of its real property. The authority may pay a franchise fee to another governmental entity.

SUBCHAPTER E. BONDS AND NOTES

Sec. 8601.201. REVENUE BONDS AND NOTES. (a) To accomplish the purposes of the authority, the authority may issue bonds or notes payable solely from and secured by all or part of any funds or any revenue from any source or sources, including:

(1) tolls, fees, user fees, impact fees, rates, and other charges the authority imposes or collects;

(2) the sale of water, water services, water rights or capacity, water transmission rights or services, water pumping, sewer services, or any other service or product of the authority provided inside or outside the boundaries of the authority;

(3) grants or gifts;

(4) the ownership or operation of all or a designated part of the authority's works, improvements, facilities, plants, or equipment; and

(5) contracts between the authority and a member entity, customer, or any other person.

(b) Bonds or notes issued by the authority may be first or subordinate lien obligations at the board's discretion.

(c) In connection with any bonds or notes of the authority, the authority may exercise any power of an issuer under Chapter 1371, Government Code.

(d) The authority may conduct a public, private, or negotiated sale of the bonds or notes.

(e) The authority may enter into one or more indentures of trust to further secure its bonds or notes.

(f) The authority may issue bonds or notes in more than one series as necessary to carry out the purposes of this chapter. In issuing bonds or notes secured by revenue of the authority, the authority may reserve the right to issue additional bonds or notes secured by the authority's revenue that are on parity with or are senior or subordinate to the bonds or notes issued earlier.

(g) A resolution of the board or a trust indenture securing the bonds or notes may specify additional provisions that constitute a contract between the authority and its bondholders or noteholders.

(h) Bonds and notes may be additionally secured by deed of trust or mortgage on any or all of the authority's facilities.

(i) Bonds and notes issued by the authority are not subject to approval by the Texas Commission on Environmental Quality, and commission rules regarding bonds or notes do not apply to bonds or notes issued by the authority.

Sec. 8601.202. ELECTION NOT REQUIRED. The authority is not required to hold an election to approve the issuance of revenue bonds or notes or other obligations under this subchapter.

Sec. 8601.203. USE OF REVENUE AND GROWTH PROJECTIONS. For the purposes of attorney general review and approval and in lieu of any other manner of demonstrating the ability to pay debt service and satisfy any other pecuniary obligations relating to bonds, notes, or other obligations, the authority may demonstrate its ability to satisfy the debt service and those obligations using accumulated funds of the authority and revenue and growth projections prepared by a professional utility rate consultant at the direction of the authority. If the resolution authorizing the issuance of the bonds, notes, or other obligations provides that the authority intends to increase rates to the extent necessary to pay debt service and satisfy any other pecuniary obligations arising under the bonds, notes, or other

obligations, the revenue projections prepared by a professional utility rate consultant may include forecast rate increases and accumulated and available fund balances as determined by the authority.

SECTION _____. On the effective date of this Act:

(1) the Hill Country Regional Water Authority shall assume all assets, liabilities, and obligations of the West Travis County Public Utility Agency;

(2) all contracts and written agreements of the West Travis County Public Utility Agency are assigned to and assumed by the Hill Country Regional Water Authority; and

(3) the Utilities Installment Purchase Agreement entered January 17, 2012, between the Lower Colorado River Authority and the West Travis County Public Utility Agency, as amended, is assigned to and assumed by the Hill Country Regional Water Authority created by this Act and is valid and enforceable by its terms. Governmental immunity from liability or suit is waived for the parties to enforce that Utilities Installment Purchase Agreement to the extent provided by Subchapter I, Chapter 271, Local Government Code.

SECTION _____. (a) The board of directors of the Hill Country Regional Water Authority shall initiate a public process involving district stakeholders and other interested persons to develop a plan to address the future governance of the authority, including consideration of:

(1) the election of member positions by ratepayers;

(2) retail and wholesale customer representation; and

(3) the allocation of representatives from Hays and Travis Counties.

(b) Not later than January 1, 2015, the board of directors of the Hill Country Regional Water Authority shall present the plan developed under Subsection (a) of this section as a proposal for legislation to the committees of the 84th Legislature having primary jurisdiction over water districts and to each of the state representatives and state senators in whose district the territory of the Hill Country Regional Water Authority is located.

SECTION _____. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION _____. (a) Any eminent domain powers granted by general law that apply to the Hill Country Regional Water Authority, as created by this Act, take effect only if this Act receives a two-thirds vote of all the members elected to each house.

(b) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8601, Special District Local Laws Code, as added by this Act, is amended by adding Section 8601.109 to read as follows:

Sec. 8601.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(c) This section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

(2) Renumber the SECTIONS of the bill appropriately.

The amendment to **HB 3903** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Campbell and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3903 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3903 ON THIRD READING

Senator Campbell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3903** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE HOUSE BILL 1573 ON SECOND READING

Senator Van de Putte moved to suspend the regular order of business to take up for consideration **CSHB 1573** at this time on its second reading:

CSHB 1573, Relating to authorizing an optional county fee on vehicle registration in certain counties.

The motion prevailed.

Senators Birdwell, Deuell, Fraser, Hancock, Hegar, Huffman, Nelson, Patrick, and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by the following vote: Yeas 22, Nays 9.

Yeas: Campbell, Carona, Davis, Duncan, Ellis, Eltife, Estes, Garcia, Hinojosa, Lucio, Nichols, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Deuell, Fraser, Hancock, Hegar, Huffman, Nelson, Patrick, Schwertner.

HOUSE BILL 1133 ON SECOND READING

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1133** at this time on its second reading:

HB 1133, Relating to a sales and use tax refund for tangible personal property used to provide cable television service, Internet access service, or telecommunications services and to the exclusion of that property in certain economic development agreements.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 1133 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1133** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 8 ON SECOND READING**

On motion of Senator Van de Putte and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 8** at this time on its second reading:

CSHB 8, Relating to the prosecution and punishment of offenses related to trafficking of persons and to certain protections for victims of trafficking of persons.

The bill was read second time.

Senator Patrick offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 8** (committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____. Sections 43.26(a) and (h), Penal Code, are amended to read as follows:

(a) A person commits an offense if:

(1) the person knowingly or intentionally possesses, or knowingly or intentionally accesses with intent to view, visual material that visually depicts a child younger than 18 years of age at the time the image of the child was made who is engaging in sexual conduct, including a child who engages in sexual conduct as a victim of an offense under Section 20A.02(a)(5), (6), (7), or (8); and

(2) the person knows that the material depicts the child as described by Subdivision (1).

(h) It is a defense to prosecution under Subsection (a) or (e) that the actor is a law enforcement officer or a school administrator who:

(1) possessed or accessed the visual material in good faith solely as a result of an allegation of a violation of Section 43.261;

(2) allowed other law enforcement or school administrative personnel to possess or access the material only as appropriate based on the allegation described by Subdivision (1); and

(3) took reasonable steps to destroy the material within an appropriate period following the allegation described by Subdivision (1).

SECTION _____. The change in law made by this Act to Section 43.26, Penal Code, applies only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

The amendment to **CSHB 8** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Van de Putte and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 8 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

COMMITTEE SUBSTITUTE HOUSE BILL 8 ON THIRD READING

Senator Van de Putte moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 8** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3941 ON SECOND READING

On motion of Senator Campbell and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3941** at this time on its second reading:

HB 3941, Relating to the creation of the Comal County Water Improvement District No. 3; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3941 ON THIRD READING

Senator Campbell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3941** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE HOUSE BILL 3605 ON SECOND READING

Senator Hegar moved to suspend the regular order of business to take up for consideration **CSHB 3605** at this time on its second reading:

CSHB 3605, Relating to the evaluation by the Texas Water Development Board of applications for financial assistance for certain retail public utilities.

The motion prevailed.

Senator Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Hegar offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3605** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter D, Chapter 17, Water Code, is amended by adding Section 17.1245 to read as follows:

Sec. 17.1245. EVALUATION. (a) In passing on an application for financial assistance from a retail public utility that provides potable water service to 3,300 or more connections, the board shall:

(1) evaluate for compliance with the board's best management practices the utility's water conservation plan required under Section 13.146; and

(2) issue a report to a utility detailing the results of the evaluation conducted under Subdivision (1).

(b) Not later than January 1 of each odd-numbered year, the board shall submit to the legislature a written summary of the results of evaluations conducted under Subsection (a)(1).

SECTION _____. Section 17.1245, Water Code, as added by this Act, applies only to an application for financial assistance submitted on or after the effective date of this Act. An application for financial assistance submitted before the effective date of this Act is governed by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose.

The amendment to **CSHB 3605** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Hegar offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 3605** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 17.183, Water Code, is amended to read as follows:

Sec. 17.183. CONSTRUCTION CONTRACT REQUIREMENTS. (a) The governing body of each political subdivision receiving financial assistance from the board shall require in all contracts for the construction of a project:

(1) that each bidder furnish a bid guarantee equivalent to five percent of the bid price;

(2) that each contractor awarded a construction contract furnish performance and payment bonds:

(A) the performance bond shall include without limitation guarantees that work done under the contract will be completed and performed according to approved plans and specifications and in accordance with sound construction principles and practices; and

(B) the performance and payment bonds shall be in a penal sum of not less than 100 percent of the contract price and remain in effect for one year beyond the date of approval by the engineer of the political subdivision; ~~and~~

(3) that payment be made in partial payments as the work progresses;

(4) that each partial payment shall not exceed 95 percent of the amount due at the time of the payment as shown by the engineer of the project, but, if the project is substantially complete, a partial release of the five percent retainage may be made by the political subdivision with approval of the executive administrator;

(5) that payment of the retainage remaining due upon completion of the contract shall be made only after:

(A) approval by the engineer for the political subdivision as required under the bond proceedings;

(B) approval by the governing body of the political subdivision by a resolution or other formal action; and

(C) certification by the executive administrator in accordance with the rules of the board that the work to be done under the contract has been completed and performed in a satisfactory manner and in accordance with approved plans and specifications ~~[sound engineering principles and practices]~~;

(6) that no valid approval may be granted unless the work done under the contract has been completed and performed in a satisfactory manner according to approved plans and specifications; and

(7) that, if a political subdivision receiving financial assistance under Subchapter K of this chapter, labor from inside the political subdivision be used to the extent possible.

(b) Plans and specifications submitted to the board in connection with an application for financial assistance must include a seal by a licensed engineer affirming that the plans and specifications are consistent with and conform to current industry design and construction standards.

The amendment to **CSHB 3605** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

On motion of Senator Hegar and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 3605 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Schwertner.

COMMITTEE SUBSTITUTE HOUSE BILL 3605 ON THIRD READING

Senator Hegar moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3605** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Schwertner.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 2766 ON SECOND READING

On motion of Senator Whitmire and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2766** at this time on its second reading:

HB 2766, Relating to the exclusion of certain flow-through funds in determining total revenue for purposes of the franchise tax.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2766 ON THIRD READING

Senator Whitmire moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2766** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE JOINT RESOLUTION 62 ON SECOND READING

On motion of Senator Van de Putte and by unanimous consent, the regular order of business was suspended to take up for consideration **HJR 62** at this time on its second reading:

HJR 62, Proposing a constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a member of the armed services of the United States who is killed in action.

The resolution was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE JOINT RESOLUTION 62 ON THIRD READING

Senator Van de Putte moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HJR 62** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The resolution was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 789 ON SECOND READING

On motion of Senator Rodríguez and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 789** at this time on its second reading:

HB 789, Relating to the allowance in lieu of exempt property in the administration of a decedent's estate.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 789 ON THIRD READING

Senator Rodríguez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 789** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3126 ON SECOND READING

Senator Lucio moved to suspend the regular order of business to take up for consideration **HB 3126** at this time on its second reading:

HB 3126, Relating to the authorization by referendum election of an increase in optional fees imposed on vehicles registered in certain counties to fund transportation projects.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hegar, Hinojosa, Lucio, Nichols, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Fraser, Hancock, Huffman, Nelson, Patrick.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Fraser, Hancock, Huffman, Nelson, Patrick, Paxton.

HOUSE BILL 3126 ON THIRD READING

Senator Lucio moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3126** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hegar, Hinojosa, Lucio, Nichols, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Fraser, Hancock, Huffman, Nelson, Patrick.

The bill was read third time and was passed by the following vote: Yeas 24, Nays 7.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hegar, Hinojosa, Lucio, Nichols, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Fraser, Hancock, Huffman, Nelson, Patrick, Paxton.

HOUSE BILL 3447 ON SECOND READING

Senator Uresti moved to suspend the regular order of business to take up for consideration **HB 3447** at this time on its second reading:

HB 3447, Relating to the establishment and functions of certain urban land bank demonstration programs.

The motion prevailed.

Senators Birdwell, Hancock, Patrick, and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Van de Putte offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3447** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 253.001, Local Government Code, is amended by adding Subsections (m), (n), and (o) to read as follows:

(m) Subsection (b) does not apply to the sale of a public square or park if:

(1) the land was part of the site of a world exposition recognized by the Bureau International des Expositions; and

(2) the remainder of the world exposition site includes dedicated public squares or parks that have a total area of 18 acres or more.

(n) The area dedicated under Subsection (m)(2) may include an area for which the municipality commits to demolishing any non-park improvements within 48 months after the date of the dedication.

(o) A petition for judicial review of a sale under Subsection (m) must be filed on or before the 60th day after the date the ordinance or resolution authorizing the sale is adopted. A petition filed after that date is barred.

SECTION _____. Chapter 253, Local Government Code, is amended by adding Section 253.0011 to read as follows:

Sec. 253.0011. SALE OR LEASE OF LAND USED FOR WORLD EXPOSITION RESTRICTED. If a municipality sells or leases a public square or park as authorized by Section 253.001(m), the aggregate square footage of hotel improvements to be constructed on any property sold or leased by the municipality that was part of the site of a world exposition recognized by the Bureau International des Expositions may not exceed 20 percent of the aggregate square footage of any improvements other than a convention center that:

(1) are located on property sold or leased by the municipality on that site;
and

(2) are constructed after June 1, 2013.

The amendment to **HB 3447** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Uresti and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3447 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Hancock, Patrick, Schwertner.

HOUSE BILL 3447 ON THIRD READING

Senator Uresti moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3447** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Patrick, Schwertner.

The bill was read third time and was passed by the following vote: Yeas 26, Nays 5. (Same as previous roll call)

HOUSE BILL 3169 ON THIRD READING

Senator Lucio moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3169** be placed on its third reading and final passage:

HB 3169, Relating to the imposition of the sales and use tax on taxable items sold or provided under certain contracts.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1 on Third Reading

Amend **HB 3169** (Senate committee printing) on third reading by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 151.319(f), Tax Code, is amended to read as follows:

(f) In this section, "newspaper" means a publication that is printed on newsprint, the average sales price of which for each copy over a 30-day period does not exceed \$3 [~~\$1.50~~], and that is printed and distributed at a daily, weekly, or other short interval for the dissemination of news of a general character and of a general interest. "Newspaper" does not include a magazine, handbill, circular, flyer, sales catalog, or similar printed item unless the printed item is printed for distribution as a part of a newspaper and is actually distributed as a part of a newspaper. For the purposes of this section, an advertisement is news of a general character and of a general interest. Notwithstanding any other provision of this subsection, "newspaper" includes:

(1) a publication containing articles and essays of general interest by various writers and advertisements that is produced for the operator of a licensed and certified carrier of persons and distributed by the operator to its customers during their travel on the carrier; and

(2) a publication for the dissemination of news of a general character and of a general interest that is printed on newsprint and distributed to the general public free of charge at a daily, weekly, or other short interval.

The amendment to **HB 3169** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 on Third Reading.

On motion of Senator Lucio and by unanimous consent, the caption was again amended to conform to the body of the bill as amended.

HB 3169 as again amended was finally passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2100 ON SECOND READING

On motion of Senator Williams and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2100** at this time on its second reading:

HB 2100, Relating to the salary for certain employees of the Department of Public Safety of the State of Texas.

The bill was read second time.

Senator Williams offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2100** (senate committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. Subchapter A, Chapter 411, Government Code, is amended by adding Section 411.0162 to read as follows:

Sec. 411.0162. SALARIES FOR CERTAIN TROOPERS. (a) Notwithstanding any other provision of law and subject to the availability of money appropriated for that purpose, the department may pay its employees classified as Trooper Trainee, Probationary Trooper, and Trooper I at rates that exceed the maximum rates designated in Salary Schedule C of the position classification schedule prescribed by the General Appropriations Act for the state fiscal biennium ending August 31, 2013, for that position by up to 10 percent.

(b) Notwithstanding Subsection (a) or any other provision of law and subject to the availability of money appropriated for that purpose, in the state fiscal year beginning September 1, 2013, the department may pay its employees classified as Trooper Trainee, Probationary Trooper, and Trooper I at rates that exceed the maximum rates designated in Salary Schedule C of the position classification schedule prescribed by the General Appropriations Act for the state fiscal biennium ending August 31, 2013, for that position by up to five percent. This subsection expires September 1, 2014.

SECTION 2. This Act takes effect September 1, 2013.

The amendment to **HB 2100** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Williams and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 2100 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2100 ON THIRD READING

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2100** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3572 ON SECOND READING**

On motion of Senator Williams and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 3572** at this time on its second reading:

CSHB 3572, Relating to the administration, collection, and enforcement of taxes on mixed beverages; imposing a tax on sales of mixed beverages; decreasing the rate of the current tax on mixed beverages.

The bill was read second time.

Senator Hinojosa offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3572** (Senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS accordingly:

SECTION __. Section 106.14, Alcoholic Beverage Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) The commission may not deny the approval of a seller training program on the ground that the program presents the information using only an audiovisual recording.

The amendment to **CSHB 3572** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Williams and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 3572 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3572 ON THIRD READING**

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3572** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2383 ON SECOND READING**

Senator Duncan moved to suspend the regular order of business to take up for consideration **CSHB 2383** at this time on its second reading:

CSHB 2383, Relating to life settlement contracts for the payment of long-term care services and support and the consideration of a life insurance policy in determining eligibility for medical assistance.

The motion prevailed.

Senators Hancock, Nichols, Patrick, Taylor, and Williams asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hancock, Hegar, Nichols, Patrick, Taylor, Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2383 ON THIRD READING**

Senator Duncan moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2383** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Paxton, Rodríguez, Schwertner, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Hancock, Nichols, Patrick, Taylor, Williams.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 6.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hinojosa, Huffman, Lucio, Nelson, Paxton, Rodríguez, Schwertner, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Hancock, Hegar, Nichols, Patrick, Taylor, Williams.

HOUSE BILL 3276 ON SECOND READING

Senator Deuell moved to suspend the regular order of business to take up for consideration **HB 3276** at this time on its second reading:

HB 3276, Relating to the coverage by certain health benefit plans for the screening and treatment of autism spectrum disorder.

The motion prevailed.

Senators Birdwell, Campbell, Estes, Fraser, Hancock, Nichols, Patrick, and Paxton asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Estes, Fraser, Hancock, Hegar, Nichols, Patrick, Paxton.

HOUSE BILL 3276 ON THIRD READING

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3276** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Estes, Fraser, Nichols, Patrick.

The bill was read third time and was passed by the following vote: Yeas 22, Nays 9.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Garcia, Hinojosa, Huffman, Lucio, Nelson, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Estes, Fraser, Hancock, Hegar, Nichols, Patrick, Paxton.

COMMITTEE SUBSTITUTE HOUSE BILL 3153 ON SECOND READING

Senator West moved to suspend the regular order of business to take up for consideration **CSHB 3153** at this time on its second reading:

CSHB 3153, Relating to the operation and administration of, and practice in courts in, the judicial branch of state government and the composition of certain juvenile boards; imposing a fee.

The motion prevailed.

Senator Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Uresti offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3153** (senate committee printing) as follows:

(1) In SECTION 1.03(b) of ARTICLE 1 of the bill, in the heading to amended Section 24.377, Government Code (page 2, lines 64-65), strike "AND [EDWARDS,]" and substitute "EDWARDS, AND".

(2) In SECTION 1.03(b) of ARTICLE 1 of the bill, in amended Section 24.377(a), Government Code (page 2, lines 66-67), strike "and [Edwards,]" and substitute "Edwards, and".

(3) In SECTION 1.03(c) of ARTICLE 1 of the bill, in the heading to added Section 24.596, Government Code (page 3, line 24), strike "(EDWARDS, KIMBLE," and substitute "(KIMBLE,".

(4) In SECTION 1.03(c) of ARTICLE 1 of the bill, in added Section 24.596(a), Government Code (page 3, line 26), strike "Edwards,".

(5) In SECTION 1.03(h) of ARTICLE 1 of the bill, on page 3, line 68, strike "Edwards,".

The amendment to **CSHB 3153** was read and failed of adoption by the following vote: Yeas 14, Nays 16.

Yeas: Davis, Ellis, Garcia, Hegar, Hinojosa, Huffman, Lucio, Rodríguez, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Campbell, Carona, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Williams.

Absent: Birdwell.

CSHB 3153 was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Patrick.

COMMITTEE SUBSTITUTE HOUSE BILL 3153 ON THIRD READING

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3153** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Patrick.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

GUESTS PRESENTED

Senator West was recognized and introduced to the Senate a delegation from St. Anthony Charter School.

The Senate welcomed its guests.

HOUSE BILL 1931 ON SECOND READING

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1931** at this time on its second reading:

HB 1931, Relating to compensation of property owners whose property is damaged as a result of a pursuit involving a law enforcement agency.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 1931 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1931** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3643 ON SECOND READING

Senator Carona moved to suspend the regular order of business to take up for consideration **HB 3643** at this time on its second reading:

HB 3643, Relating to the allocation of revenue from the municipal hotel occupancy tax by certain municipalities.

The motion prevailed.

Senator Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Patrick.

HOUSE BILL 3643 ON THIRD READING

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3643** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Patrick.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 3370 ON SECOND READING**

On motion of Senator Patrick and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 3370** at this time on its second reading:

CSHB 3370, Relating to the authority of certain retired peace officers and former reserve law enforcement officers to carry certain firearms.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3370 ON THIRD READING**

Senator Patrick moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3370** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3309 ON SECOND READING

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3309** at this time on its second reading:

HB 3309, Relating to the composition and use of money in the oil and gas regulation and cleanup fund.

The bill was read second time.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3309** (senate committee printing) as follows:

(1) On page 1, line 24, strike "Section 81.067(c), Natural Resources Code, is" and substitute "Sections 81.067(b) and (c), Natural Resources Code, are".

(2) On page 1, between lines 25 and 26, insert the following:

(b) The commission shall certify to the comptroller the date on which the balance in the fund equals or exceeds \$30 [~~\$20~~] million. The oil-field cleanup regulatory fees on oil and gas shall not be collected or required to be paid on or after the first day of the second month following the certification, except that the comptroller shall resume collecting the fees on receipt of a commission certification that the fund has fallen below \$25 [~~\$10~~] million. The comptroller shall continue collecting the fees until collections are again suspended in the manner provided by this subsection.

The amendment to **HB 3309** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Estes and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3309 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3309 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3309** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE HOUSE BILL 7 ON SECOND READING

Senator Williams moved to suspend the regular order of business to take up for consideration **CSHB 7** at this time on its second reading:

CSHB 7, Relating to the amounts, availability, and use of certain statutorily dedicated revenue and accounts; reducing or affecting the amounts or rates of certain statutorily dedicated fees and assessments; imposing certain court costs.

The motion prevailed.

Senators Ellis, Garcia, Rodríguez, Watson, West, and Zaffirini asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Williams offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 7** (senate committee printing) as follows:

(1) In SECTION 2 of the bill, adding Section 403.0956, Government Code (page 2), strike lines 12 through 15 and substitute:
accordance with Section 51.008, Education Code;

(2) interest or earnings on deposits of federal money the diversion of which is specifically excluded by federal law;

(3) the lifetime license endowment account; or

(4) the game, fish, and water safety account.

(2) In SECTION 4 of the bill, in the last sentence of amended Section 361.014(a), Health and Safety Code (page 2, line 56), strike "must include["including];" and substitute "may include["including];".

(3) In SECTION 18 of the bill, appropriating the balance of the system benefit fund (page 7, line 58), between "fund," and "to the", insert "in an amount not to exceed \$630 million,".

(4) Add to the bill the following appropriately numbered section and renumber any subsequent sections of the bill accordingly:

SECTION _____. (a) Subchapter I, Chapter 113, Natural Resources Code, is repealed.

(b) On the effective date of this Act:

(1) the alternative fuels research and education fund is abolished;

(2) any money remaining in the alternative fuels research and education fund is transferred to the undedicated portion of the general revenue fund;

(3) any claim against the alternative fuels research and education fund is transferred to the undedicated portion of the general revenue fund; and

(4) any amount required to be deposited to the credit of the alternative fuels research and education fund shall be deposited to the credit of the undedicated portion of the general revenue fund.

(c) Any money transferred from the alternative fuels research and education fund to the undedicated portion of the general revenue fund that was deposited in the alternative fuels research and education fund as a gift, grant, or other form of assistance under former Subchapter I, Chapter 113, Natural Resources Code, and is encumbered by the specific terms of the gift, grant, or other form of assistance may be spent only in accordance with the terms of the gift, grant, or other form of assistance. Subchapter I, Chapter 113, Natural Resources Code, is continued in effect for the limited purpose of administering this subsection.

The amendment to **CSHB 7** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Duncan offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 7** by adding an appropriately numbered SECTION to read as follows:

SECTION _____. Effective September 1, 2015, Section 56.095(b), Education Code, is repealed.

The amendment to **CSHB 7** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

On motion of Senator Williams and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 7 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Ellis, Garcia, Rodríguez, Watson, West, Zaffirini.

**COMMITTEE SUBSTITUTE
HOUSE BILL 7 ON THIRD READING**

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 7** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Whitmire, Williams.

Nays: Ellis, Garcia, Rodríguez, Watson, West, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 6. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 6 ON SECOND READING**

On motion of Senator Williams and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 6** at this time on its second reading:

CSHB 6, Relating to the creation and re-creation of funds and accounts in the state treasury, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

The bill was read second time.

Senator Williams offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 6** (senate committee report) as follows:

(1) In SECTION 1 of the bill (page 1, line 34), between "executive branch" and "of", insert "or the judicial branch".

(2) In SECTION 2 of the bill (page 1, line 42), strike "in the state treasury".

(3) Add the following appropriately numbered SECTION to the bill:

SECTION _____. SEPARATE FUNDS IN THE TREASURY. Effective on the later of the effective date of the Act creating or re-creating the specified fund or August 31, 2013, the following funds, if created by an Act of the 83rd Legislature, Regular Session, 2013, the revenue deposited to the funds, and the revenue dedicated for deposit to the funds, are exempt from Section 2 of this Act and the funds are created in as separate funds in the state treasury:

(1) the Texas economic development fund, created as a fund in the state treasury by Senate Bill No. 1214 or similar legislation; and

(2) the permanent fund supporting military and veterans exemptions, created as a special fund in the treasury by Senate Bill No. 1158 or similar legislation.

(4) Add the following appropriately numbered SECTION to the bill:

SECTION _____. REVENUE DEDICATION. Effective on the later of the effective date of the Act dedicating or rededicating the specified revenue or August 31, 2013, the following dedications or rededications of revenue collected for a particular purpose are exempt from Section 2 of this Act, if dedicated or rededicated by an Act of the 83rd Legislature, Regular Session, 2013:

(1) the dedication of penalty revenue to the compensation to victims of crime fund as provided by House Bill No. 508 or similar legislation;

(2) the dedication of fee and penalty revenue for deposit to and revenue held in the oyster sales account in the general revenue fund provided by House Bill No. 1903 or similar legislation;

(3) the dedication of voluntary contributions for deposit to the fund for veterans' assistance provided by House Bill No. 633 or similar legislation; and

(4) the rededication of revenue held in the system benefit fund as provided by House Bill No. 7 or similar legislation.

(5) Renumber the SECTIONS of the bill appropriately.

The amendment to **CSHB 6** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Williams offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 6** (senate committee report) as follows:

(1) Strike the recital to SECTION 8 of the bill (page 2, lines 27 through 29) and strike from SECTION 8 of the bill amended Section 403.095(b), Government Code (page 2, lines 30-36), and substitute the following:

SECTION 8. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE. (a) If S.J.R. No. 1 of the 83rd Legislature, Regular Session, 2013, is approved by both houses of the legislature, and if on or before September 1, 2013, Section 39.9039, Utilities Code, as proposed by H.B. No. 7 or similar legislation of the 83rd Legislature, Regular Session, 2013, becomes law, effective September 1, 2013, Sections 403.095(b), (d), and (e), Government Code, are amended to read as follows:

(b) Notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, dedicated revenues, in a total amount not to exceed \$4.2 billion, that [5] on August 31, 2015 [2013], are estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the 83rd [82nd] Legislature are available for general governmental purposes and are considered available for the purpose of certification under Section 403.121. It is the intent of the legislature that dedicated revenues that exceed the total amount that this subsection makes available for general governmental purposes and for certification must be used for the purposes for which the revenues are dedicated.

(2) In SECTION 8 of the bill, immediately following amended Section 403.095(e), Government Code (page 2, between lines 58 and 59), insert the following:

(b) If either of the conditions provided by Subsection (a) of this section is not met, Subsection (a) of this section has no effect, and, effective September 1, 2013, Sections 403.095(b), (d), and (e), Government Code, are amended to read as follows:

(b) Notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, dedicated revenues, in a total amount not to exceed \$5.0 billion, that [;] on August 31, 2015 [~~2013~~], are estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the 83rd [~~82nd~~] Legislature are available for general governmental purposes and are considered available for the purpose of certification under Section 403.121. It is the intent of the legislature that dedicated revenues that exceed the total amount that this subsection makes available for general governmental purposes and for certification must be used for the purposes for which the revenues are dedicated.

(d) Following certification of the General Appropriations Act and other appropriations measures enacted by the 83rd [~~82nd~~] Legislature, the comptroller shall reduce each dedicated account as directed by the legislature by an amount that may not exceed the amount by which estimated revenues and unobligated balances exceed appropriations. The reductions may be made in the amounts and at the times necessary for cash flow considerations to allow all the dedicated accounts to maintain adequate cash balances to transact routine business. The legislature may authorize, in the General Appropriations Act, the temporary delay of the excess balance reduction required under this subsection. This subsection does not apply to revenues or balances in:

(1) funds outside the treasury;

(2) trust funds, which for purposes of this section include funds that may or are required to be used in whole or in part for the acquisition, development, construction, or maintenance of state and local government infrastructures, recreational facilities, or natural resource conservation facilities;

(3) funds created by the constitution or a court; or

(4) funds for which separate accounting is required by federal law.

(e) This section expires [~~on~~] September 1, 2015 [~~2013~~].

The amendment to **CSHB 6** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

Senator Watson offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 6** (senate committee printing) by striking SECTION 8 of the bill, amending Section 403.095, Government Code (page 2, lines 27 through 58), and substituting the following:

SECTION 8. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE. Section 403.095, Government Code, is amended by amending Subsections (b), (d), and (e) and adding Subsection (b-1) to read as follows:

(b) Notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, an amount of dedicated revenues, not to exceed \$1 billion, that[;] on August 31 of an odd-numbered year is[~~;~~ ~~2013, are~~] estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the legislature is [~~82nd Legislature are~~] available for general governmental purposes and is [~~are~~] considered available for the purpose of certification under Section 403.121.

(b-1) Notwithstanding the limitation provided by Subsection (b), the amount of dedicated revenues described by that subsection that on August 31 of an odd-numbered year is estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the legislature is considered available for general governmental purposes and for the purpose of the certification under Section 403.121 in an amount not to exceed:

- (1) \$4.2 billion for the fiscal biennium ending August 31, 2015;
- (2) \$3.4 billion for the fiscal biennium ending August 31, 2017;
- (3) \$2.6 billion for the fiscal biennium ending August 31, 2019; and
- (4) \$1.8 billion for the fiscal biennium ending August 31, 2021.

(d) Following certification of the General Appropriations Act and other appropriations measures enacted by the legislature [~~82nd Legislature~~], the comptroller shall reduce each dedicated account as directed by the legislature by an amount that may not exceed the amount by which estimated revenues and unobligated balances exceed appropriations. The reductions may be made in the amounts and at the times necessary for cash flow considerations to allow all the dedicated accounts to maintain adequate cash balances to transact routine business. The legislature may authorize, in the General Appropriations Act, the temporary delay of the excess balance reduction required under this subsection. This subsection does not apply to revenues or balances in:

- (1) funds outside the treasury;
 - (2) trust funds, which for purposes of this section include funds that may or are required to be used in whole or in part for the acquisition, development, construction, or maintenance of state and local government infrastructures, recreational facilities, or natural resource conservation facilities;
 - (3) funds created by the constitution or a court; or
 - (4) funds for which separate accounting is required by federal law.
- (e) This subsection and Subsection (b-1) expire [~~section expires on~~ September 1, 2023 [2013].

The amendment to **CSHB 6** was read.

Senator Williams moved to temporarily postpone further consideration of the bill.

The motion prevailed.

Question — Shall Floor Amendment No. 3 to **CSHB 6** be adopted?

COMMITTEE SUBSTITUTE HOUSE BILL 1675 ON SECOND READING

On motion of Senator Nichols and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 1675** at this time on its second reading:

CSHB 1675, Relating to the sunset review process and certain governmental entities subject to that process.

The bill was read second time.

Senator Nichols offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 1675** (Senate Committee Report version), by striking SECTION 5.03 of the bill (page 3, line 64 through page 4, line 4), and replacing with the following:

SECTION 5.03. Section 325.0195, Government Code, is amended by adding Subsection (c), (c-1) and (c-2) to read as follows:

(c) A state agency that provides the commission with access to a privileged or confidential communication, record, document, or file under Section 325.019 for purposes of a review under this chapter does not waive the attorney-client privilege, or any other privilege or confidentiality requirement protected or required by the Texas Constitution, common law, statutory law, or rules of evidence, procedure, or professional conduct, with respect to the communication, record, document, or file provided to the commission. For purposes of this subsection, a communication includes, but is not limited to, a discussion that occurs at a meeting or proceeding of the state agency that is closed to the public.

(c-1) The state agency may require the commission or the members of the commission's staff who view, handle or are privy to information, or who attend a meeting that is not accessible to the public, to sign a confidentiality agreement that covers the information and requires that:

(1) the information not be disclosed outside the commission for purposes other than the purpose for which it was received;

(2) the information be labeled as confidential;

(3) the information be kept securely; or

(4) the number of copies made of the information or the notes taken from the information that implicate the confidential nature of the information be controlled, with all copies or notes that are not destroyed or returned to the governmental body remaining confidential and subject to the confidentiality agreement.

(c-2) A person who obtains access to confidential information under this subsection commits an offense if the officer or employee knowingly:

(1) uses the confidential information for a purpose other than the purpose for which the information was received or for a purpose unrelated to the law that permitted the officer or employee to obtain access to the information, including solicitation of political contributions or solicitation of clients;

(2) permits inspection of the confidential information by a person who is not authorized to inspect the information; or

(3) discloses the confidential information to a person who is not authorized to receive the information.

The amendment to **CSHB 1675** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Nichols offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 1675** (senate committee printing) on page 3 line 64 by adding 325.019(d) Government Code which reads as follows:

(d) Subsections (b) and (c) of this section shall not apply to meetings of a state agency regulating a bank as that term is defined in Section 201.002, Finance Code, that relate to the subject of bank closings, sales, or mergers.

The amendment to **CSHB 1675** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

Senator Patrick offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 1675** (senate committee printing) by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES of the bill as appropriate:

ARTICLE __. ENTITIES GIVEN 2015 SUNSET DATE

SECTION __. __. TEXAS EDUCATION AGENCY. (a) Section 7.004, Education Code, is amended to read as follows:

Sec. 7.004. SUNSET PROVISION. The Texas Education Agency is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the agency is abolished September 1, 2015 [~~2013~~].

(b) This section takes effect only if the 83rd Legislature, Regular Session, 2013, does not enact other legislation that becomes law and that amends Section 7.004, Education Code, to extend the sunset date of the Texas Education Agency. If the 83rd Legislature, Regular Session, 2013, enacts legislation of that kind, this section has no effect.

(c) The Sunset Advisory Commission shall limit its review of the Texas Education Agency in preparation for the work of the 84th Legislature in Regular Session to the appropriateness of recommendations made by the commission to the 83rd Legislature. In the commission's report to the 84th Legislature, the commission may include any recommendations it considers appropriate. This subsection expires September 1, 2015.

The amendment to **CSHB 1675** was read.

Senator Davis offered the following amendment to Floor Amendment No. 3:

Floor Amendment No. 4

Amend Floor Amendment No. 3 by Patrick to **CSHB 1675** (senate committee printing) in the added SECTION relating to the Texas Education Agency (page 1, after line 23) by adding the following:

(c) Subchapter B, Chapter 39, Education Code, is amended by adding Section 39.038 to read as follows:

Sec. 39.038. SUNSET REVIEW OF CONTRACTING PROCEDURES FOR ASSESSMENT INSTRUMENTS. The Sunset Advisory Commission shall evaluate the contracting procedures used by the agency to enter into a contract with a provider to develop or administer assessment instruments required by Section 39.023 and present to the 84th Legislature a report on its evaluation and recommendations in relation to the contracting procedures. This section expires September 1, 2015.

The amendment to Floor Amendment No. 3 to **CSHB 1675** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 4.

Question recurring on the adoption of Floor Amendment No. 3 to **CSHB 1675**, the amendment as amended was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 3 as amended.

Senator Patrick offered the following amendment to the bill:

Floor Amendment No. 5

Amend **CSHB 1675** (senate committee printing) by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES of the bill as appropriate:

ARTICLE __. ENTITIES GIVEN 2015 SUNSET DATE

SECTION __. UNIVERSITY INTERSCHOLASTIC LEAGUE. Section 33.083, Education Code, is amended by adding Subsection (e) to read as follows:

(e) The University Interscholastic League is subject to review under Chapter 325, Government Code (Texas Sunset Act), but is not abolished under that chapter. The University Interscholastic League shall be reviewed during the period in which state agencies abolished in 2015 are reviewed. The University Interscholastic League shall pay the costs incurred by the Sunset Advisory Commission in performing the review under this subsection. The Sunset Advisory Commission shall determine the costs of the review performed under this subsection, and the University Interscholastic League shall pay the amount of those costs promptly on receipt of a statement from the Sunset Advisory Commission regarding those costs. This subsection expires September 1, 2015.

The amendment to **CSHB 1675** was read and was adopted by the following vote: Yeas 18, Nays 11.

Yeas: Birdwell, Campbell, Davis, Ellis, Estes, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nichols, Patrick, Paxton, Schwertner, Taylor, Uresti, Whitmire.

Nays: Deuell, Duncan, Eltife, Fraser, Nelson, Rodríguez, Van de Putte, Watson, West, Williams, Zaffirini.

Absent: Carona, Seliger.

Senator Ellis offered the following amendment to the bill:

Floor Amendment No. 6

Amend **CSHB 1675** (senate committee printing) by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES of the bill as appropriate:

ARTICLE __. ENTITIES GIVEN 2015 SUNSET DATE

SECTION __. STATE BOARD OF EDUCATION. Subchapter D, Chapter 7, Education Code, is amended by adding Section 7.114 to read as follows:

Sec. 7.114. SUNSET PROVISION. The State Board of Education is subject to review under Chapter 325, Government Code (Texas Sunset Act), but is not abolished under that chapter. The board shall be reviewed during the periods in which state agencies scheduled to be abolished in 2015 and every 12th year after that year are reviewed.

The amendment to **CSHB 1675** was read.

On motion of Senator Nichols, Floor Amendment No. 6 was tabled by the following vote: Yeas 20, Nays 11.

Yeas: Birdwell, Campbell, Carona, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Whitmire, Williams.

Nays: Davis, Ellis, Garcia, Hinojosa, Lucio, Rodríguez, Uresti, Van de Putte, Watson, West, Zaffirini.

Senator Whitmire offered the following amendment to the bill:

Floor Amendment No. 7

Amend **CSHB 1675** (senate committee printing) by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES of the bill as appropriate:

ARTICLE __. ENTITIES GIVEN 2015 SUNSET DATE

SECTION __. TEXAS FACILITIES COMMISSION. (a) Section 2152.002, Government Code, is amended to read as follows:

Sec. 2152.002. SUNSET PROVISION. The Texas Facilities [~~Building and Procurement~~] Commission is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this subtitle, except for Chapter 2170 and Section 2157.121, expires September 1, 2015 [~~2013~~].

(b) The Sunset Advisory Commission shall limit its review of the Texas Facilities Commission in preparation for the work of the 84th Legislature in Regular Session to the appropriateness of recommendations made by the commission to the 83rd Legislature. In the commission's report to the 84th Legislature, the commission may include any recommendations it considers appropriate. This subsection expires September 1, 2015.

The amendment to **CSHB 1675** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 7 except as follows:

Nays: Ellis.

Senator Whitmire offered the following amendment to the bill:

Floor Amendment No. 8

Amend **CSHB 1675** (senate committee printing) by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES of the bill as appropriate:

ARTICLE __. ENTITIES GIVEN 2015 SUNSET DATE

SECTION __. PORT OF HOUSTON AUTHORITY. (a) Sections 9(a) and (d), Chapter 97, Acts of the 40th Legislature, 1st Called Session, 1927, as added by Section 1.10, Chapter 1232, Acts of the 82nd Legislature, Regular Session, 2011, are amended to read as follows:

(a) The Port of Houston Authority of Harris County, Texas, is subject to review under Chapter 325, Government Code (Texas Sunset Act), as if it were a state agency but may not be abolished under that chapter. The review shall be conducted as if the authority were scheduled to be abolished September 1, 2015 ~~[2013]~~.

(d) This section expires September 1, 2015 ~~[2013]~~.

(b) Section 9, Chapter 97, Acts of the 40th Legislature, 1st Called Session, 1927, as added by Section 22, Chapter 1027, Acts of the 82nd Legislature, Regular Session, 2011, is repealed.

(c) This section takes effect only if the 83rd Legislature, Regular Session, 2013, does not enact other legislation that becomes law and that amends or repeals Sections 9(a) and (d), Chapter 97, Acts of the 40th Legislature, 1st Called Session, 1927, as added by Section 1.10, Chapter 1232, Acts of the 82nd Legislature, Regular Session, 2011. If the 83rd Legislature, Regular Session, 2013, enacts legislation of that kind, this section has no effect.

The amendment to **CSHB 1675** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 8 except as follows:

Nays: Ellis, Garcia, Taylor.

Senator Hinojosa offered the following amendment to the bill:

Floor Amendment No. 9

Amend **CSHB 1675** (senate committee report) by adding the following appropriately numbered article to the bill and renumbering the articles of the bill accordingly:

ARTICLE __. STUDY CONCERNING SELF-DIRECTED SEMI-INDEPENDENT STATUS OF STATE AGENCIES

SECTION __.01. STUDY AND REPORT. (a) In this section, "commission" means the Sunset Advisory Commission.

(b) The commission shall conduct a study concerning the self-directed semi-independent status of state agencies.

(c) The study must address:

(1) criteria and a process to be used in determining whether a state agency should be given self-directed semi-independent status;

(2) criteria and a process to be used in determining whether the self-directed semi-independent status of a state agency should be revoked;

(3) measures to ensure adequate state oversight of state agencies with self-directed semi-independent status;

(4) reporting requirements for state agencies with self-directed semi-independent status;

(5) procedures for a state agency with self-directed semi-independent status to contract with and to pay for services received from another state agency;

(6) review of a state agency's self-directed semi-independent status as part of the agency's sunset review;

(7) appropriations issues related to a state agency's transition to self-directed semi-independent status;

(8) appropriations issues related to a state agency's transition from self-directed semi-independent status to regular state agency status; and

(9) criteria to review complaint procedures and the disposition of complaints by a state agency with self-directed semi-independent status.

(d) In conducting the study, the commission shall consult with the Legislative Budget Board.

(e) At the commission's request, a state agency shall provide information and assistance to the commission in conducting the study under this section.

(f) Not later than December 31, 2014, the commission shall submit a report on the commission's findings and recommendations to:

(1) the governor;

(2) the lieutenant governor; and

(3) each member of the legislature.

(g) This section expires September 1, 2015.

The amendment to **CSHB 1675** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 9.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 10

Amend **CSHB 1675** by adding the appropriately numbered sections:

SECTION __. SUNSET ACT. Chapter 325, Government Code, is amended by adding Section 325.025 to read as follows:

Sec. 325.025. CERTAIN RIVER AUTHORITIES AND OTHER WATER AUTHORITIES SUBJECT TO REVIEW AND ABOLISHMENT. (a) A river authority or water authority listed in Subsection (b) is subject to review under this chapter as if it were a state agency.

(b) This section applies only to the:

(1) Brazos River Authority;

(2) Guadalupe-Blanco River Authority; and

(3) Lower Colorado River Authority.

(c) A river authority or water authority shall pay the cost incurred by the commission in performing a review of the authority under this section. The commission shall determine the cost, and the authority shall pay the amount promptly on receipt of a statement from the commission detailing the cost.

SECTION __. BRAZOS RIVER AUTHORITY. Chapter 8502, Special District Local Laws Code, is amended by adding Section 8502.0021 to read as follows:

Sec. 8502.0021. APPLICATION OF SUNSET ACT. The authority is subject to review for the purposes of Chapter 325, Government Code, but may not be abolished under that chapter. The review shall be conducted as if the authority were scheduled to be abolished September 1, 2015.

SECTION __. GUADALUPE-BLANCO RIVER AUTHORITY. Chapter 75, Acts of the 43rd Legislature, 1st Called Session, 1933, is amended by adding Section 1A to read as follows:

Sec. 1A. The District is subject to review for the purposes of Chapter 325, Government Code, but may not be abolished under that chapter. The review shall be conducted as if the District were scheduled to be abolished September 1, 2015.

SECTION __. LOWER COLORADO RIVER AUTHORITY. Chapter 8503, Special District Local Laws Code, is amended by adding Section 8503.0021 to read as follows:

Sec. 8503.0021. APPLICATION OF SUNSET ACT. The authority is subject to review for the purposes of Chapter 325, Government Code, but may not be abolished under that chapter. The review shall be conducted as if the authority were scheduled to be abolished September 1, 2015.

The amendment to **CSHB 1675** was read.

On motion of Senator Nichols, Floor Amendment No. 10 was tabled by the following vote: Yeas 20, Nays 11.

Yeas: Birdwell, Campbell, Carona, Deuell, Ellis, Eltife, Garcia, Hegar, Hinojosa, Huffman, Nelson, Nichols, Patrick, Rodríguez, Seliger, Uresti, Van de Putte, Watson, West, Zaffirini.

Nays: Davis, Duncan, Estes, Fraser, Hancock, Lucio, Paxton, Schwertner, Taylor, Whitmire, Williams.

On motion of Senator Nichols and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 1675 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

COMMITTEE SUBSTITUTE HOUSE BILL 1675 ON THIRD READING

Senator Nichols moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1675** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1573 ON THIRD READING**

Senator Van de Putte moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1573** be placed on its third reading and final passage:

CSHB 1573, Relating to authorizing an optional county fee on vehicle registration in certain counties.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hegar, Hinojosa, Lucio, Nichols, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Fraser, Hancock, Huffman, Nelson, Patrick.

The bill was read third time and was passed by the following vote: Yeas 20, Nays 11.

Yeas: Campbell, Carona, Davis, Duncan, Ellis, Eltife, Estes, Garcia, Hinojosa, Lucio, Nichols, Rodríguez, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Deuell, Fraser, Hancock, Hegar, Huffman, Nelson, Patrick, Paxton, Schwertner, Seliger.

**COMMITTEE SUBSTITUTE
HOUSE BILL 742 ON SECOND READING**

Senator Watson moved to suspend the regular order of business to take up for consideration **CSHB 742** at this time on its second reading:

CSHB 742, Relating to a grant program for certain school districts to provide summer instruction primarily for students who are educationally disadvantaged and summer teaching opportunities for high-performing, new, and student teachers.

The motion prevailed by the following vote: Yeas 21, Nays 10.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hegar, Hinojosa, Huffman, Lucio, Patrick, Rodríguez, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Fraser, Hancock, Nelson, Nichols, Paxton, Schwertner, Taylor, Williams.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Fraser, Hancock, Nelson, Nichols, Paxton, Schwertner, Taylor, Williams.

HOUSE BILL 394 ON THIRD READING

Senator Van de Putte moved to suspend the regular order of business to take up for consideration **HB 394** at this time on its third reading and final passage:

HB 394, Relating to limits on prizes for bingo games.

The motion prevailed by the following vote: Yeas 22, Nays 9.

Yeas: Carona, Davis, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Lucio, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Deuell, Hancock, Huffman, Nelson, Nichols, Patrick, Paxton.

The bill was read third time and was passed by the following vote: Yeas 21, Nays 10.

Yeas: Carona, Davis, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hinojosa, Lucio, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Deuell, Hancock, Hegar, Huffman, Nelson, Nichols, Patrick, Paxton.

COMMITTEE SUBSTITUTE HOUSE BILL 870 ON SECOND READING

On motion of Senator Hegar and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 870** at this time on its second reading:

CSHB 870, Relating to Prairie View A&M University's eligibility to participate in the research development fund.

The bill was read second time.

Senator Hegar offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 870** (senate committee printing) by striking page 1, lines 39 through 51, and substituting the following:

Sec. 62.0925. ELIGIBILITY OF PRAIRIE VIEW A&M UNIVERSITY. (a) Notwithstanding Section 62.092(2), Prairie View A&M University is an eligible institution for purposes of eligibility for a distribution from the research development fund under this subchapter for a state fiscal year only if the university is not an eligible institution for that fiscal year for purposes of eligibility for an appropriation or distribution from the Texas competitive knowledge fund established under other law.

(b) Notwithstanding Section 62.092(2) or Subsection (a) of this section, for the state fiscal biennium ending August 31, 2017, Prairie View A&M University is an eligible institution for purposes of eligibility for a distribution from the research

development fund under this subchapter only if the total amount of money appropriated for that state fiscal biennium for distributions from the fund to those eligible institutions that received distributions from the fund in the preceding state fiscal biennium is not less than the total amount of money that was appropriated for distributions from the fund to those eligible institutions for that preceding state fiscal biennium, such that the distribution to Prairie View A&M University of the proportionate share of the fund to which the university is entitled under the methodology prescribed by Section 62.095 for the state fiscal biennium ending August 31, 2017, does not have the effect of reducing the amounts from the fund to which the other eligible institutions are entitled for that state fiscal biennium. This subsection expires January 1, 2018.

The amendment to **CSHB 870** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Hegar and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 870 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

COMMITTEE SUBSTITUTE HOUSE BILL 870 ON THIRD READING

Senator Hegar moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 870** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2305 ON SECOND READING

On motion of Senator Watson and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2305** at this time on its second reading:

HB 2305, Relating to motor vehicle inspection requirements for vehicles equipped with compressed natural gas containers.

The bill was read second time.

Senator West offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2305** (senate committee report) as follows:

(1) In the recital to SECTION 1 of the bill (line 22), strike "548.104(d)" and substitute "548.104".

(2) In SECTION 1 of the bill, strike amended Section 548.104(d), Transportation Code (lines 24-45), and substitute the following:

Sec. 548.104. EQUIPMENT-RELATED PREREQUISITES TO ISSUANCE OF PASSING VEHICLE INSPECTION REPORT [~~CERTIFICATE~~]. (a) The commission shall adopt uniform standards of safety applicable to each item required to be inspected by Section 548.051. The standards and the list of items to be inspected shall be posted in each inspection station.

(b) An inspection station or inspector may issue a passing vehicle [~~an~~] inspection report [~~certificate~~] only if the vehicle is inspected and found to be in proper and safe condition and to comply with this chapter and the rules adopted under this chapter.

(c) An inspection station or inspector may inspect only the equipment required to be inspected by Section 548.051 and may not:

(1) falsely and fraudulently represent to an applicant that equipment required to be inspected must be repaired, adjusted, or replaced before the vehicle will pass inspection; or

(2) require an applicant to have another part of the vehicle or other equipment inspected as a prerequisite for issuance of a passing vehicle [~~an~~] inspection report [~~certificate~~].

(d) An inspection station or inspector may not issue a passing vehicle [~~an~~] inspection report [~~certificate~~] for a vehicle equipped with:

(1) a carburetion device permitting the use of liquefied gas alone or interchangeably with another fuel, unless a valid liquefied gas tax decal issued by the comptroller is attached to the lower right-hand corner of the front windshield of the vehicle on the passenger side; [~~or~~]

(2) a sunscreening device prohibited by Section 547.613, except that the department by rule shall provide procedures for issuance of a passing vehicle [~~an~~] inspection report [~~certificate~~] for a vehicle exempt under Section 547.613(c); or

(3) a compressed natural gas container unless the owner demonstrates in accordance with department rules proof:

(A) that:

(i) the container has met the inspection requirements under 49 C.F.R. Section 571.304; and

(ii) the manufacturer's recommended service life for the container, as stated on the container label required by 49 C.F.R. Section 571.304, has not expired; or

(B) that the vehicle is a fleet vehicle for which the fleet operator employs a technician certified to inspect the container.

(e) The department shall adopt rules relating to inspection of and issuance of a vehicle [~~an~~] inspection report [~~certificate~~] for a moped.

(3) Strike SECTIONS 2 and 3 of the bill (lines 46-57) and substitute the following appropriately numbered SECTION:

SECTION _____. (a) Except as provided by Subsection (c) of this section, not later than March 1, 2014, the Texas Department of Motor Vehicles, the Department of Public Safety of the State of Texas, and the Texas Commission on Environmental Quality shall adopt rules necessary to implement the changes in law made by this Act.

(b) Not later than March 1, 2014, the Department of Public Safety shall create the database described by Section 548.251, Transportation Code, as amended by this Act, and require inspection stations to submit to the database the information required by Section 548.253, Transportation Code, as amended by this Act.

(c) Not later than January 1, 2014, the Department of Public Safety shall adopt rules relating to the proof required by Section 548.104(d)(3), Transportation Code, as added by this Act.

(d) Except as otherwise provided by Subsections (e) and (f) of this section, this Act takes effect March 1, 2015.

(e) Subsections (a), (b), and (c) of this section take effect September 1, 2013.

(f) The change in law made by Section 548.104(d)(3), Transportation Code, as added by this Act, takes effect September 1, 2014, and applies only to a vehicle inspected on or after that date.

(4) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS accordingly:

SECTION _____. Article 45.003, Code of Criminal Procedure, is amended to read as follows:

Art. 45.003. DEFINITION FOR CERTAIN PROSECUTIONS. For purposes of dismissing a charge under Section 502.407 [~~or 548.605~~], Transportation Code, "day" does not include Saturday, Sunday, or a legal holiday.

SECTION _____. Subsection (d), Section 51.207, Education Code, is amended to read as follows:

(d) This subsection applies only to a public institution of higher education campus that is not covered by Subsection (b). The institution may not issue a permit to a student of the institution for driving or parking a motor vehicle on institutional property unless the institution provides written notice to the student that failure to register the vehicle in this state [~~or to display a current and appropriate inspection certificate issued under Chapter 548, Transportation Code,~~] may violate state law if the owner of the vehicle resides in this state.

SECTION _____. Section 103.0213, Government Code, is amended to read as follows:

Sec. 103.0213. ADDITIONAL FEES AND COSTS IN CRIMINAL OR CIVIL CASES: TRANSPORTATION CODE. An accused or defendant, or a party to a civil suit, as applicable, shall pay the following fees and costs under the Transportation Code if ordered by the court or otherwise required:

(1) administrative fee on dismissal of charge of driving with an expired motor vehicle registration (Sec. 502.407, Transportation Code) . . . not to exceed \$20;

(2) administrative fee on dismissal of charge of driving with an expired driver's license (Sec. 521.026, Transportation Code) . . . not to exceed \$20;

(3) [~~administrative fee on remediation of charge of driving with an expired inspection certificate (Sec. 548.605, Transportation Code) . . . not to exceed \$20;~~

[(4)] administrative fee for failure to appear for a complaint or citation on certain offenses (Sec. 706.006, Transportation Code) . . . \$30 for each violation; and

(4) [(5)] administrative fee for failure to pay or satisfy certain judgments (Sec. 706.006, Transportation Code) . . . \$30.

SECTION _____. Subsection (a), Section 382.0622, Health and Safety Code, is amended to read as follows:

(a) Clean Air Act fees consist of:

(1) fees collected by the commission under Sections 382.062, 382.0621, 382.202, and 382.302 and as otherwise provided by law;

(2) \$2 of each fee ~~[advance payment]~~ collected for inspections of ~~[by the Department of Public Safety for inspection certificates for]~~ vehicles other than mopeds under Section 548.501, Transportation Code; and

(3) fees collected that are required under Section 185 of the federal Clean Air Act (42 U.S.C. Section 7511d).

SECTION _____. Subsections (d) and (l), Section 382.202, Health and Safety Code, are amended to read as follows:

(d) On adoption of a resolution by the commission and after proper notice, the Department of Public Safety of the State of Texas shall implement a system that requires, as a condition of obtaining a passing vehicle [safety] inspection report [certificate] issued under Subchapter C, Chapter 548, Transportation Code, in a county that is included in a vehicle emissions inspection and maintenance program under Subchapter F of that chapter, that the vehicle, unless the vehicle is not covered by the system, be annually or biennially inspected under the vehicle emissions inspection and maintenance program as required by the state's air quality state implementation plan. The Department of Public Safety shall implement such a system when it is required by any provision of federal or state law, including any provision of the state's air quality state implementation plan.

(l) Except as provided by this subsection, a person who sells or transfers ownership of a motor vehicle for which a passing vehicle [emissions] inspection report [certificate] has been issued is not liable for the cost of emission control system repairs that are required for the vehicle subsequently to receive a passing report [an emissions inspection certificate]. This subsection does not apply to repairs that are required because emission control equipment or devices on the vehicle were removed or tampered with before the sale or transfer of the vehicle.

SECTION _____. Subsection (d), Section 382.205, Health and Safety Code, is amended to read as follows:

(d) The Department of Public Safety of the State of Texas by rule shall adopt:

(1) testing procedures in accordance with motor vehicle emissions testing equipment specifications; and

(2) procedures for issuing a vehicle [or denying an emissions] inspection report following an emissions inspection and submitting information to the inspection database described by Section 548.251, Transportation Code, following an emissions inspection [certificate].

SECTION _____. Subsections (b) and (d), Section 382.220, Health and Safety Code, are amended to read as follows:

(b) A program under this section must be implemented in consultation with the commission and may include a program to:

(1) expand and enhance the AirCheck Texas Repair and Replacement Assistance Program;

(2) develop and implement programs or systems that remotely determine vehicle emissions and notify the vehicle's operator;

(3) develop and implement projects to implement the commission's smoking vehicle program;

(4) develop and implement projects in consultation with the director of the Department of Public Safety for coordinating with local law enforcement officials to reduce the use of counterfeit registration insignia and vehicle inspection reports [~~state inspection stickers~~] by providing local law enforcement officials with funds to identify vehicles with counterfeit registration insignia and vehicle inspection reports [~~state inspection stickers~~] and to carry out appropriate actions;

(5) develop and implement programs to enhance transportation system improvements; or

(6) develop and implement new air control strategies designed to assist local areas in complying with state and federal air quality rules and regulations.

(d) Fees collected under Sections 382.202 and 382.302 may be used, in an amount not to exceed \$5 million per fiscal year, for projects described by Subsection (b). The fees shall be made available only to counties participating in the low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs created under Section 382.209 and only on a matching basis, whereby the commission provides money to a county in the same amount that the county dedicates to a project authorized by Subsection (b). The commission may reduce the match requirement for a county that proposes to develop and implement independent test facility fraud detection programs, including the use of remote sensing technology for coordinating with law enforcement officials to detect, prevent, and prosecute the use of counterfeit registration insignia and vehicle inspection reports [~~state inspection stickers~~].

SECTION _____. Subsections (d) and (e), Section 2308.253, Occupations Code, are amended to read as follows:

(d) Except as provided by a contract described by Subsection (e), a parking facility owner may not have a vehicle removed from the parking facility merely because the vehicle does not display[;]

[(+) an unexpired license plate or registration insignia issued for the vehicle under Chapter 502, Transportation Code, or the vehicle registration law of another state or country[; or

~~(2) a valid vehicle inspection certificate issued under Chapter 548, Transportation Code, or the vehicle inspection law of another state or country].~~

(e) A contract provision providing for the removal from a parking facility of a vehicle that does not display an unexpired license plate or registration insignia [~~or a valid inspection certificate~~] is valid only if the provision requires the owner or operator of the vehicle to be given at least 10 days' written notice that the vehicle will be towed from the facility at the vehicle owner's or operator's expense if it is not removed from the parking facility. The notice must be:

(1) delivered in person to the owner or operator of the vehicle; or

(2) sent by certified mail, return receipt requested, to that owner or operator.

SECTION _____. Subsection (a), Section 501.030, Transportation Code, is amended to read as follows:

(a) Before a motor vehicle that was last registered or titled in another state or country may be titled in this state, ~~[the applicant must furnish]~~ the county assessor-collector shall verify that the vehicle has passed the inspections required by Chapter 548, as indicated in the Department of Public Safety's inspection database under Section 548.251 [with a verification form under Section 548.256].

SECTION _____. The heading to Section 502.0023, Transportation Code, is amended to read as follows:

Sec. 502.0023. ~~[EXTENDED]~~ REGISTRATION OF COMMERCIAL FLEET VEHICLES.

SECTION _____. Subsections (a) and (b), Section 502.0023, Transportation Code, are amended to read as follows:

(a) The ~~[Notwithstanding Section 502.044(e), the]~~ department shall develop and implement a system of registration to allow an owner of a commercial fleet to register the motor vehicles, semitrailers, and trailers in the commercial fleet ~~[for an extended registration period of not less than one year or more than eight years. The owner may select the number of years for registration under this section within that range and register the commercial fleet for that period. Payment for all registration fees for the entire registration period selected is due at the time of registration].~~

(b) A system of fleet ~~[extended]~~ registration under this section must allow the owner of a commercial fleet to register:

(1) an entire commercial fleet in the county of the owner's residence or principal place of business; or

(2) the motor vehicles in a commercial fleet that are operated most regularly in the same county.

SECTION _____. Section 502.047, Transportation Code, is amended to read as follows:

Sec. 502.047. REGISTRATION-BASED ENFORCEMENT OF MOTOR VEHICLE [EMISSIONS] INSPECTION [AND MAINTENANCE] REQUIREMENTS. (a) The department and the Department of Public Safety shall ensure compliance with the motor vehicle inspection requirements under Chapter 548, including compliance with the motor vehicle emissions inspection and maintenance program under Subchapter F of that chapter, through a vehicle registration-based enforcement system [inspection sticker-based enforcement system except as provided by this section or Section 548.3011. Subsections (b) (c) apply only if the United States Environmental Protection Agency determines that the state has not demonstrated, as required by 40 C.F.R. Section 51.361, that sticker based enforcement of the program is more effective than registration based enforcement and gives the Texas Commission on Environmental Quality or the governor written notification that the reregistration based enforcement of the program, as described by those subsections, will be required. If Subsections (b) (c) are made applicable as provided by this subsection, the department shall terminate reregistration based enforcement of the program under those subsections on the date the United States Environmental Protection Agency gives the Texas Commission on Environmental Quality or a person the commission designates written notification that reregistration based enforcement is not required for the state implementation plan].

(b) A motor vehicle may not be registered if the department receives from the Texas Commission on Environmental Quality or the Department of Public Safety notification that the registered owner of the vehicle has not complied with [~~Subchapter F,~~] Chapter 548.

(c) A motor vehicle may not be registered if the vehicle was denied registration under Subsection (b) unless verification is received that the registered vehicle owner is in compliance with [~~Subchapter F,~~] Chapter 548.

(d) The department and the Department of Public Safety shall enter into an agreement regarding the timely submission by the Department of Public Safety of inspection compliance information to the department.

(d-1) The department, the Texas Commission on Environmental Quality, and the Department of Public Safety shall enter an agreement regarding the responsibilities for costs associated with implementing this section.

(e) A county tax assessor-collector is not liable to any person for refusing to register a motor vehicle because of the person's failure to provide verification of the person's compliance with [~~Subchapter F,~~] Chapter 548.

SECTION _____. Subsection (c), Section 502.059, Transportation Code, is amended to read as follows:

(c) Except as provided by Subsection (f), the registration insignia for validation of a license plate shall be attached to the inside of the vehicle's windshield, if the vehicle has a windshield, in the lower left corner in a manner that will not obstruct the vision of the driver [within six inches of the place where the motor vehicle inspection sticker is required to be placed]. If the vehicle does not have a windshield, the owner, when applying for registration or renewal of registration, shall notify the department, and the department shall issue a distinctive device for attachment to the rear license plate of the vehicle.

SECTION _____. The heading to Section 521.3465, Transportation Code, is amended to read as follows:

Sec. 521.3465. AUTOMATIC SUSPENSION ON CONVICTION OF CERTAIN OFFENSES INVOLVING FICTITIOUS MOTOR VEHICLE LICENSE PLATES, REGISTRATION INSIGNIA, OR VEHICLE [SAFETY] INSPECTION REPORTS [CERTIFICATES].

SECTION _____. Subsection (a), Section 521.3465, Transportation Code, is amended to read as follows:

(a) A license is automatically suspended on final conviction of the license holder of:

(1) an offense under Section 502.475(a)(4) [502.409(a)(4)]; or

(2) an offense under Section 548.603(a)(1) that involves a fictitious vehicle [safety] inspection report [certificate].

SECTION _____. Subsection (a), Section 521.3466, Transportation Code, is amended to read as follows:

(a) A license is automatically revoked on final conviction of the license holder of an offense under Section 37.10, Penal Code, if the governmental record was a motor vehicle license plate or registration insignia, within the meaning of Chapter 502, or a vehicle [safety] inspection report [certificate], within the meaning of Chapter 548.

SECTION _____. Section 548.001, Transportation Code, is amended by adding Subdivision (10) to read as follows:

(10) "Vehicle inspection report" means a report issued by an inspector or an inspection station for a vehicle that indicates whether the vehicle has passed the safety and, if applicable, emissions inspections required by this chapter.

SECTION _____. Subsection (c), Section 548.004, Transportation Code, is amended to read as follows:

(c) The facility may inspect only a vehicle owned by the political subdivision or state agency. [~~An officer, employee, or inspector of the subdivision or agency may not place an inspection certificate received from the department under this section on a vehicle not owned by the subdivision or agency.~~]

SECTION _____. Subsection (a), Section 548.053, Transportation Code, is amended to read as follows:

(a) If an inspection discloses the necessity for adjustment, correction, or repair, an inspection station or inspector may not issue a passing vehicle inspection report [~~an inspection certificate~~] until the adjustment, correction, or repair is made. The owner of the vehicle may have the adjustment, correction, or repair made by a qualified person of the owner's choice, subject to reinspection. The vehicle shall be reinspected once free of charge within 15 days after the date of the original inspection, not including the date the original inspection is made, at the same inspection station after the adjustment, correction, or repair is made.

SECTION _____. The heading to Subchapter C, Chapter 548, Transportation Code, is amended to read as follows:

SUBCHAPTER C. PERIODS OF INSPECTION; PREREQUISITES TO ISSUANCE OF PASSING VEHICLE INSPECTION REPORT [~~CERTIFICATE~~]

SECTION _____. Section 548.101, Transportation Code, is amended to read as follows:

Sec. 548.101. GENERAL ONE-YEAR INSPECTION PERIOD. Except as provided by Section 548.102, the department shall require an annual inspection. The department shall set the periods of inspection and may make rules with respect to those periods. The rules must provide that a vehicle owner may obtain an inspection not earlier than 90 days before the date of expiration of the vehicle's registration.

SECTION _____. Section 548.103, Transportation Code, is amended to read as follows:

Sec. 548.103. EXTENDED INSPECTION PERIOD FOR CERTAIN VEHICLES. The department may extend the time within which the resident owner of a vehicle that is not in this state when an inspection is required must obtain a vehicle [~~an~~] inspection report [~~certificate~~] in this state.

SECTION _____. Section 548.105, Transportation Code, is amended to read as follows:

Sec. 548.105. EVIDENCE OF FINANCIAL RESPONSIBILITY AS PREREQUISITE TO ISSUANCE OF PASSING VEHICLE INSPECTION REPORT [~~CERTIFICATE~~]. (a) An inspection station or inspector may not issue a passing vehicle [~~an~~] inspection report [~~certificate~~] for a vehicle unless the owner or operator furnishes evidence of financial responsibility at the time of inspection. Evidence of financial responsibility may be shown in the manner specified under Section

601.053(a). A personal automobile insurance policy used as evidence of financial responsibility must be written for a term of 30 days or more as required by Section 1952.054 [~~Article 5.06~~], Insurance Code.

(b) An inspection station is not liable to a person, including a third party, for issuing a passing vehicle [~~an~~] inspection report [~~certificate~~] in reliance on evidence of financial responsibility furnished to the station. An inspection station that is the seller of a motor vehicle may rely on an oral insurance binder.

SECTION _____. The heading to Subchapter E, Chapter 548, Transportation Code, is amended to read as follows:

SUBCHAPTER E. ISSUANCE [~~RECORDING, AND PROOF~~] OF VEHICLE INSPECTION REPORTS; SUBMISSION OF INFORMATION TO DEPARTMENT DATABASE [~~CERTIFICATES AND VERIFICATION FORMS~~]

SECTION _____. Section 548.251, Transportation Code, is amended to read as follows:

Sec. 548.251. DEPARTMENT TO MAINTAIN DATABASE [~~PROVIDE INSPECTION CERTIFICATES AND VERIFICATION FORMS~~]. The department shall maintain an electronic database to which inspection stations may electronically submit the information required by Section 548.253 [~~provide serially numbered inspection certificates and verification forms to inspection stations. The department may issue a unique inspection certificate for:~~

- ~~(1) a commercial motor vehicle inspected under Section 548.201; or~~
- ~~(2) a vehicle inspected under Subchapter F.~~

SECTION _____. Section 548.252, Transportation Code, is amended to read as follows:

Sec. 548.252. ISSUANCE [~~SAFEKEEPING AND CONTROL~~] OF VEHICLE INSPECTION REPORTS [~~CERTIFICATES AND VERIFICATION FORMS~~].

(a) The department by rule shall require an inspection station to:

- (1) issue a vehicle inspection report to the owner or operator of each vehicle inspected by the station; and
- (2) issue a passing vehicle inspection report to the owner or operator of each vehicle inspected by the station that passes the inspections required by this chapter.

(b) The department may adopt rules regarding the issuance of vehicle inspection reports, including rules providing for [~~On being licensed, an inspector or owner of an inspection station shall:~~

- (1) provide for the format and safekeeping of the reports [~~inspection certificates and verification forms;~~
- (2) safeguard the certificates and forms against theft, loss, or damage;
- (3) control the sequence of issuance of the certificates and forms; and
- (4) ensure that the certificates and forms are issued in accordance with department rules].

SECTION _____. Section 548.253, Transportation Code, is amended to read as follows:

Sec. 548.253. INFORMATION TO BE SUBMITTED [RECORDED] ON COMPLETION [ISSUANCE] OF INSPECTION [CERTIFICATE AND VERIFICATION FORM]. An inspection station or inspector, on completion of [issuing] an inspection [certificate and verification form], shall electronically submit to the department's inspection database:

(1) the vehicle identification number of the inspected vehicle and an indication of whether the vehicle passed the inspections required by this chapter [make a record and report as prescribed by the department of the inspection and certificate issued]; and

(2) any additional [include in the inspection certificate and verification form the] information required by rule by the department for the type of vehicle inspected.

SECTION _____. Section 548.254, Transportation Code, is amended to read as follows:

Sec. 548.254. VALIDITY OF VEHICLE INSPECTION REPORT [CERTIFICATE]. A vehicle [An] inspection report [certificate] is invalid after the end of the 12th month following the month in which the report [certificate] is issued. [An unused inspection certificate representing a previous inspection period may not be issued after the beginning of the next period.]

SECTION _____. Section 548.256, Transportation Code, is amended to read as follows:

Sec. 548.256. PROOF OF INSPECTION [VERIFICATION FORM] REQUIRED TO REGISTER VEHICLE. [(a)] Before a vehicle [that is brought into this state by a person other than a manufacturer or importer] may be registered, the Texas Department of Motor Vehicles or the county assessor-collector registering the vehicle shall verify that the vehicle has passed the inspections required by this chapter, as indicated in the department's inspection database. If the database information is not available, the owner of the vehicle may present a vehicle inspection report issued for the vehicle[, the owner must have the vehicle inspected and have the inspection station record the following information on a verification form prescribed and provided by the department:

[(1) the vehicle identification number;

[(2) the number appearing on the odometer of the vehicle at the time of the inspection, if the vehicle has an odometer; and

[(3) other information the department requires].

[(b) An inspection station may not issue the verification form unless the vehicle complies with the inspection requirements of this chapter.]

SECTION _____. Subsection (b), Section 548.258, Transportation Code, is amended to read as follows:

(b) The department may adopt rules to require an inspection station to use the state electronic Internet portal to[=

[(1) purchase inspection certificates; or

[(2) send to the department a record, report, or other information required by the department.

SECTION _____. Subsection (c), Section 548.301, Transportation Code, is amended to read as follows:

(c) A program established under this section must ~~[Subsection (b) or (b-1) may]~~ include registration and reregistration-based enforcement.

SECTION _____. Section 548.302, Transportation Code, is amended to read as follows:

Sec. 548.302. COMMISSION TO ADOPT STANDARDS AND REQUIREMENTS. The commission shall:

(1) adopt standards for emissions-related inspection criteria consistent with requirements of the United States and the conservation commission applicable to a county in which a program is established under this subchapter; and

(2) develop and impose requirements necessary to ensure that a passing vehicle ~~[an]~~ inspection report ~~[certificate]~~ is not issued to a vehicle subject to a program established under this subchapter and that information stating that a vehicle has passed an inspection is not submitted to the department's database unless the vehicle has passed a motor vehicle emissions inspection at a facility authorized and certified by the department.

SECTION _____. Section 548.304, Transportation Code, is amended to read as follows:

Sec. 548.304. STATIONS LICENSED TO CONDUCT EMISSIONS INSPECTIONS. ~~[(a)]~~ The department may authorize and certify inspection stations as necessary to implement the emissions-related inspection requirements of the motor vehicle emissions inspection and maintenance program established under this subchapter if the station meets the department's certification requirements.

~~[(b) The department shall provide inspection certificates for distribution and issuance at inspection stations certified by the department.]~~

SECTION _____. Section 548.401, Transportation Code, is amended to read as follows:

Sec. 548.401. CERTIFICATION GENERALLY. A person may perform an inspection, ~~[or]~~ issue a vehicle ~~[an]~~ inspection report, or submit inspection information to the department's inspection database ~~[certificate]~~ only if certified to do so by the department under rules adopted by the department.

SECTION _____. Subsection (d), Section 548.407, Transportation Code, is amended to read as follows:

(d) The department may provide that a revocation or suspension takes effect on receipt of notice under Subsection (b) if the department finds that the action is necessary to prevent or remedy a threat to public health, safety, or welfare. Violations that present a threat to public health, safety, or welfare include:

(1) issuing a passing vehicle ~~[an]~~ inspection report or submitting inspection information to the department's database ~~[certificate]~~ with knowledge that the issuance or submission is in violation of this chapter or rules adopted under this chapter;

(2) falsely or fraudulently representing to the owner or operator of a vehicle that equipment inspected or required to be inspected must be repaired, adjusted, or replaced for the vehicle to pass an inspection;

(3) issuing a vehicle ~~[an]~~ inspection report or submitting inspection information to the department's database ~~[certificate]~~;

(A) without authorization to issue the report or submit the information [certificate]; or

(B) without inspecting the vehicle;

(4) issuing a passing vehicle ~~[an]~~ inspection report or submitting inspection information to the department's database [certificate] for a vehicle with knowledge that the vehicle has not been repaired, adjusted, or corrected after an inspection has shown a repair, adjustment, or correction to be necessary;

(5) knowingly issuing a passing vehicle ~~[an]~~ inspection report or submitting inspection information to the department's database [certificate]:

(A) for a vehicle without conducting an inspection of each item required to be inspected; or

(B) for a vehicle that is missing an item required to be inspected or that has an item required to be inspected that is not in compliance with state law or department rules;

(6) refusing to allow a vehicle's owner to have a qualified person of the owner's choice make a required repair, adjustment, or correction;

(7) charging for an inspection an amount greater than the authorized fee;

(8) a violation of Subchapter F;

(9) a violation of Section 548.603; or

(10) a conviction of a felony or a Class A or B misdemeanor that directly relates to or affects the duties or responsibilities of a vehicle inspection station or inspector or a conviction of a similar crime under the jurisdiction of another state or the federal government.

SECTION _____. Section 548.501, Transportation Code, is amended to read as follows:

Sec. 548.501. INSPECTION FEES GENERALLY. (a) Except as provided by Sections 548.503 and 548.504, the fee for inspection of a motor vehicle other than a moped is \$12.50. The fee for inspection of a moped is \$5.75. ~~[The fee for a verification form issued as required by Section 548.256 is \$1.]~~

(b) Out of each fee for an inspection, \$5.50 shall be remitted to the state under Section 548.509. ~~[An inspection station shall pay to the department \$5.50 of each fee for an inspection. The department may require the station to make an advance payment of \$5.50 for each inspection certificate provided to the station. If advance payment is made:~~

~~[(1) no further payment may be required on issuance of a certificate;~~

~~[(2) the inspection station may waive the fee due from the owner of an inspected vehicle who is issued a certificate to which the advance payment applies;~~

~~[(3) the department shall refund to the inspection station \$5.50 for each unissued certificate that the station returns to the department in accordance with department rules; and~~

~~[(4) the conservation commission shall pay to the department \$2 for each unissued certificate that the station returns to the department.]~~

SECTION _____. Section 548.502, Transportation Code, is amended to read as follows:

Sec. 548.502. INSPECTION BY POLITICAL SUBDIVISION OR STATE AGENCY. A political subdivision or state agency for which the department certifies an inspection station under Section 548.004:

(1) shall pay to the state ~~[department an advance payment of]~~ \$5.50 for each inspection under Section 548.509 ~~[certificate provided to it]; and~~

(2) may not be required to pay the remainder of the ~~[compulsory]~~ inspection fee.

SECTION _____. Section 548.503, Transportation Code, is amended to read as follows:

Sec. 548.503. INITIAL TWO-YEAR INSPECTION OF PASSENGER CAR OR LIGHT TRUCK. (a) The fee for inspection of a passenger car or light truck under Section 548.102 shall be set by the department by rule on or before September 1 of each year. A fee set by the department under this subsection must be based on the costs of ~~[producing certificates,]~~ providing inspections~~[,]~~ and administering the program, but may not be less than \$21.75.

(b) Out of each fee for an inspection under this section, \$14.75 shall be remitted to the state under Section 548.509. ~~[The department shall require an inspection station to make an advance payment of \$14.75 for a certificate to be issued under this section. Additional payment may not be required of the station for the certificate. The inspection station may waive the fee due from the owner of the vehicle inspected. A refund for an unissued certificate shall be made in the same manner as provided for other certificate refunds.]~~

SECTION _____. Subsection (b), Section 548.504, Transportation Code, is amended to read as follows:

(b) Out of each fee for inspection of a commercial motor vehicle, \$10 shall be remitted to the state under Section 548.509. ~~[The inspection station shall pay to the department \$10 of each fee for inspection of a commercial motor vehicle. The department may require the station to make an advance payment of \$10 for a certificate to be issued under this section. If advance payment is made:~~

~~[(1) no additional payment may be required of the station for the certificate; and~~

~~[(2) a refund for an unissued certificate shall be made in the same manner as provided for other certificate refunds.]~~

SECTION _____. Subsection (a), Section 548.505, Transportation Code, is amended to read as follows:

(a) The department by rule may impose an inspection fee for a vehicle inspected under Section 548.301(a) in addition to the fee provided by Section 548.501, 548.502, 548.503, or 548.504. A fee imposed under this subsection must be based on the costs of:

(1) ~~[producing certificates;~~

~~[(2)]~~ providing inspections; and

~~[(2)] [(3)]~~ administering the program.

SECTION _____. Section 548.508, Transportation Code, is amended to read as follows:

Sec. 548.508. DISPOSITION OF FEES. Except as provided by Sections 382.0622 and 382.202, Health and Safety Code, and Section 548.5055, each fee remitted to the comptroller [~~collected by the department~~] under this subchapter shall be deposited to the credit of the Texas mobility fund.

SECTION _____. Subchapter H, Chapter 548, Transportation Code, is amended by adding Section 548.509 to read as follows:

Sec. 548.509. COLLECTION OF FEE DURING REGISTRATION. The Texas Department of Motor Vehicles or a county assessor-collector that registers a motor vehicle that is subject to an inspection fee under this chapter shall collect at the time of registration of the motor vehicle the portion of the inspection fee that is required to be remitted to the state. The Texas Department of Motor Vehicles or the county assessor-collector shall remit the fee to the comptroller.

SECTION _____. Subsection (a), Section 548.601, Transportation Code, is amended to read as follows:

(a) A person, including an inspector or an inspection station, commits an offense if the person:

(1) submits information to the department's inspection database or issues a vehicle inspection report [~~an inspection certificate~~] with knowledge that the submission or issuance is in violation of this chapter or rules adopted under this chapter;

(2) falsely or fraudulently represents to the owner or operator of a vehicle that equipment inspected or required to be inspected must be repaired, adjusted, or replaced for the vehicle to pass an inspection;

(3) misrepresents:

(A) material information in an application in violation of Section 548.402 or 548.403; or

(B) information filed with the department under this chapter or as required by department rule;

(4) submits information to the department's inspection database or issues a vehicle inspection report [~~an inspection certificate~~]:

(A) without authorization to issue the report or submit the information [~~certificate~~]; or

(B) without inspecting the vehicle;

(5) submits information to the department's inspection database indicating that a vehicle has passed the applicable inspections or issues a passing vehicle [~~an~~] inspection report [~~certificate~~] for a vehicle with knowledge that the vehicle has not been repaired, adjusted, or corrected after an inspection has shown a repair, adjustment, or correction to be necessary;

(6) knowingly submits information to the department's inspection database or issues a vehicle inspection report [~~an inspection certificate~~]:

(A) for a vehicle without conducting an inspection of each item required to be inspected; or

(B) for a vehicle that is missing an item required to be inspected or that has an item required to be inspected that is not in compliance with state law or department rules;

(7) refuses to allow a vehicle's owner to have a qualified person of the owner's choice make a required repair, adjustment, or correction;

(8) charges for an inspection an amount greater than the authorized fee; or

(9) performs an act prohibited by or fails to perform an act required by this chapter or a rule adopted under this chapter.

SECTION _____. Subsections (a), (b), and (c), Section 548.603, Transportation Code, are amended to read as follows:

(a) A person commits an offense if the person:

(1) presents to an official of this state or a political subdivision of this state a vehicle inspection report [~~displays or causes or permits to be displayed an inspection certificate~~] or insurance document knowing that the report [~~certificate~~] or document is counterfeit, tampered with, altered, fictitious, issued for another vehicle, issued for a vehicle failing to meet all emissions inspection requirements, or issued in violation of:

(A) this chapter, rules adopted under this chapter, or other law of this state; or

(B) a law of another state, the United States, the United Mexican States, a state of the United Mexican States, Canada, or a province of Canada;

(2) [~~transfers an inspection certificate from a windshield or location to another windshield or location;~~

~~(3)~~ with intent to circumvent the emissions inspection requirements seeks an inspection of a vehicle at a station not certified to perform an emissions inspection if the person knows that the vehicle is required to be inspected under Section 548.301; or

(3) [~~(4)~~] knowingly does not comply with an emissions inspection requirement for a vehicle[~~; or~~

~~(5) displays on a vehicle an inspection certificate that was obtained knowing that the vehicle does not meet all emissions inspection requirements for the vehicle].~~

(b) A person commits an offense if the person:

(1) makes or possesses, with the intent to sell, circulate, or pass, a counterfeit vehicle inspection report [~~certificate~~] or insurance document; or

(2) possesses any part of a stamp, dye, plate, negative, machine, or other device that is used or designated for use in making a counterfeit vehicle inspection report [~~certificate~~] or insurance document.

(c) The owner of a vehicle commits an offense if the owner knowingly allows the vehicle to be registered using a vehicle inspection report [~~or operated while the vehicle displays an inspection certificate~~] in violation of Subsection (a).

SECTION _____. Subsection (f), Section 548.603, Transportation Code, as added by Chapter 851 (H.B. 1048), Acts of the 75th Legislature, Regular Session, 1997, is amended to read as follows:

(f) Notwithstanding Subsection (c), an offense under Subsection (a)(1) that involves a fictitious vehicle inspection report [~~certificate~~] is a Class B misdemeanor.

SECTION _____. Subsection (a), Section 548.6035, Transportation Code, is amended to read as follows:

(a) A person commits an offense if, in connection with a required emissions inspection of a motor vehicle, the person knowingly:

(1) submits information to the department's inspection database stating that a vehicle has passed the applicable inspections or issues a passing vehicle inspection report [~~places or causes to be placed on a motor vehicle an inspection certificate~~], if:

(A) the vehicle does not meet the emissions requirements established by the department; or

(B) the person has not inspected the vehicle;

(2) manipulates an emissions test result;

(3) uses or causes to be used emissions data from another motor vehicle as a substitute for the motor vehicle being inspected; or

(4) bypasses or circumvents a fuel cap test.

SECTION _____. Subsection (d), Section 623.011, Transportation Code, is amended to read as follows:

(d) When the department issues a permit under this section, the department shall issue a sticker to be placed on the front windshield of the vehicle [~~above the inspection certificate issued to the vehicle~~]. The department shall design the form of the sticker to aid in the enforcement of weight limits for vehicles.

SECTION _____. Section 683.051, Transportation Code, is amended to read as follows:

Sec. 683.051. APPLICATION FOR AUTHORIZATION TO DISPOSE OF CERTAIN MOTOR VEHICLES. A person may apply to the department for authority:

(1) to sell, give away, or dispose of a motor vehicle to a motor vehicle demolisher if:

(A) the person owns the motor vehicle and the certificate of title to the vehicle is lost, destroyed, or faulty; or

(B) the vehicle is an abandoned motor vehicle and is:

(i) in the possession of the person; or

(ii) located on property owned by the person; or

(2) to dispose of a motor vehicle to a motor vehicle demolisher for demolition, wrecking, or dismantling if:

(A) the abandoned motor vehicle:

(i) is in the possession of the person;

(ii) is more than eight years old;

(iii) either has no motor or is otherwise totally inoperable or does not comply with all applicable air pollution emissions control related requirements included in [~~—(aa) the vehicle inspection requirements under Chapter 548, as evidenced by a current inspection certificate affixed to the vehicle windshield; or (bb)~~] the vehicle emissions inspection and maintenance requirements contained in the Public Safety Commission's motor vehicle emissions inspection and maintenance program under Subchapter F, Chapter 548, or the state's air quality state implementation plan; and

(iv) was authorized to be towed by a law enforcement agency; and

(B) the law enforcement agency approves the application.

SECTION _____. Section 683.071, Transportation Code, as amended by Chapters 720 (H.B. 787) and 753 (H.B. 1376), Acts of the 82nd Legislature, Regular Session, 2011, is reenacted and amended to read as follows:

Sec. 683.071. DEFINITION AND APPLICABILITY. (a) In this subchapter, "junked vehicle" means a vehicle that:

- (1) is self-propelled; and
- (2) is:
 - (A) wrecked, dismantled or partially dismantled, or discarded; or
 - (B) inoperable and has remained inoperable for more than:
 - (i) 72 consecutive hours, if the vehicle is on public property; or
 - (ii) 30 consecutive days, if the vehicle is on private property.

(b) For purposes of this subchapter, "junked vehicle" includes a motor vehicle, aircraft, or watercraft. This subchapter applies only to:

(1) a motor vehicle that displays an expired license plate [~~or invalid motor vehicle inspection certificate~~] or does not display a license plate [~~or motor vehicle inspection certificate~~];

(2) an aircraft that does not have lawfully printed on the aircraft an unexpired federal aircraft identification number registered under Federal Aviation Administration aircraft registration regulations in 14 C.F.R. Part 47; or

(3) a watercraft that:

(A) does not have lawfully on board an unexpired certificate of number;

and

(B) is not a watercraft described by Section 31.055, Parks and Wildlife

Code.

SECTION _____. The following statutes are repealed:

(1) Subsection (c), Section 548.053, Transportation Code;

(2) Section 548.255, Transportation Code;

(3) Section 548.257, Transportation Code;

(4) Section 548.602, Transportation Code;

(5) Subdivision (2), Subsection (e), Section 548.603, Transportation Code;

(6) Subsection (f), Section 548.603, Transportation Code, as added by Chapter 1069 (S.B. 1856), Acts of the 75th Legislature, Regular Session, 1997; and

(7) Section 548.605, Transportation Code.

SECTION _____. Article 45.003, Code of Criminal Procedure, Section 103.0213, Government Code, and Sections 521.3465, 521.3466, 548.601, 548.603, and 548.6035, Transportation Code, as amended by this Act, and the repeal by this Act of Sections 548.602 and 548.605, Transportation Code, apply only to an offense committed on or after March 1, 2015. An offense committed before March 1, 2015, is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before March 1, 2015, if any element of the offense occurred before that date.

SECTION _____. To the extent of any conflict, this Act prevails over another Act of the 83rd Legislature, Regular Session, 2013, relating to nonsubstantive additions to and corrections in enacted codes.

The amendment to **HB 2305** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

VOTE RECONSIDERED

On motion of Senator West and by unanimous consent, the vote by which Floor Amendment No. 1 was adopted was reconsidered.

Question — Shall Floor Amendment No. 1 to **HB 2305** be adopted?

Senator West offered the following amendment to Floor Amendment No. 1:

Floor Amendment No. 2

Amend Floor Amendment No. 1 by West to **HB 2305** by striking the SECTIONS added to the bill by item (4) of the amendment that amend Section 502.0023, Transportation Code, and substituting the following:

SECTION _____. Section 502.0023, Transportation Code, is amended by adding Subsection (j) to read as follows:

(j) A motor vehicle, semitrailer, or trailer registered under this section is subject to the inspection requirements of Chapter 548 as if the vehicle, semitrailer, or trailer were registered without extended registration. The department and the Department of Public Safety shall by rule establish a method to enforce the inspection requirements of Chapter 548 for motor vehicles, semitrailers, and trailers registered under this section. The department may assess a fee to cover the department's administrative costs of implementing this subsection.

The amendment to Floor Amendment No. 1 to **HB 2305** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

Question recurring on the adoption of Floor Amendment No. 1 to **HB 2305**, the amendment as amended was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 as amended.

On motion of Senator Watson and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 2305 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2305 ON THIRD READING

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2305** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Tuesday, May 21, 2013 - 2

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS CONCURRED IN THE SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

HB 343 (141 Yeas, 5 Nays, 2 Present, not voting)

HB 719 (146 Yeas, 0 Nays, 2 Present, not voting)

HB 978 (139 Yeas, 9 Nays, 2 Present, not voting)

HB 1294 (139 Yeas, 3 Nays, 2 Present, not voting)

HB 1297 (146 Yeas, 0 Nays, 2 Present, not voting)

HB 1318 (143 Yeas, 0 Nays, 2 Present, not voting)

HB 1494 (120 Yeas, 27 Nays, 2 Present, not voting)

HB 1752 (96 Yeas, 49 Nays, 2 Present, not voting)

HB 2020 (135 Yeas, 10 Nays, 2 Present, not voting)

HB 2473 (112 Yeas, 34 Nays, 3 Present, not voting)

HB 2840 (81 Yeas, 64 Nays, 3 Present, not voting)

HB 3256 (146 Yeas, 2 Nays, 2 Present, not voting)

THE HOUSE HAS REFUSED TO CONCUR IN THE SENATE AMENDMENTS TO THE FOLLOWING MEASURES AND REQUESTS THE APPOINTMENT OF A CONFERENCE COMMITTEE TO ADJUST THE DIFFERENCES BETWEEN THE TWO HOUSES:

HB 912 (non-record vote)

House Conferees: Gooden - Chair/Burnam/Johnson/Moody/Stickland

THE HOUSE HAS GRANTED THE REQUEST OF THE SENATE FOR THE APPOINTMENT OF A CONFERENCE COMMITTEE ON THE FOLLOWING MEASURES:

SB 64 (non-record vote)

House Conferees: Zerwas - Chair/Davis, Sarah/Guerra/Rose/Sheffield, J. D.

SB 215 (non-record vote)

House Conferees: Anchia - Chair/Bonnen, Dennis/Branch/Clardy/Darby

SB 971 (non-record vote)

House Conferees: Deshotel - Chair/Collier/Eiland/Hunter/Ritter

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

SB 1730 (93 Yeas, 51 Nays, 2 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Tuesday, May 21, 2013 - 3

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

SB 7 Nelson Sponsor: Raymond

Relating to improving the delivery and quality of certain health and human services, including the delivery and quality of Medicaid acute care services and long-term services and supports.

(Committee Substitute/Amended)

SB 16 Zaffirini Sponsor: Branch

Relating to authorizing the issuance of revenue bonds to fund capital projects at public institutions of higher education.

(Committee Substitute/Amended)

SB 17 Patrick Sponsor: Fletcher

Relating to the training in school safety of certain educators of a school district or an open-enrollment charter school authorized to carry a concealed handgun on school premises.

SB 163 Van de Putte Sponsor: Turner, Chris

Relating to an exemption from ad valorem taxation of the residence homestead of the surviving spouse of a member of the armed services of the United States who is killed in action.

(Amended)

- SB 219** Huffman Sponsor: Bonnen, Dennis
Relating to ethics of public servants, including the functions and duties of the Texas Ethics Commission; the regulation of political contributions, political advertising, lobbying, and conduct of public servants; and the reporting of political contributions and expenditures and personal financial information; providing civil and criminal penalties.
(Committee Substitute/Amended)
- SB 227** Williams Sponsor: Zerwas
Relating to the dispensing of aesthetic pharmaceuticals by physicians and therapeutic optometrists; imposing fees.
(Committee Substitute)
- SB 247** Carona Sponsor: Miller, Doug
Relating to the transfer of an ad valorem tax lien; providing an administrative penalty.
- SB 268** Seliger Sponsor: Smithee
Relating to the application of the professional prosecutors law to the district attorney for the 287th Judicial District and the county attorney of Oldham County.
(Committee Substitute)
- SB 289** Carona Sponsor: Schaefer
Relating to the approval requirement for a rental-purchase agreement that includes a loss damage waiver provision.
- SB 345** Whitmire Sponsor: Parker
Relating to the abolition of the state boot camp program.
(Amended)
- SB 369** Whitmire Sponsor: Burnam
Relating to certain information available to the public on a central database containing information about sex offenders.
- SB 504** Deuell Sponsor: King, Susan
Relating to the requirement that certain schoolchildren be screened for abnormal spinal curvature.
- SB 628** Watson Sponsor: Workman
Relating to the creation of regional emergency communications districts; authorizing the issuance of bonds; authorizing a fee.
- SB 644** Huffman Sponsor: Zerwas
Relating to the creation of a standard request form for prior authorization of prescription drug benefits.
(Amended)
- SB 656** Paxton Sponsor: Button
Relating to providing transparency in the budget adoption process of municipalities and counties.
(Amended)

- SB 1052** Carona Sponsor: Frullo
Relating to search warrants issued in this state and other states for certain customer data, communications, and other information held in electronic storage in this state and other states by providers of electronic communications services and remote computing services.
(Committee Substitute/Amended)
- SB 1150** Hinojosa Sponsor: Guerra
Relating to a provider protection plan that ensures efficiency and reduces administrative burdens on providers participating in a Medicaid managed care model or arrangement.
(Amended)
- SB 1169** Hegar Sponsor: Bonnen, Dennis
Relating to water conservation.
(Amended)
- SB 1185** Huffman Sponsor: Thompson, Senfronia
Relating to the creation of a mental health jail diversion pilot program.
- SB 1189** Huffman Sponsor: Fletcher
Relating to the disposition of certain firearms seized by a law enforcement agency.
- SB 1221** Paxton Sponsor: Smithee
Relating to use of a Medicaid-based fee schedule for reimbursement of services under a contract between a health care provider and certain health benefit plans.
- SB 1226** Zaffirini Sponsor: Perez
Relating to the establishment of an employment-first policy and task force to promote competitive employment opportunities that provide a living wage for individuals with disabilities.
(Amended)
- SB 1406** Patrick Sponsor: Toth
Relating to State Board of Education oversight of regional education service center activities concerning certain curriculum management systems.
- SB 1459** Duncan Sponsor: Callegari
Relating to the powers and duties of and contributions to and benefits from the systems and programs administered by the Employees Retirement System of Texas.
- SB 1484** Watson Sponsor: Gonzales, Larry
Relating to health benefit plan coverage for enrollees diagnosed with autism spectrum disorder.
- SB 1623** Hinojosa Sponsor: Guerra
Relating to the creation and operations of health care funding districts in certain counties located on the Texas-Mexico border.
(Committee Substitute/Amended)

SB 1727 Deuell Sponsor: Isaac
 Relating to the use of the Texas emissions reduction plan fund.
 (Amended)

SB 1773 Huffman Sponsor: Bonnen, Dennis
 Relating to the creation of a select interim committee to review and make
 recommendations for substantive changes to ethics laws.
 (Committee Substitute)

SB 1871 Estes Sponsor: Kuempel
 Relating to the state cemetery.
 (Amended)

SCR 36 Estes Sponsor: King, Tracy O.
 Honoring Ken Horton for his leadership in Texas agriculture.

Respectfully,
 /s/Robert Haney, Chief Clerk
 House of Representatives

HOUSE BILL 950 ON SECOND READING

Senator Davis moved to suspend the regular order of business to take up for consideration **HB 950** at this time on its second reading:

HB 950, Relating to unlawful employment practices regarding discrimination in payment of compensation.

The motion prevailed by the following vote: Yeas 21, Nays 10.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Garcia, Hegar, Hinojosa, Lucio, Paxton, Rodríguez, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Estes, Fraser, Hancock, Huffman, Nelson, Nichols, Patrick, Schwertner, Seliger, Taylor.

The bill was read second time.

Senator Davis offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 950** (senate committee printing), in SECTION 1 of the bill, in added Section 21.202(a)(3), Labor Code (page 1), as follows:

- (1) On line 34, strike ", benefits, or other compensation".
- (2) On line 35, strike "is" and substitute "are".

The amendment to **HB 950** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Davis and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 950 as amended was passed to third reading by the following vote: Yeas 18, Nays 13.

Yeas: Birdwell, Campbell, Davis, Deuell, Duncan, Ellis, Eltife, Garcia, Hegar, Hinojosa, Lucio, Rodríguez, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Carona, Estes, Fraser, Hancock, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Williams.

**SENATE RULES SUSPENDED
(Posting Rules)**

On motion of Senator Whitmire and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on Intergovernmental Relations might meet and consider **HB 3350** today.

RECESS

On motion of Senator Whitmire, the Senate at 6:13 p.m. recessed until 7:15 p.m. today.

AFTER RECESS

The Senate met at 7:28 p.m. and was called to order by Senator Eltife.

**SENATE RULE 5.14(a) SUSPENDED
(Intent Calendar)
(Motion In Writing)**

Senator Whitmire submitted the following Motion In Writing:

Mr. President:

I move suspension of Senate Rule 5.14 so that we may move the Intent Calendar deadline to 9:00 p.m. today.

WHITMIRE

The Motion In Writing prevailed without objection.

HOUSE JOINT RESOLUTION 133 ON SECOND READING

On motion of Senator Deuell and by unanimous consent, the regular order of business was suspended to take up for consideration **HJR 133** at this time on its second reading:

HJR 133, Proposing a constitutional amendment to authorize a political subdivision of this state to extend the number of days that aircraft parts that are exempt from ad valorem taxation due to their location in this state for a temporary period may be located in this state for purposes of qualifying for the tax exemption.

The resolution was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE JOINT RESOLUTION 133 ON THIRD READING

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HJR 133** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The resolution was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 12 ON SECOND READING**

On motion of Senator Zaffirini and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 12** at this time on its second reading:

CSHB 12, Relating to gifts and other consideration made to state agencies for state employee salary supplement or other purposes, and to publication by state agencies of staff compensation and related information.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 12 ON THIRD READING**

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 12** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2201 ON SECOND READING

On motion of Senator Lucio and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2201** at this time on its second reading:

HB 2201, Relating to increasing the courses offered in the career and technology education curriculum.

The bill was read second time.

Senator Lucio offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **HB 2201** (engrossed version), in SECTION 1 of the bill, adding Section 28.00222(a), Education Code (page 1, lines 11 and 12), by striking "and satisfies statistics".

The amendment to **HB 2201** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Committee Amendment No. 1.

Senator Duncan offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2201** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS accordingly:

SECTION _____. Section 28.025(b-2), Education Code, is amended to read as follows:

(b-2) In adopting rules under Subsection (b-1), the State Board of Education shall allow a student to comply with the curriculum requirements for the third and fourth [a] mathematics credits [course] under Subsection (b-1)(1) [~~taken after the successful completion of Algebra I and geometry and either after the successful completion of or concurrently with Algebra II~~] or the third and fourth [a] science credits [course] under Subsection (b-1)(1) [~~taken after the successful completion of biology and chemistry and either after the successful completion of or concurrently with physics~~] by successfully completing an advanced career and technical course designated by the State Board of Education as containing substantively similar and rigorous academic content. [~~A student may use the option provided by this subsection for not more than two courses.~~]

SECTION _____. Section 28.027(b), Education Code, is amended to read as follows:

(b) The State Board of Education shall establish a process under which an applied STEM course may be reviewed and approved for purposes of satisfying the mathematics and science curriculum requirements for the recommended high school program imposed under Section 28.025(b-1)(1)(A) through substitution of the applied STEM course for a specific mathematics or science course otherwise required under the recommended high school program [~~and completed during the student's fourth year of mathematics or science course work~~]. The State Board of Education may only approve a course to substitute for a mathematics course taken after successful completion of Algebra I and geometry [~~and after successful completion of or concurrently with Algebra II~~]. The State Board of Education may only approve a course to substitute for a science course taken after successful completion of biology [~~and chemistry and after successful completion of or concurrently with physics~~].

The amendment to **HB 2201** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Uresti offered the following amendment to the bill:

Floor Amendment No. 2

Amend **HB 2201** (senate committee printing) as follows:

(1) In SECTION 1 of the bill, adding Section 28.00222, Education Code (page 1, line 28), strike "CAREER AND TECHNOLOGY EDUCATION" and substitute "ADVANCED TECHNOLOGY AND CAREER-RELATED".

(2) In SECTION 1 of the bill, adding Section 28.00222(a), Education Code (page 1, line 31), between "education" and "courses", insert "or technology applications".

(3) In SECTION 1 of the bill, adding Section 28.00222(b), Education Code (page 1, line 41), between "education" and "curriculum", insert "or technology applications".

The amendment to **HB 2201** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

On motion of Senator Lucio and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 2201 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2201 ON THIRD READING

Senator Lucio moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2201** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

MOTION TO PLACE HOUSE BILL 148 ON SECOND READING

Senator Paxton moved to suspend the regular order of business to take up for consideration **HB 148** at this time on its second reading:

HB 148, Relating to aid provided to certain voters; providing criminal penalties.

Senator Paxton withdrew the motion to suspend the regular order of business.

HOUSE BILL 3714 ON SECOND READING

Senator Hinojosa moved to suspend the regular order of business to take up for consideration **HB 3714** at this time on its second reading:

HB 3714, Relating to the creation of the Office of Small Business Assistance Advisory Task Force.

The motion prevailed.

Senators Birdwell, Patrick, and Paxton asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Hinojosa offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3714** by Hinojosa as follows:

(1) In SECTION 1 of the bill, in added Section 481.00681(c)(1), Government Code, (page 1, line 1-32) strike "two" and replace with "three".

(2) In SECTION 1 of the bill, in added Section 481.00681(c)(2), Government Code, (page 1, line 1-33) strike "three" and replace with "two".

The amendment to **HB 3714** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Hinojosa and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3714 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Hegar, Patrick, Paxton.

HOUSE BILL 3714 ON THIRD READING

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3714** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Patrick, Paxton.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hinojosa, Huffman, Lucio, Nelson, Nichols, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Hegar, Patrick, Paxton.

COMMITTEE SUBSTITUTE HOUSE BILL 1198 ON THIRD READING

Senator Zaffirini moved to suspend the regular order of business to take up for consideration **CSHB 1198** at this time on its third reading and final passage:

CSHB 1198, Relating to authorizing an optional county fee on vehicles registered in certain counties to fund transportation projects.

The motion prevailed by the following vote: Yeas 23, Nays 8.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Lucio, Nichols, Paxton, Rodríguez, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Huffman, Nelson, Patrick, Schwertner, Seliger.

The bill was read third time and was passed by the following vote: Yeas 20, Nays 11.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Garcia, Hegar, Hinojosa, Lucio, Nichols, Rodríguez, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Estes, Fraser, Hancock, Huffman, Nelson, Patrick, Paxton, Schwertner, Seliger.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2448 ON SECOND READING**

On motion of Senator Whitmire and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2448** at this time on its second reading:

CSHB 2448, Relating to tuition for certain students residing outside of a junior college district.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2448 ON THIRD READING**

Senator Whitmire moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2448** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2123 ON SECOND READING

Senator Lucio moved to suspend the regular order of business to take up for consideration **HB 2123** at this time on its second reading:

HB 2123, Relating to the regulation of game rooms in certain counties; providing penalties; authorizing a fee.

The motion prevailed.

Senators Birdwell, Campbell, Fraser, Nichols, and Paxton asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Lucio offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2123** (Senate Committee Printing) by striking all below the enacting clause and substituting the following:

SECTION 1. Chapter 234, Local Government Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. GAME ROOMS

Sec. 234.131. DEFINITIONS. In this subchapter:

(1) "Amusement redemption machine" means any electronic, electromechanical, or mechanical contrivance designed, made, and adopted for bona fide amusement purposes that rewards the player exclusively with noncash merchandise, prizes, toys, or novelties, or a representation of value redeemable for those items, with a wholesale value available from a single play of the game or device in an amount not more than 10 times the amount charged to play the game or device once or \$5, whichever amount is less.

(2) "Game room" means a for-profit business located in a building or place that contains six or more amusement redemption machines.

(3) "Game room owner" means a person who:

(A) has an ownership interest in, or receives the profits from, a game room or an amusement redemption machine located in a game room;

(B) is a partner, director, or officer of a business, including a company or corporation, that has an ownership interest in a game room or in an amusement redemption machine located in a game room;

(C) is a shareholder that holds more than 10 percent of the outstanding shares of a business, including a company or corporation, that has an ownership interest in a game room or in an amusement redemption machine located in a game room;

(D) has been issued by the county clerk an assumed name certificate for a business that owns a game room or an amusement redemption machine located in a game room;

(E) signs a lease for a game room;

(F) opens an account for utilities for a game room;

(G) receives a certificate of occupancy or certificate of compliance for a game room;

(H) pays for advertising for a game room; or

(I) signs an alarm permit for a game room.

(4) "Operator" means an individual who:

(A) operates a cash register, cash drawer, or other depository on the premises of a game room or of a business where the money earned or the records of credit card transactions or other credit transactions generated in any manner by the operation of a game room or activities conducted in a game room are kept;

(B) displays, delivers, or provides to a customer of a game room merchandise, goods, entertainment, or other services offered on the premises of a game room;

(C) takes orders from a customer of a game room for merchandise, goods, entertainment, or other services offered on the premises of a game room;

(D) acts as a door attendant to regulate entry of customers or other persons into a game room; or

(E) supervises or manages other persons at a game room in the performance of an activity listed in this subdivision.

Sec. 234.132. APPLICABILITY. This subchapter applies only to a county with a population of less than 25,000 that is adjacent to the Gulf of Mexico and is within 50 miles of an international border.

Sec. 234.133. AUTHORITY TO REGULATE. To promote the public health, safety, and welfare, the commissioners court of a county may regulate the operation of game rooms and may:

(1) restrict the location of game rooms to specified areas of the county, including the unincorporated area of the county;

(2) prohibit a game room location within a certain distance, prescribed by the commissioners court, of a school, regular place of religious worship, or residential neighborhood; or

(3) restrict the number of game rooms that may operate in a specified area of the county.

Sec. 234.134. LICENSES OR PERMITS. (a) A county may require that an owner or operator of a game room obtain a license or permit or renew a license or permit on a periodic basis to own or operate a game room in the county. An application for a license or permit must be made in accordance with regulations adopted by the county.

(b) Regulations adopted under this section may provide for the denial, suspension, or revocation of a license or permit.

(c) A district court has jurisdiction of a suit that arises from the denial, suspension, or revocation of a license or other permit by a county.

Sec. 234.135. FEES. A county may impose a fee not to exceed \$1,000 on an applicant for a license or permit or for the renewal of the license or permit required under this subchapter. The fee must be based on the cost of processing the application and investigating the applicant.

Sec. 234.136. INSPECTION. (a) A peace officer or county employee may inspect a business in the county to determine the number of amusement redemption machines subject to regulation under this subchapter that are located on the premises of the business.

(b) A peace officer or county employee may inspect any business in which six or more amusement redemption machines are located to determine whether the business is in compliance with this subchapter or regulations adopted under this subchapter.

(c) A person violates this subchapter if the person fails to allow a peace officer or county employee to conduct an inspection under this section.

Sec. 234.137. INJUNCTION; CIVIL PENALTY. (a) A county may sue in district court for an injunction to prohibit the violation or threatened violation of this subchapter or a regulation adopted under Section 234.133.

(b) A person who violates this subchapter or a regulation adopted under Section 234.133 is liable to the county for a civil penalty of not more than \$10,000 for each violation. Each day a violation continues is considered a separate violation for purposes of assessing the civil penalty under this subsection. A county may bring suit in district court to recover a civil penalty authorized by this subsection.

(c) The county is entitled to recover reasonable expenses incurred in obtaining injunctive relief, civil penalties, or both, under this section, including reasonable attorney's fees, court costs, and investigatory costs.

Sec. 234.138. CRIMINAL PENALTY. (a) A person commits an offense if the person intentionally or knowingly operates a game room in violation of a regulation adopted under Section 234.133.

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

Sec. 234.139. CUMULATIVE EFFECT. Authority under this subchapter is cumulative of other authority that a county has to regulate game rooms and does not limit that authority.

Sec. 234.140. EFFECT ON OTHER LAWS. (a) This subchapter does not legalize any activity prohibited under the Penal Code or other state law.

(b) A person's compliance with this subchapter, including operating a game room under a license or permit issued under this chapter, is not a defense to prosecution for an offense under Chapter 47, Penal Code.

(c) A person who is subject to prosecution under Section 234.138 and any other law may be prosecuted under either or both laws.

SECTION 2. 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, 2013.

The amendment to **HB 2123** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Lucio and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 2123 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Fraser, Nichols, Paxton.

HOUSE BILL 2123 ON THIRD READING

Senator Lucio moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2123** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Patrick, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Fraser, Nichols, Paxton.

The bill was read third time and was passed by the following vote: Yeas 26, Nays 5. (Same as previous roll call)

HOUSE BILL 48 ON SECOND READING

Senator Patrick moved to suspend the regular order of business to take up for consideration **HB 48** at this time on its second reading:

HB 48, Relating to the procedure under which a person may renew a license to carry a concealed handgun.

The motion prevailed.

Senators Birdwell, Garcia, Rodríguez, and Van de Putte asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Garcia, Rodríguez, Van de Putte.

HOUSE BILL 48 ON THIRD READING

Senator Patrick moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 48** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Uresti, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Garcia, Rodríguez, Van de Putte.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

HOUSE BILL 1366 ON SECOND READING

On motion of Senator Rodríguez and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1366** at this time on its second reading:

HB 1366, Relating to certain procedures in family or juvenile law proceedings.

The bill was read second time.

Senator Rodríguez offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1366** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. The heading to Section 6.708, Family Code, is amended to read as follows:

Sec. 6.708. COSTS; ATTORNEY'S FEES AND EXPENSES.

SECTION _____. Section 6.708, Family Code, is amended by adding Subsection (c) to read as follows:

(c) In a suit for dissolution of a marriage, the court may award reasonable attorney's fees and expenses. The court may order the fees and expenses and any postjudgment interest to be paid directly to the attorney, who may enforce the order in the attorney's own name by any means available for the enforcement of a judgment for debt.

SECTION _____. Section 6.708(c), Family Code, as added by this Act, applies only to a suit for dissolution of a marriage filed on or after the effective date of this Act. A suit filed before that date is governed by the law in effect on the date the suit was filed, and the former law is continued in effect for that purpose.

The amendment to **HB 1366** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Rodríguez and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 1366 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 1366 ON THIRD READING

Senator Rodríguez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1366** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2913 ON SECOND READING

Senator Rodríguez moved to suspend the regular order of business to take up for consideration **HB 2913** at this time on its second reading:

HB 2913, Relating to trusts.

The motion prevailed.

Senator Nelson asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Nelson.

HOUSE BILL 2913 ON THIRD READING

Senator Rodríguez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2913** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Nelson.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 3390 ON SECOND READING**

Senator Deuell moved to suspend the regular order of business to take up for consideration **CSHB 3390** at this time on its second reading:

CSHB 3390, Relating to the Texas Economic Development Act.

The motion prevailed.

Senators Hancock, Lucio, Patrick, and Rodríguez asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Deuell offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3390** (senate committee printing) as follows:

(1) In SECTION 2 of the bill, at the end of redesignated and amended Section 313.0045(a)(1)(E), Tax Code (page 3, line 9), strike "[or]" and substitute "or".

(2) In SECTION 2 of the bill, in redesignated and amended Section 313.0045(a)(1), Tax Code (page 3, lines 10 through 17), strike Paragraphs (F) and (G) and substitute the following:

(F) a building or a permanent, nonremovable component of a building that is built or constructed during the applicable qualifying time period that begins on or after January 1, 2002, and that houses tangible personal property described by Paragraph (A), (B), (C), (D), or (E).

(3) In SECTION 2 of the bill, in redesignated and amended Section 313.0045(a)(3), Tax Code (page 3, lines 56 through 63), strike Paragraph (D) of the subdivision and substitute the following:

(D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and

(4) In SECTION 2 of the bill, in redesignated and amended Section 313.0045(a), Tax Code (page 4, lines 37 through 44), strike proposed Subdivision (6).

(5) In SECTION 6 of the bill, in redesignated and amended Section 313.011(b), Tax Code, at the end of Subdivision (7) (page 5, line 18), strike "[or]" and substitute "or".

(6) In SECTION 6 of the bill, in redesignated and amended Section 313.011(b), Tax Code (page 5, lines 19 through 22), strike Subdivisions (8) and (9) and substitute the following:

(8) a computer center primarily used in connection with one or more activities described by Subdivisions (1) through (7) conducted by the entity.

The amendment to **CSHB 3390** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Deuell offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 3390** (senate committee printing) as follows:

(1) In SECTION 10 of the bill (page 13, lines 44 through 55), strike proposed Section 313.0235, Tax Code, and substitute the following:

Sec. 313.0235. LIMITATION ON APPRAISED VALUE. For a school district to which this subchapter applies, the amount agreed to by the governing body of the school district must be an amount in accordance with the following, according to the category established by Section 313.022 to which the school district belongs:

<u>CATEGORY</u>	<u>MINIMUM AMOUNT OF LIMITATION</u>
<u>I</u>	<u>\$100 million</u>
<u>II</u>	<u>\$90 million</u>
<u>III</u>	<u>\$80 million</u>
<u>IV</u>	<u>\$70 million</u>
<u>V</u>	<u>\$60 million</u>

(2) In SECTION 13 of the bill, in amended Section 313.052, Tax Code (page 14, lines 35 and 36), strike "[313.021(2)(A)(iv)(a)] and the minimum amount of a limitation on appraised value under this subchapter" and substitute "[313.021(2)(A)(iv)(a) and the minimum amount of a limitation on appraised value under this subchapter]".

(3) Strike SECTION 14 of the bill (page 14, lines 57 through 69) and substitute the following:

SECTION 14. Section 313.054, Tax Code, is amended to read as follows:

Sec. 313.054. LIMITATION ON APPRAISED VALUE. (a) For a school district to which this subchapter applies, the amount agreed to by the governing body of the district ~~[under Section 313.027(a)(2)]~~ must be at least \$60 million. ~~[an amount in accordance with the following, according to the category established by Section 313.052 to which the school district belongs:~~

<u>[CATEGORY</u>	<u>MINIMUM AMOUNT OF LIMITATION</u>
<u>[I</u>	<u>\$30 million</u>
<u>[II</u>	<u>\$20 million</u>
<u>[III</u>	<u>\$10 million</u>
<u>[IV</u>	<u>\$5 million</u>
<u>[V</u>	<u>\$1 million]</u>

(b) The limitation amount ~~[amounts]~~ listed in Subsection (a) is a ~~[are]~~ minimum amount ~~[amounts]~~. A school district ~~[, regardless of category,]~~ may agree to a greater amount than that amount ~~[these amounts]~~.

The amendment to **CSHB 3390** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

Senator Deuell offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 3390** (senate committee printing) as follows:

(1) In SECTION 6 of the bill, in redesignated and amended Section 313.012, Tax Code (page 7, lines 11 through 28), strike Subsections (d) and (d-1) of the section and substitute the following:

(d) Before the 91st day after the date the comptroller receives the copy of the application, the comptroller shall submit a recommendation to the governing body of the school district as to whether the application should be approved or disapproved.

(d-1) The governing body of a school district may not approve an application unless ~~[that]~~ the comptroller recommends approval of the application ~~[has recommended should be disapproved only if:~~

~~(1) the governing body holds a public hearing the sole purpose of which is to consider the application and the comptroller's recommendation; and~~

~~(2) at a subsequent meeting of the governing body held after the date of the public hearing, at least two thirds of the members of the governing body vote to approve the application].~~

(2) In SECTION 6 of the bill, in redesignated and amended Section 313.013, Tax Code (page 9, lines 17 through 21), strike Subsection (b) of the section and substitute the following:

(b) Except as provided by Subsection (c), the ~~[The]~~ comptroller's recommendations shall be based on the criteria listed in Subsection (a) ~~[Subsections (a)(5) (20)]~~ and on any other information available to the comptroller, including information provided by the governing body of the school district under Section 313.012(b) ~~[313.025(b)]~~.

(c) The comptroller shall conduct a study to determine the net present value of any tax revenue anticipated to be generated, directly or otherwise, as a result of the project before the 25th anniversary of the beginning of the limitation period, including tax revenue anticipated to be generated during the construction of the project, and the net present value of the ad valorem tax benefit provided for the project under the proposed agreement. The comptroller may request that an applicant provide information necessary for the comptroller to make the determination. The comptroller may not recommend approval of the application unless the comptroller certifies that:

(1) the net present value of any tax revenue anticipated to be generated, directly or otherwise, as a result of the project before the 25th anniversary of the beginning of the limitation period, including tax revenue anticipated to be generated during the construction of the project, is likely to exceed the net present value of the ad valorem tax benefit provided for the project under the proposed agreement; and

(2) the limitation on appraised value is a significant consideration by the applicant in determining whether to invest capital and construct the project in this state.

The amendment to **CSHB 3390** was read.

Senator Davis offered the following amendment to Floor Amendment No. 3:

Floor Amendment No. 4

Amend Floor Amendment No. 3 by Deuell to **CSHB 3390** as follows:

In SECTION 2 of the amendment, in added Section 313.013(c)(2), Tax Code, strike "the limitation on appraised value is a significant consideration by the applicant in determining whether" and substitute "on the basis of tangible evidence submitted by the applicant that the limitation on appraised value is a determining factor in the applicant's decision".

The amendment to Floor Amendment No. 3 to **CSHB 3390** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 4.

Question recurring on the adoption of Floor Amendment No. 3 to **CSHB 3390**, the amendment as amended was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 3 as amended.

Senator Deuell offered the following amendment to the bill:

Floor Amendment No. 5

Amend **CSHB 3390** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter A-1, Tax Code, as added by this Act, is amended by adding Sections 313.0146 and 313.019 to read as follows:

Sec. 313.0146. PENALTY FOR FAILURE TO COMPLY WITH JOB-CREATION REQUIREMENTS. (a) The comptroller shall conduct an annual review and issue a determination as to whether a person with whom a school district has entered into an agreement under this chapter satisfied in the preceding year the requirements of this chapter regarding the creation of the required number of qualifying jobs. If the comptroller makes an adverse determination in the review:

(1) the comptroller shall notify the person of the cause of the adverse determination and the corrective measures necessary to remedy the determination; and

(2) the person must submit to the comptroller a plan for remedying the determination and certify the person's intent to fully implement the plan not later than December 31 of the year in which the determination is made.

(b) If a person who receives an adverse determination fails to comply with Subsection (a)(2) following notification of the determination and receives an adverse determination in the following year, the comptroller shall impose a penalty on the person. The penalty is in an amount equal to the amount computed by:

(1) subtracting from the number of qualifying jobs required to be created the number of qualifying jobs actually created; and

(2) multiplying the amount computed under Subdivision (1) by:

(A) the average annual wage for all jobs in the county during the most recent four quarters for which data is available, if the penalty is being imposed on the person for the first time; or

(B) twice the average annual wage for all jobs in the county during the most recent four quarters for which data is available, if the penalty has previously been imposed on the person.

(c) Notwithstanding Subsection (b), the penalty may not exceed an amount equal to the difference between the amount of the ad valorem tax benefit received by the person under the agreement in the preceding year and the amount of any supplemental payments made to the school district in that year.

(d) A job created by a person that is not a qualifying job because the job does not meet a numerical requirement of Section 313.0045(a)(3)(A), (D), or (E) is considered for purposes of this section to be a nonqualifying job only if the job fails to meet the numerical requirement by at least 10 percent.

(e) An adverse determination under this section is a deficiency determination under Section 111.008. A penalty imposed under this section is an amount the comptroller is required to collect, receive, administer, or enforce, and the determination is subject to the payment and redetermination requirements of Sections 111.0081 and 111.009.

(f) A redetermination under Section 111.009 of an adverse determination under this section is a contested case as defined by Section 2001.003, Government Code.

(g) If a person on whom a penalty is imposed under this section contends that the amount of the penalty is unlawful or that the comptroller may not legally demand or collect the penalty, the person may challenge the determination of the comptroller under Subchapters A and B, Chapter 112.

(h) If the comptroller imposes a penalty on a person under this section three times, the comptroller may rescind the agreement between the person and the school district under this chapter.

(i) A determination by the comptroller to rescind an agreement between a person and a school district under this chapter pursuant to Subsection (h) is a contested case as defined by Section 2001.003, Government Code.

(j) If a person appeals a final decision of the comptroller to rescind an agreement between a person and a school district under this chapter pursuant to Subsection (h) and that decision is upheld on appeal, the person shall pay to the comptroller any tax that would have been due and payable to the school district during the pendency of the appeal, including statutory interest and penalties imposed on delinquent taxes under Sections 111.060 and 111.061.

(k) The comptroller shall deposit a penalty collected under this section, including any interest and penalty applicable to the penalty, to the credit of the foundation school fund.

Sec. 313.019. REPORT ON COMPLIANCE WITH JOB-CREATION REQUIREMENTS. Each recipient of a limitation on appraised value under this chapter shall submit to the comptroller an annual report on a form provided by the comptroller that provides information sufficient for the comptroller to determine whether the applicant is creating the number of new qualifying jobs required by this chapter.

The amendment to **CSHB 3390** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 5.

Senator Davis offered the following amendment to the bill:

Floor Amendment No. 6

Amend **CSHB 3390** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter A, Chapter 313, Tax Code, is amended by adding Section 313.0075 to read as follows:

Sec. 313.0075. AUDIT OF AGREEMENTS BY STATE AUDITOR. (a) Each year, the state auditor shall review at least three major agreements, as determined by the state auditor, under this chapter to determine whether:

(1) each agreement accomplishes the purposes of this chapter as expressed in Section 313.003;

(2) each agreement complies with the intent of the legislature in enacting this chapter as expressed in Section 313.004; and

(3) the terms of each agreement were executed in compliance with the terms of this chapter.

(b) As part of the review, the state auditor shall make recommendations relating to increasing the efficiency and effectiveness of the administration of this chapter.

The amendment to **CSHB 3390** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 6.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 7

Amend **CSHB 3390** (Senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Section 311.005(a), Tax Code, is amended to read as follows:

(a) To be designated as a reinvestment zone, an area must:

(1) substantially arrest or impair the sound growth of the municipality or county designating the zone, retard the provision of housing accommodations, or constitute an economic or social liability and be a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:

(A) a substantial number of substandard, slum, deteriorated, or deteriorating structures;

(B) the predominance of defective or inadequate sidewalk or street layout;

(C) faulty lot layout in relation to size, adequacy, accessibility, or usefulness;

(D) unsanitary or unsafe conditions;

(E) the deterioration of site or other improvements;
 (F) tax or special assessment delinquency exceeding the fair value of the land;

(G) defective or unusual conditions of title;

(H) conditions that endanger life or property by fire or other cause; or

(I) structures, other than single-family residential structures, less than 10 percent of the square footage of which has been used for commercial, industrial, or residential purposes during the preceding 12 years, if the municipality has a population of 100,000 or more;

(2) be predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality or county;

(3) be in a federally assisted new community located in the municipality or county or in an area immediately adjacent to a federally assisted new community; [or]

(4) be an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the municipality or county by the owners of property constituting at least 50 percent of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located; or

(5) be substantially undeveloped and be located in:

(A) a municipality with a population of less than 20,000; and

(B) a county with a population of more than 660,000 and less than 690,000 that borders a county with a population of two million or more.

(b) This section takes effect immediately if this Act 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 section takes effect September 1, 2013.

The amendment to **CSHB 3390** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 7.

Senator Ellis offered the following amendment to the bill:

Floor Amendment No. 8

Amend **CSHB 3390** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subtitle B, Title 3, Government Code, is amended by adding Chapter 320A to read as follows:

CHAPTER 320A. REVIEW OF STATE AND LOCAL TAX PREFERENCES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 320A.001. DEFINITION. In this chapter, "tax preference" means a credit, discount, exclusion, exemption, refund, special valuation, special accounting treatment, special rate, or special method of reporting authorized by state law that relates to a state or local tax imposed in this state.

SUBCHAPTER B. SCHEDULE FOR PERIODIC REVIEW
OF STATE AND LOCAL TAX PREFERENCES

Sec. 320A.051. DEVELOPMENT AND BIENNIAL MODIFICATION OF STATE AND LOCAL TAX PREFERENCE REVIEW SCHEDULE. (a) The comptroller shall:

(1) identify each state tax preference and each type of local tax preference;
(2) develop a state and local tax preference review schedule under which each identified tax preference is reviewed once during each 12-year period; and

(3) specifically identify on the schedule each of the tax preferences the Legislative Budget Board must review for purposes of the next report due under Section 320A.151.

(b) Except as provided in Subsection (c), in developing the schedule, the comptroller shall give priority to scheduling for review the tax preferences that result in the greatest reduction in revenue derived from the taxes to which the tax preferences relate.

(c) In developing the schedule, the comptroller may:

(1) schedule for review at the same time all tax preferences authorized in the same chapter of the Tax Code; and

(2) schedule the initial review of a tax preference that has an expiration date for any date the comptroller determines is appropriate.

(d) The comptroller shall revise the schedule biennially only to:

(1) add to the schedule a tax preference that was enacted after the comptroller developed the most recent schedule;

(2) delete from the schedule a tax preference that was repealed or that expired after the comptroller developed the most recent schedule;

(3) update the review dates of the tax preferences for which reviews were conducted after the comptroller developed the most recent schedule; and

(4) update the tax preferences identified under Subsection (a)(3).

Sec. 320A.052. PUBLIC COMMENT. The comptroller shall provide a process by which the public may comment on the state and local tax preference review schedule under Section 320A.051. The comptroller shall consider those comments in developing or revising the schedule.

Sec. 320A.053. SCHEDULE PROVIDED TO LEGISLATIVE BUDGET BOARD. Not later than December 1 of each odd-numbered year, the comptroller shall provide the state and local tax preference review schedule to the Legislative Budget Board.

SUBCHAPTER C. CONDUCT OF REVIEW OF STATE
AND LOCAL TAX PREFERENCES

Sec. 320A.101. PERIODIC REVIEW OF TAX PREFERENCES. The Legislative Budget Board shall periodically review each state tax preference and each type of local tax preference according to the state and local tax preference review schedule provided by the comptroller under Section 320A.053. In reviewing a tax preference, the board shall:

(1) summarize the legislative history of the tax preference;

(2) estimate the amount of lost tax revenue attributable to the tax preference during the preceding 12-year period, including the percent reduction in the tax revenue of the related state or local tax, using amounts reported by the comptroller under Section 403.014, if available;

(3) determine the effect of the tax preference on the distribution of the tax burden by income class and industry or business class during the preceding 12-year period, using amounts reported and data analyzed by the comptroller under Sections 403.014 and 403.0141, if available; and

(4) evaluate, for a tax preference that reduces by more than one percent the total revenue of the related state or local tax, the fiscal impact of the tax preference during the preceding and following 12-year periods, based on a cost-benefit analysis of the general effects of the tax preference on the overall state economy, including the effects on:

(A) job creation by industry sector;

(B) average wage by industry sector;

(C) gross state product by industry sector;

(D) business expenditures by industry sector; and

(E) personal consumption by income class.

Sec. 320A.102. COOPERATION BY OTHER STATE ENTITIES. (a) The Legislative Budget Board may request assistance from the comptroller or any other state agency, department, or office if the board needs assistance to perform the review required by Section 320A.101. The comptroller or other agency, department, or office shall provide the requested assistance.

(b) Notwithstanding Section 111.006, Tax Code, or other law, the comptroller shall provide to the Legislative Budget Board complete electronic access to tax files maintained by the comptroller, as the staff of the board determines necessary to perform a review required by Section 320A.101. An employee of the board that accesses tax files maintained by the comptroller is subject to the same duties and requirements regarding confidentiality as an employee of the comptroller who accesses the files.

SUBCHAPTER D. REPORT ON TAX PREFERENCES

Sec. 320A.151. REPORT. Not later than September 1 of each even-numbered year, the Legislative Budget Board shall provide to the presiding officers of the senate finance committee, or its successor, and the house ways and means committee, or its successor, a report on the reviews of tax preferences identified under Section 320A.051(a)(3). The board shall post the report on the board's Internet website as soon as possible after the board provides the report to the presiding officers under this section.

SECTION _____. Notwithstanding Section 320A.053, Government Code, as added by this Act, the comptroller of public accounts shall submit the initial state and local tax preference review schedule required by that section not later than January 15, 2014.

SECTION _____. The Legislative Budget Board shall submit the initial report required by Section 320A.151, Government Code, as added by this Act, not later than September 1, 2014.

The amendment to **CSHB 3390** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 8.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 9

Amend **CSHB 3390** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

Section _____. Subchapter B, Chapter 35, Utilities Code, is amended by adding Section 35.004(f) to read as follows:

Sec. 35.004(f) AMOUNTS PAID IN LIEU OF AD VALOREM TAX.

(a) A municipally owned utility that owns and operates a transmission facility that is constructed under section §39.904(g)(2) may apply to the governing body of a school district, municipality, or county in which the utility owns or operates a transmission facility to make payments in lieu of ad valorem taxes on the transmission facility.

(b) A school district, municipality, or county may approve the application and enter into an agreement under Subsection (a), provided that the amount paid may not exceed the amount the utility would have to pay on that transmission facility if the facility were subject to ad valorem taxation.

(c) A municipally owned utility that agrees to make payments in lieu of ad valorem taxes under this section may recover, as part of the utility's cost of service, the amount paid to a municipality, county, or school district under the agreement.

(d) A municipally owned utility that agrees to make payments in lieu of ad valorem taxes under this section shall provide a copy of the agreement to the commission.

The amendment to **CSHB 3390** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 9.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 10

Amend **HB 3390** (Senate Committee Printing) to insert an appropriate numbered section to read as follows:

SECTION _____. Section 382.003(1-a), Health and Safety Code, is amended to read as follows:

(1-a) "Advanced clean energy project" means a project for which an application for a permit or for an authorization to use a standard permit under this chapter is received by the commission on or after January 1, 2008, and before January 1, 2020, and that:

(A) involves the use of coal, biomass, petroleum coke, solid waste, natural gas, or fuel cells using hydrogen derived from such fuels, in the generation of electricity, or the creation of liquid fuels outside of the existing fuel production

infrastructure while co-generating electricity, whether the project is implemented in connection with the construction of a new facility or in connection with the modification of an existing facility and whether the project involves the entire emissions stream from the facility or only a portion of the emissions stream from the facility;

(B) with regard to the portion of the emissions stream from the facility that is associated with the project, is capable of achieving:

(i) on an annual basis:

(a) a 99 percent or greater reduction of sulfur dioxide emissions;

(b) ~~or~~ if the project is designed for the use of feedstock, substantially all of which is subbituminous coal, an emission rate of 0.04 pounds or less of sulfur dioxide per million British thermal units as determined by a 30-day average; or

(c) if the project is designed for the use of one or more combustion turbines that burn natural gas, a sulfur dioxide emission rate that meets best available control technology requirements as determined by the commission;

(ii) on an annual basis:

(a) a 95 percent or greater reduction of mercury emissions; or

(b) if the project is designed for the use of one or more combustion turbines that burn natural gas, a mercury emission rate that complies with applicable federal requirements;

(iii) an annual average emission rate for nitrogen oxides of:

(a) 0.05 pounds or less per million British thermal units; ~~or~~

(b) if the project uses gasification technology, 0.034 pounds or less per million British thermal units; or

(c) if the project is designed for the use of one or more combustion turbines that burn natural gas, two parts per million by volume; and

(iv) an annual average emission rate for filterable particulate matter of 0.015 pounds or less per million British thermal units; and

(C) captures not less than 50 percent of the carbon dioxide in the portion of the emissions stream from the facility that is associated with the project and sequesters that captured carbon dioxide by geologic storage or other means.

The amendment to **CSHB 3390** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No 10.

On motion of Senator Deuell and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 3390 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Lucio, Rodríguez.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3390 ON THIRD READING**

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3390** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Lucio, Rodríguez.

HOUSE BILL 2712 ON SECOND READING

Senator Taylor moved to suspend the regular order of business to take up for consideration **HB 2712** at this time on its second reading:

HB 2712, Relating to the exemption from ad valorem taxation of energy storage systems used for the control of air pollution in a nonattainment area.

The motion prevailed.

Senators Nichols and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Nichols, Schwertner.

HOUSE BILL 2712 ON THIRD READING

Senator Taylor moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2712** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Patrick, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Nichols, Schwertner.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2. (Same as previous roll call)

HOUSE BILL 866 ON SECOND READING

Senator Seliger moved to suspend the regular order of business to take up for consideration **HB 866** at this time on its second reading:

HB 866, Relating to the administration to public school students in certain grades of state-administered assessment instruments.

The motion prevailed.

Senators Birdwell and Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Seliger offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 866** (senate committee printing) as follows:

(1) In the recital to SECTION 1 of the bill (page 1, line 25), strike "and (a-9)" and substitute "(a-9), and (a-10)".

(2) In SECTION 1 of the bill, amending Section 39.023(a), Education Code (page 1, lines 38 - 39) strike "~~writing, including spelling and grammar, in grades four and seven;~~" and substitute "~~writing, including spelling and grammar, in grades four and seven;~~".

(3) In SECTION 1 of the bill, amending Section 39.023(a), Education Code (page 1, line 40), strike "[~~(4)~~]" and substitute "(4)".

(4) In SECTION 1 of the bill, amending Section 39.023(a), Education Code (page 1, line 41), strike "(4) [~~(5)~~]" and substitute "(5)".

(5) In SECTION 1 of the bill, immediately following Section 39.023(a-9), Education Code (page 3, between lines 8 and 9), insert the following:

(a-10) This subsection and Subsections (a-3), (a-4), (a-5), (a-6), (a-7), (a-8), and (a-9) expire September 1, 2017.

(6) Add the following appropriately number SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Effective September 1, 2017, Sections 39.023(a), (a-1), (a-2), (b), (c-1), (c-3), (e), (l), (m), (n), and (p), Education Code, are amended to read as follows:

(a) The agency shall adopt or develop appropriate criterion-referenced assessment instruments designed to assess essential knowledge and skills in reading, writing, mathematics, social studies, and science. Except as provided by Subsection (a-2), all students, other than students assessed under Subsection (b) or (l) or exempted under Section 39.027, shall be assessed in:

(1) mathematics, annually in grades three through seven without the aid of technology and in grade eight with the aid of technology on any assessment instrument that includes algebra;

(2) reading, annually in grades three through eight;

(3) writing, including spelling and grammar, in grades four and seven;

(4) social studies, in grade eight;

(5) science, in grades five and eight; and

(6) any other subject and grade required by federal law.

(a-1) The agency shall develop assessment instruments required under Subsection (a) in a manner that allows, to the extent practicable:

(1) the score a student receives to provide reliable information relating to a student's satisfactory performance for each performance standard under Section 39.0241; and

(2) an appropriate range of performances to serve as a valid indication of growth in student achievement.

(a-2) A student is not required to be assessed in a subject otherwise assessed at the student's grade level under Subsection (a) if the student:

(1) is enrolled in a course in the subject intended for students above the student's grade level and will be administered an assessment instrument adopted or developed under Subsection (a) that aligns with the curriculum for the course in which the student is enrolled; or

(2) is enrolled in a course in the subject for which the student will receive high school academic credit and will be administered an end-of-course assessment instrument adopted under Subsection (c) for the course.

(b) The agency shall develop or adopt appropriate criterion-referenced alternative assessment instruments to be administered to each student in a special education program under Subchapter A, Chapter 29, for whom an assessment instrument adopted under Subsection (a), even with allowable accommodations, would not provide an appropriate measure of student achievement, as determined by the student's admission, review, and dismissal committee.

(c-1) The agency shall develop any assessment instrument required under this section in a manner that allows for the measurement of annual improvement in student achievement as required by Sections 39.034(c) and (d).

(c-3) In adopting a schedule for the administration of assessment instruments under this section, the State Board of Education shall require:

(1) assessment instruments administered under Subsection (a) to be administered on a schedule so that the first assessment instrument is administered at least two weeks later than the date on which the first assessment instrument was administered under Subsection (a) during the 2006-2007 school year; and

(2) the spring administration of end-of-course assessment instruments under Subsection (c) to occur in each school district not earlier than the first full week in May, except that the spring administration of the end-of-course assessment instruments in English I, English II, and English III must be permitted to occur at an earlier date.

(e) Under rules adopted by the State Board of Education, every third year, the agency shall release the questions and answer keys to each assessment instrument administered under Subsection (a), (b), (c), (d), or (l), excluding any assessment instrument administered to a student for the purpose of retaking the assessment instrument, after the last time the instrument is administered for that school year. To ensure a valid bank of questions for use each year, the agency is not required to release a question that is being field-tested and was not used to compute the student's

score on the instrument. The agency shall also release, under board rule, each question that is no longer being field-tested and that was not used to compute a student's score.

(l) The State Board of Education shall adopt rules for the administration of the assessment instruments adopted under Subsection (a) in Spanish to students in grades three through five who are of limited English proficiency, as defined by Section 29.052, whose primary language is Spanish, and who are not otherwise exempt from the administration of an assessment instrument under Section 39.027(a)(1) or (2). Each student of limited English proficiency whose primary language is Spanish, other than a student to whom Subsection (b) applies, may be assessed using assessment instruments in Spanish under this subsection for up to three years or assessment instruments in English under Subsection (a). The language proficiency assessment committee established under Section 29.063 shall determine which students are administered assessment instruments in Spanish under this subsection.

(m) The commissioner by rule shall develop procedures under which the language proficiency assessment committee established under Section 29.063 shall determine which students are exempt from the administration of the assessment instruments under Section 39.027(a)(1) or (2). The rules adopted under this subsection shall ensure that the language proficiency assessment committee provides that the exempted students are administered the assessment instruments under Subsections (a) and (c) at the earliest practical date.

(n) This subsection applies only to a student who is determined to have dyslexia or a related disorder and who is an individual with a disability under 29 U.S.C. Section 705(20) and its subsequent amendments. The agency shall adopt or develop appropriate criterion-referenced assessment instruments designed to assess the ability of and to be administered to each student to whom this subsection applies for whom the assessment instruments adopted under Subsection (a), even with allowable modifications, would not provide an appropriate measure of student achievement, as determined by the committee established by the board of trustees of the district to determine the placement of students with dyslexia or related disorders. The committee shall determine whether any allowable modification is necessary in administering to a student an assessment instrument required under this subsection. The assessment instruments required under this subsection shall be administered on the same schedule as the assessment instruments administered under Subsection (a).

(p) On or before September 1 of each year, the commissioner shall make the following information available on the agency's Internet website for each assessment instrument administered under Subsection (a), (c), or (l):

- (1) the number of questions on the assessment instrument;
- (2) the number of questions that must be answered correctly to achieve satisfactory performance as determined by the commissioner under Section 39.0241(a);
- (3) the number of questions that must be answered correctly to achieve satisfactory performance under the college readiness performance standard as provided by Section 39.0241; and
- (4) the corresponding scale scores.

(7) In SECTION 2 of the bill, in Subsection (a) (page 4, line 41), strike "This Act" and substitute "Except as otherwise provided by this Act, this Act".

The amendment to **HB 866** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Seliger and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 866 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Patrick.

HOUSE BILL 866 ON THIRD READING

Senator Seliger moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 866** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Patrick.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2. (Same as previous roll call)

SENATE RULE 5.14(a) SUSPENDED (Intent Calendar) (Motion In Writing)

Senator Whitmire submitted the following Motion In Writing:

Mr. President:

I move suspension of Senate Rule 5.14 so that we may move the Intent Calendar deadline to 10:30 p.m. today.

WHITMIRE

The Motion In Writing prevailed without objection.

COMMITTEE SUBSTITUTE HOUSE BILL 6 ON SECOND READING

The Presiding Officer, Senator Eltife in Chair, laid before the Senate **CSHB 6** by Senator Williams on its second reading. The bill had been read second time, amended, an amendment offered, and further consideration temporarily postponed:

CSHB 6, Relating to the creation and re-creation of funds and accounts in the state treasury, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

Question — Shall Floor Amendment No. 3 to **CSHB 6** be adopted?

Senator Watson withdrew Floor Amendment No. 3.

**VOTE RECONSIDERED
ON FLOOR AMENDMENT NO. 2**

On motion of Senator Williams and by unanimous consent, the vote by which Floor Amendment No. 2 was adopted was reconsidered.

Question — Shall Floor Amendment No. 2 to **CSHB 6** be adopted?

Senator Williams withdrew Floor Amendment No. 2.

Senator Watson offered the following amendment to the bill:

Floor Amendment No. 4

Amend **CSHB 6** (senate committee report) by striking SECTION 8 of the bill (page 2, lines 27 through 58) and substituting the following:

SECTION 8. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE. (a) If S.J.R. No. 1 of the 83rd Legislature, Regular Session, 2013, is approved by both houses of the legislature, and if, on or before September 1, 2013, Section 39.9039, Utilities Code, as proposed by H.B. No. 7 or similar legislation of the 83rd Legislature, Regular Session, 2013, becomes law, effective September 1, 2013, Section 403.095, Government Code, is amended by amending Subsections (b), (d), and (e) and adding Subsection (b-1) to read as follows:

(b) Notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, an amount of dedicated revenues, not to exceed a total of \$1 billion, that [;] on August 31 of an odd-numbered year is [~~2013, are~~] estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the legislature is [~~82nd Legislature are~~] available for general governmental purposes and is [~~are~~] considered available for the purpose of certification under Section 403.121. It is the intent of the legislature that dedicated revenues that exceed the total amount that this subsection makes available for general governmental purposes and for certification must be used for the purposes for which the revenues are dedicated.

(b-1) Notwithstanding the limitation provided by Subsection (b), the amount of dedicated revenues described by that subsection that on August 31 of an odd-numbered year is estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the legislature is considered available for general governmental purposes and for the purpose of the certification under Section 403.121 in an amount not to exceed:

- (1) \$4.2 billion for the fiscal biennium ending August 31, 2015;
- (2) \$3.4 billion for the fiscal biennium ending August 31, 2017;
- (3) \$2.6 billion for the fiscal biennium ending August 31, 2019; and
- (4) \$1.8 billion for the fiscal biennium ending August 31, 2021.

(d) Following certification of the General Appropriations Act and other appropriations measures enacted by the legislature [~~82nd Legislature~~], the comptroller shall reduce each dedicated account as directed by the legislature by an amount that may not exceed the amount by which estimated revenues and unobligated balances exceed appropriations. The reductions may be made in the amounts and at the times necessary for cash flow considerations to allow all the dedicated accounts to maintain adequate cash balances to transact routine business. The legislature may authorize, in

the General Appropriations Act, the temporary delay of the excess balance reduction required under this subsection. This subsection does not apply to revenues or balances in:

(1) funds outside the treasury;

(2) trust funds, which for purposes of this section include funds that may or are required to be used in whole or in part for the acquisition, development, construction, or maintenance of state and local government infrastructures, recreational facilities, or natural resource conservation facilities;

(3) funds created by the constitution or a court; or

(4) funds for which separate accounting is required by federal law.

(e) This subsection and Subsection (b-1) expire ~~[section expires on]~~ September 1, 2023 ~~[2013]~~.

(b) If either of the conditions provided by Subsection (a) of this section is not met, Subsection (a) of this section has no effect, and, effective September 1, 2013, Section 403.095, Government Code, is amended by amending Subsections (b), (d), and (e) and adding Subsection (b-1) to read as follows:

(b) Notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, an amount of dedicated revenues, not to exceed a total of \$1 billion, that [;] on August 31 of an odd-numbered year is ~~[, 2013, are]~~ estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the legislature is ~~[are]~~ [82nd Legislature are] available for general governmental purposes and is ~~[are]~~ considered available for the purpose of certification under Section 403.121. It is the intent of the legislature that dedicated revenues that exceed the total amount that this subsection makes available for general governmental purposes and for certification must be used for the purposes for which the revenues are dedicated.

(b-1) Notwithstanding the limitation provided by Subsection (b), the amount of dedicated revenues described by that subsection that on August 31 of an odd-numbered year is estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the legislature is considered available for general governmental purposes and for the purpose of the certification under Section 403.121 in an amount not to exceed:

(1) \$5.0 billion for the fiscal biennium ending August 31, 2015;

(2) \$4.0 billion for the fiscal biennium ending August 31, 2017;

(3) \$3.0 billion for the fiscal biennium ending August 31, 2019; and

(4) \$2.0 billion for the fiscal biennium ending August 31, 2021.

(d) Following certification of the General Appropriations Act and other appropriations measures enacted by the legislature ~~[82nd Legislature]~~, the comptroller shall reduce each dedicated account as directed by the legislature by an amount that may not exceed the amount by which estimated revenues and unobligated balances exceed appropriations. The reductions may be made in the amounts and at the times necessary for cash flow considerations to allow all the dedicated accounts to maintain adequate cash balances to transact routine business. The legislature may authorize, in the General Appropriations Act, the temporary delay of the excess balance reduction required under this subsection. This subsection does not apply to revenues or balances in:

(1) funds outside the treasury;

(2) trust funds, which for purposes of this section include funds that may or are required to be used in whole or in part for the acquisition, development, construction, or maintenance of state and local government infrastructures, recreational facilities, or natural resource conservation facilities;

(3) funds created by the constitution or a court; or

(4) funds for which separate accounting is required by federal law.

(e) This subsection and Subsection (b-1) expire [section expires on] September 1, 2023 [2013].

WILLIAMS
WATSON

The amendment to **CSHB 6** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 4.

On motion of Senator Williams and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 6 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 6 ON THIRD READING**

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 6** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 500 ON SECOND READING**

On motion of Senator Hegar and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 500** at this time on its second reading:

CSHB 500, Relating to the \$1 million total revenue exemption for the franchise tax; temporarily decreasing the rates of the franchise tax.

The bill was read second time.

Senator Fraser offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 500** by adding the following Section

SECTION _____. (a) Section 171.1014, Tax Code, is amended by adding Subsection (j) to read as follows:

(j) Notwithstanding any other provision of this section, a taxable entity that provides retail or wholesale electric utilities may not be included as a member of a combined group that includes one or more taxable entities that do not provide retail or wholesale electric utilities if that combined group in the absence of this subsection:

(1) would not meet the requirements of Section 171.002(c) solely because one or more members of the combined group provide retail or wholesale electric utilities; and

(2) would have less than five percent of the combined group's total revenue derived from providing retail or wholesale electric utilities.

(b) It is the intent of the legislature that certain taxable entities that are part of an affiliated group and that provide retail or wholesale electric utilities be disqualified as members of certain combined groups for purposes of the franchise tax.

(c) This Act applies only to a report originally due on or after January 1, 2014.

The amendment to **CSHB 500** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Hancock offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 500** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 171.1011(g-4), Tax Code, is amended to read as follows:

(g-4) A taxable entity that is a pharmacy cooperative shall exclude from its total revenue, to the extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3), flow-through funds from rebates from pharmacy wholesalers that are distributed to the pharmacy cooperative's shareholders. A taxable entity that provides a pharmacy network shall exclude from its total revenue, to the extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3), reimbursements, pursuant to contractual agreements, for payments to pharmacies in the pharmacy network.

The amendment to **CSHB 500** was read.

Senator Schwertner moved to table Floor Amendment No. 2.

Senator Schwertner withdrew the motion to table Floor Amendment No. 2.

Question recurring on the adoption of Floor Amendment No. 2 to **CSHB 500**, the amendment was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2 except as follows:

Nays: Van de Putte.

Senator Ellis offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 500** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subtitle B, Title 3, Government Code, is amended by adding Chapter 320A to read as follows:

CHAPTER 320A. REVIEW OF STATE AND LOCAL TAX PREFERENCES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 320A.001. DEFINITION. In this chapter, "tax preference" means a credit, discount, exclusion, exemption, refund, special valuation, special accounting treatment, special rate, or special method of reporting authorized by state law that relates to a state or local tax imposed in this state.

SUBCHAPTER B. SCHEDULE FOR PERIODIC REVIEW

OF STATE AND LOCAL TAX PREFERENCES

Sec. 320A.051. DEVELOPMENT AND BIENNIAL MODIFICATION OF STATE AND LOCAL TAX PREFERENCE REVIEW SCHEDULE. (a) The comptroller shall:

(1) identify each state tax preference and each type of local tax preference;
(2) develop a state and local tax preference review schedule under which each identified tax preference is reviewed once during each 12-year period; and
(3) specifically identify on the schedule each of the tax preferences the Legislative Budget Board must review for purposes of the next report due under Section 320A.151.

(b) Except as provided in Subsection (c), in developing the schedule, the comptroller shall give priority to scheduling for review the tax preferences that result in the greatest reduction in revenue derived from the taxes to which the tax preferences relate.

(c) In developing the schedule, the comptroller may:

(1) schedule for review at the same time all tax preferences authorized in the same chapter of the Tax Code; and
(2) schedule the initial review of a tax preference that has an expiration date for any date the comptroller determines is appropriate.

(d) The comptroller shall revise the schedule biennially only to:

(1) add to the schedule a tax preference that was enacted after the comptroller developed the most recent schedule;
(2) delete from the schedule a tax preference that was repealed or that expired after the comptroller developed the most recent schedule;
(3) update the review dates of the tax preferences for which reviews were conducted after the comptroller developed the most recent schedule; and
(4) update the tax preferences identified under Subsection (a)(3).

Sec. 320A.052. PUBLIC COMMENT. The comptroller shall provide a process by which the public may comment on the state and local tax preference review schedule under Section 320A.051. The comptroller shall consider those comments in developing or revising the schedule.

Sec. 320A.053. SCHEDULE PROVIDED TO LEGISLATIVE BUDGET BOARD. Not later than December 1 of each odd-numbered year, the comptroller shall provide the state and local tax preference review schedule to the Legislative Budget Board.

SUBCHAPTER C. CONDUCT OF REVIEW OF STATE
AND LOCAL TAX PREFERENCES

Sec. 320A.101. PERIODIC REVIEW OF TAX PREFERENCES. The Legislative Budget Board shall periodically review each state tax preference and each type of local tax preference according to the state and local tax preference review schedule provided by the comptroller under Section 320A.053. In reviewing a tax preference, the board shall:

- (1) summarize the legislative history of the tax preference;
- (2) estimate the amount of lost tax revenue attributable to the tax preference during the preceding 12-year period, including the percent reduction in the tax revenue of the related state or local tax, using amounts reported by the comptroller under Section 403.014, if available;
- (3) determine the effect of the tax preference on the distribution of the tax burden by income class and industry or business class during the preceding 12-year period, using amounts reported and data analyzed by the comptroller under Sections 403.014 and 403.0141, if available; and
- (4) evaluate, for a tax preference that reduces by more than one percent the total revenue of the related state or local tax, the fiscal impact of the tax preference during the preceding and following 12-year periods, based on a cost-benefit analysis of the general effects of the tax preference on the overall state economy, including the effects on:
 - (A) job creation by industry sector;
 - (B) average wage by industry sector;
 - (C) gross state product by industry sector;
 - (D) business expenditures by industry sector; and
 - (E) personal consumption by income class.

Sec. 320A.102. COOPERATION BY OTHER STATE ENTITIES. (a) The Legislative Budget Board may request assistance from the comptroller or any other state agency, department, or office if the board needs assistance to perform the review required by Section 320A.101. The comptroller or other agency, department, or office shall provide the requested assistance.

(b) Notwithstanding Section 111.006, Tax Code, or other law, the comptroller shall provide to the Legislative Budget Board complete electronic access to tax files maintained by the comptroller, as the staff of the board determines necessary to perform a review required by Section 320A.101. An employee of the board that accesses tax files maintained by the comptroller is subject to the same duties and requirements regarding confidentiality as an employee of the comptroller who accesses the files.

SUBCHAPTER D. REPORT ON TAX PREFERENCES

Sec. 320A.151. REPORT. Not later than September 1 of each even-numbered year, the Legislative Budget Board shall provide to the presiding officers of the senate finance committee, or its successor, and the house ways and means committee, or its

successor, a report on the reviews of tax preferences identified under Section 320A.051(a)(3). The board shall post the report on the board's Internet website as soon as possible after the board provides the report to the presiding officers under this section.

SECTION _____. Notwithstanding Section 320A.053, Government Code, as added by this Act, the comptroller of public accounts shall submit the initial state and local tax preference review schedule required by that section not later than January 15, 2014.

SECTION _____. The Legislative Budget Board shall submit the initial report required by Section 320A.151, Government Code, as added by this Act, not later than September 1, 2014.

The amendment to **CSHB 500** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 3.

Senator Hinojosa offered the following amendment to the bill:

Floor Amendment No. 4

Amend **CSHB 500** (senate committee printing) by adding the following SECTION, appropriately numbered, and renumbering subsequent SECTIONS accordingly:

SECTION _____. Subchapter B, Chapter 171, Tax Code, is amended by adding Section 171.086 to read as follows:

Sec. 171.086. EXEMPTION: POLITICAL SUBDIVISION CORPORATION.
A political subdivision corporation formed under Section 304.001, Local Government Code, is exempted from the franchise tax.

The amendment to **CSHB 500** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 4.

Senator Patrick offered the following amendment to the bill:

Floor Amendment No. 5

Amend **CSHB 500** (senate committee printing) by adding the following SECTION, appropriately numbered, to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 171.002(d), Tax Code, as amended by Section 1(a), Chapter 286 (H.B. 4765), Acts of the 81st Legislature, Regular Session, 2009, is amended to read as follows:

(d) A taxable entity is not required to pay any tax and is not considered to owe any tax for a period if:

- (1) the amount of tax computed for the taxable entity is less than \$1,000; or
- (2) the amount of the taxable entity's total revenue from its entire business is less than or equal to \$2 [~~\$4~~] million or the amount determined under Section 171.006 per 12-month period on which margin is based.

The amendment to **CSHB 500** was read.

On motion of Senator Hegar, Floor Amendment No. 5 was tabled by the following vote: Yeas 28, Nays 2, Present-not voting 1.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodriguez, Schwertner, Seliger, Taylor, Uresti, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Patrick.

Present-not voting: Van de Putte.

Senator Taylor offered the following amendment to the bill:

Floor Amendment No. 6

Amend **CSHB 500** (senate committee report) by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS accordingly:

SECTION _____. Subchapter C, Chapter 171, Tax Code, is amended by adding Subsection (p), Section 171.1012 to read as follows:

(p) A taxable entity that is a ticket reseller, promoter or primary ticket distributor may receive an exemption to be able to subtract as a cost of goods sold the amount paid to procure one or more tickets which allow for access to an event that requires a ticket to obtain admission, including sporting events, concerts, and theater shows, but the exemption does not include all mixed service costs, such as security services, legal services, data processing services, accounting services, personnel costs or office expenses.

The amendment to **CSHB 500** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 6.

Senator Paxton offered the following amendment to the bill:

Floor Amendment No. 7

Amend **CSHB 500** (senate committee printing) by adding the following SECTION, appropriately numbered, and renumbering subsequent SECTIONS accordingly:

SECTION _____. Section 171.1016, Tax Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) Notwithstanding Subsection (b)(3), a taxable entity that elects to pay the tax as provided by this section may determine the amount of tax for which the entity is liable by multiplying the amount computed under Subsection (b)(2) by the rate of 0.546 percent. This subsection expires December 31, 2015.

PAXTON
CAMPBELL

The amendment to **CSHB 500** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 7.

Senator Williams offered the following amendment to the bill:

Floor Amendment No. 8

Amend **CSHB 500** (senate committee printing) by adding the following appropriately numbered SECTION to read as follows and renumbering subsequent SECTIONS accordingly:

SECTION _____. This Act takes effect only if the constitutional amendment proposed by S.J.R. No. 1, 83rd Legislature, Regular Session, 2013, is approved by both houses of the legislature and submitted to the voters, and Section 39.9039, Utilities Code, as proposed by H.B. No. 7 or similar legislation of the 83rd Legislature, Regular Session, 2013, becomes law. If either condition provided by this section is not met, this Act has no effect.

The amendment to **CSHB 500** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 8.

VOTE RECONSIDERED

On motion of Senator Hancock and by unanimous consent, the vote by which Floor Amendment No. 2 was adopted was reconsidered.

Question — Shall Floor Amendment No. 2 to **CSHB 500** be adopted?

Senator Hancock withdrew Floor Amendment No. 2.

On motion of Senator Hegar and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 500 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

COMMITTEE SUBSTITUTE HOUSE BILL 500 ON THIRD READING

Senator Hegar moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 500** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 148 ON SECOND READING

Senator Paxton again moved to suspend the regular order of business to take up for consideration **HB 148** at this time on its second reading:

HB 148, Relating to aid provided to certain voters; providing criminal penalties.

The motion prevailed.

Senators Van de Putte and West asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Paxton offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 148** (senate committee printing) as follows:

(1) Strike SECTION 1 of the bill (page 1, lines 22-56).

(2) In SECTION 2 of the bill, in added Section 86.0052, Election Code (page 1, lines 59 and 60), strike "OF ANOTHER FOR COLLECTING BALLOTING MATERIALS" and substitute "FOR CARRIER ENVELOPE ACTION".

(3) Strike added Section 86.0052(a), Election Code (page 1, line 60, through page 2, line 1), and substitute the following:

(a) A person commits an offense if the person:

(1) compensates another person for depositing the carrier envelope in the mail or with a common or contract carrier as provided by Section 86.0051(b), including by any performance-based compensation scheme based on the number of ballots deposited or in which another person is presented with a quota of ballots to deposit as provided by Section 86.0051(b);

(2) engages in another practice that causes another person's compensation from or employment status with the person to be dependent on the number of ballots deposited as provided by Section 86.0051(b); or

(3) with knowledge that accepting compensation for such activity is illegal, accepts compensation for an activity described by Subdivision (1) or (2).

(4) Add the following immediately after added Section 86.0052(c), Election Code (page 2, between lines 11 and 12):

(d) An officer, director, or other agent of an entity that commits an offense under this section is punishable for the offense.

(e) For purposes of this section, compensation means any form of monetary payment, goods, services, benefits, or promises or offers of employment, or any other form of consideration offered to another person in exchange for depositing ballots.

(5) Strike SECTIONS 3 and 4 of the bill (page 2, lines 12-56).

(6) Add the following appropriately numbered SECTION to the bill:

SECTION ____ . Chapter 86, Election Code, is amended by adding Section 86.0105 to read as follows:

Sec. 86.0105. COMPENSATION FOR ASSISTING VOTERS PROHIBITED.

(a) A person commits an offense if the person:

(1) compensates another person for assisting voters as provided by Section 86.010, including by any performance-based compensation scheme based on the number of voters assisted or in which another person is presented with a quota of voters to be assisted as provided by Section 86.010;

(2) engages in another practice that causes another person's compensation from or employment status with the person to be dependent on the number of voters assisted as provided by Section 86.010; or

(3) with knowledge that accepting compensation for such activity is illegal, accepts compensation for an activity described by Subdivision (1) or (2).

(b) Except as provided by Subsection (c), an offense under this section is a misdemeanor punishable by:

(1) confinement in jail for a term of not more than one year or less than 30 days; or

(2) confinement described by Subdivision (1) and a fine not to exceed \$4,000.

(c) An offense under this section is a state jail felony if it is shown on the trial of an offense under this section that the defendant was previously convicted two or more times under this section.

(d) An officer, director, or other agent of an entity that commits an offense under this section is punishable for the offense.

(e) For purposes of this section, compensation means any form of monetary payment, goods, services, benefits, or promises or offers of employment, or any other form of consideration offered to another person in exchange for assisting voters.

(7) In SECTION 5 of the bill, in amended Section 86.013(d), Election Code (page 2, line 67), strike "limitation on" and substitute "prohibition on compensation for".

(8) In SECTION 5 of the bill, in amended Section 86.013(d), Election Code (page 2, line 69), strike "prescribed by Section 85.0051(b-1)" and substitute "under Section 86.0052".

(9) Renumber remaining SECTIONS of the bill accordingly.

PAXTON
CAMPBELL

The amendment to **HB 148** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Paxton and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 148 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Van de Putte, West.

HOUSE BILL 148 ON THIRD READING

Senator Paxton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 148** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Watson, Whitmire, Williams, Zaffirini.

Nays: Van de Putte, West.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2. (Same as previous roll call)

REMARKS ORDERED PRINTED

On motion of Senator Watson and by unanimous consent, the remarks by Senators Paxton and Watson regarding **HB 148** were ordered reduced to writing and printed in the *Senate Journal* as follows:

Senator Watson: Thank you, Senator Paxton. I appreciate your comment just a moment ago. I want to ask a couple of questions about what you're talking about. First, what this bill is geared at and what it now says is that it would only be an offense in instances where there was what we refer to as a harvesting of ballots. Is that correct?

Senator Paxton: That is correct.

Senator Watson: Or in assisting in voting where it's based, the compensation would be based upon the number of people that are involved or based upon a quota system, something of that nature.

Senator Paxton: That's correct.

Senator Watson: So, in a routine campaign situation where there may be campaign workers, and there may be an absentee ballot program that someone has that, for example, in your campaign. In your campaign, you had an absentee ballot program and you have campaign workers that go out and pick up some ballots, that's part of that program. So long as it's not based upon a quota or they're not compensated based upon the number of ballots, then there wouldn't be an offense?

Senator Paxton: Right. As long as it's in the normal course of their activities, yeah, they can do that.

Senator Watson: And if they were giving people an assistance for rides to the polls, for example, in your campaign, that assistance to those voters, so long as it's not based upon a certain number of voters that need to be helped, or a quota of voters, and the compensation isn't based upon those numbers or quotas, then there would not be an offense?

Senator Paxton: That is correct.

Senator Watson: The other thing I want to ask you is, we spent a lot of time today working on this, and I appreciate your working with me on this—

Senator Paxton: I appreciate your help.

Senator Watson: --but, you have a commitment both from the House author, who I see in the back of the room, and she's been involved today, and you, that the amendment that you're getting ready to lay out, and that if we vote to suspend and pass that, that that is going to be what is passed. It won't be changed in any way?

Senator Paxton: I will not change. If anything changes, I will make sure this bill goes away.

Senator Watson: Alright, I want to be clear about that. When you say this bill goes away, if, I think I have a commitment, I see her nodding her head. I have a commitment from the House author and from you as the Senate sponsor that if it changes in any way, you'll pull down the bill, and the bill will die.

Senator Paxton: That is correct. That's my pledge.

Senator Watson: Thank you, Senator Paxton—

Senator Paxton: Thank you—

Senator Watson: —I appreciate your work.

Senator Paxton: —I really appreciate yours. Thank you.

HOUSE BILL 800 ON SECOND READING

Senator Deuell moved to suspend the regular order of business to take up for consideration **HB 800** at this time on its second reading:

HB 800, Relating to a sales and use tax exemption and a franchise tax credit related to certain research and development activities.

The motion prevailed.

Senators Garcia, Seliger, West, and Zaffirini asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Garcia, Seliger, West, Zaffirini.

HOUSE BILL 800 ON THIRD READING

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 800** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Taylor, Uresti, Van de Putte, Watson, Whitmire, Williams.

Nays: Garcia, Seliger, West, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

HOUSE BILL 2304 ON SECOND READING

On motion of Senator Watson and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2304** at this time on its second reading:

HB 2304, Relating to the certification of sheriffs and deputy sheriffs to enforce commercial motor vehicle safety standards in certain counties.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hegar.

HOUSE BILL 2304 ON THIRD READING

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2304** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1.

Nays: Hegar.

HOUSE BILL 3142 ON SECOND READING

Senator Estes moved to suspend the regular order of business to take up for consideration **HB 3142** at this time on its second reading:

HB 3142, Relating to handguns used to demonstrate proficiency in handgun use for purposes of obtaining a concealed handgun license.

The motion prevailed.

Senators Rodríguez, Watson, and Zaffirini asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3142** by adding the appropriately numbered sections as follows:

SECTION _____. Section 229.001, Local Government Code, is amended to read as follows:

Sec. 229.001. FIREARMS; AIR GUNS; EXPLOSIVES. (a) Notwithstanding any other law, including Section 43.002 of this code and Chapter 251, Agriculture Code, a municipality may not adopt regulations relating to:

(1) the transfer, private ownership, keeping, transportation, licensing, or registration of firearms, air guns, ammunition, or firearm or air gun supplies; or

(2) the discharge of a firearm or air gun at a sport shooting range.

(b) Subsection (a) does not affect the authority a municipality has under another law to:

(1) require residents or public employees to be armed for personal or national defense, law enforcement, or another lawful purpose;

(2) regulate the discharge of firearms or air guns within the limits of the municipality, other than at a sport shooting range;

(3) regulate the use of property, the location of a business, or uses at a business under the municipality's fire code, zoning ordinance, or land-use regulations as long as the code, ordinance, or regulations are not used to circumvent the intent of Subsection (a) or Subdivision (5) of this subsection;

(4) regulate the use of firearms or air guns in the case of an insurrection, riot, or natural disaster if the municipality finds the regulations necessary to protect public health and safety;

(5) regulate the storage or transportation of explosives to protect public health and safety, except that 25 pounds or less of black powder for each private residence and 50 pounds or less of black powder for each retail dealer are not subject to regulation;

(6) regulate the carrying of a firearm or air gun by a person other than a person licensed to carry a concealed handgun under Subchapter H, Chapter 411, Government Code, at a:

(A) public park;

(B) public meeting of a municipality, county, or other governmental body;

(C) political rally, parade, or official political meeting; or

(D) nonfirearms-related school, college, or professional athletic event;

[or]

(7) regulate the hours of operation of a sport shooting range, except that the hours of operation may not be more limited than the least limited hours of operation of any other business in the municipality other than a business permitted or licensed to sell or serve alcoholic beverages for on-premises consumption; or

(8) regulate the carrying of an air gun by a minor on:

(A) public property; or

(B) private property without consent of the property owner.

(c) The exception provided by Subsection (b)(6) does not apply if the firearm or air gun is in or is carried to or from an area designated for use in a lawful hunting, fishing, or other sporting event and the firearm or air gun is of the type commonly used in the activity.

(d) The exception provided by Subsection (b)(4) does not authorize the seizure or confiscation of any firearm, air gun, or ammunition from an individual who is lawfully carrying or possessing the firearm, air gun, or ammunition.

(e) In this section:

(1) "Air gun" means any gun that discharges a pellet, BB, or paintball by means of compressed air, gas propellant, or a spring.

(2) "Sport[~~ing~~] shooting range" has the meaning assigned by Section 250.001.

SECTION _____. Subchapter B, Chapter 235, Local Government Code, is amended by adding Section 235.020 to read as follows:

Sec. 235.020. DEFINITION. In this subchapter, "air gun" has the meaning assigned by Section 229.001.

SECTION _____. Section 235.022, Local Government Code, is amended to read as follows:

Sec. 235.022. **AUTHORITY TO REGULATE.** To promote the public safety, the commissioners court of a county by order may prohibit or otherwise regulate the discharge of firearms and air guns on lots that are 10 acres or smaller and are located in the unincorporated area of the county in a subdivision.

SECTION _____. Section 235.023, Local Government Code, is amended to read as follows:

Sec. 235.023. PROHIBITED REGULATIONS. This subchapter does not authorize the commissioners court to regulate the transfer, ownership, possession, or transportation of firearms or air guns and does not authorize the court to require the registration of firearms or air guns.

SECTION _____. Section 236.001, Local Government Code, is amended to read as follows:

Sec. 236.001. DEFINITIONS [~~DEFINITION~~]. In this chapter:

(1) "Air gun" has the meaning assigned by Section 229.001.

(2) "Sport~~[-sport]~~ shooting range" has the meaning assigned by Section 250.001.

SECTION _____. Section 236.002, Local Government Code, is amended to read as follows:

Sec. 236.002. FIREARMS; AIR GUNS; SPORT SHOOTING RANGE. Notwithstanding any other law, including Chapter 251, Agriculture Code, a county may not adopt regulations relating to:

(1) the transfer, private ownership, keeping, transportation, licensing, or registration of firearms, air guns, ammunition, or firearm or air gun supplies; or

(2) the discharge of a firearm or air gun at a sport shooting range.

SECTION _____. Section 236.003, Local Government Code, is amended to read as follows:

Sec. 236.003. REGULATION OF OUTDOOR SPORT SHOOTING RANGE. Notwithstanding Section 236.002, a county may regulate the discharge of a firearm or air gun at an outdoor sport shooting range as provided by Subchapter B, Chapter 235.

The amendment to **HB 3142** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Nays: Watson.

On motion of Senator Estes and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3142 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Rodríguez, Watson, Zaffirini.

HOUSE BILL 3142 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3142** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Uresti, Van de Putte, West, Whitmire, Williams.

Nays: Rodríguez, Watson, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

HOUSE BILL 581 ON THIRD READING

Senator Lucio moved to suspend the regular order of business to take up for consideration **HB 581** at this time on its third reading and final passage:

HB 581, Relating to the waiver of sovereign immunity in certain employment lawsuits by nurses and in certain employment discrimination actions in connection with a workers' compensation claim.

The motion prevailed by the following vote: Yeas 22, Nays 9.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Lucio, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner.

The bill was read third time and was passed by the following vote: Yeas 22, Nays 9. (Same as previous roll call)

HOUSE BILL 2500 ON SECOND READING

Senator Watson moved to suspend the regular order of business to take up for consideration **HB 2500** at this time on its second reading:

HB 2500, Relating to the appraisal for ad valorem tax purposes of solar energy property.

The motion prevailed.

Senators Campbell, Hancock, and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Campbell, Hancock, Schwertner.

HOUSE BILL 2500 ON THIRD READING

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2500** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Hancock, Schwertner.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

HOUSE BILL 2912 ON SECOND READING

On motion of Senator Rodríguez and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2912** at this time on its second reading:

HB 2912, Relating to decedents' estates.

The bill was read second time.

Senator Rodríguez offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **HB 2912** (house engrossment) as follows:

(1) On page 13, lines 8-9, strike "until the applicant files the affidavit required by this section" and substitute "until the affidavit or certificate required by Subsection (a) is filed".

(2) On page 46, line 4, strike "405.001(b)".

(3) On page 46, line 12, strike "and 403.056(a)" and substitute "403.056(a), and 405.001(b)".

The amendment to **HB 2912** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Committee Amendment No. 1.

Senator Rodríguez offered the following committee amendment to the bill:

Committee Amendment No. 2

Amend **HB 2912** (house engrossment) as follows:

(1) Strike SECTION 11 of the bill.

(2) On page 46, lines 10 and 11, strike "201.001(f) and (g)".

(3) On page 46, line 13, strike "201.001(i) and (j)".

(4) Renumber SECTIONS of the bill appropriately.

The amendment to **HB 2912** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Committee Amendment No. 2.

On motion of Senator Rodríguez and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 2912 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2912 ON THIRD READING

Senator Rodríguez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2912** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

SENATE BILL 2 WITH HOUSE AMENDMENTS

Senator Patrick called **SB 2** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 2** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to certain charter schools.

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

SECTION 1. Subchapter D, Chapter 11, Education Code, is amended by adding Sections 11.1542 and 11.1543 to read as follows:

Sec. 11.1542. OPEN-ENROLLMENT CHARTER SCHOOL OFFER FOR DISTRICT FACILITY. (a) The board of trustees of an independent school district that intends to sell, lease, or allow use for a purpose other than a district purpose of an unused or underused district facility must give each open-enrollment charter school located wholly or partly within the boundaries of the district the opportunity to make an offer to purchase, lease, or use the facility, as applicable, in response to any terms established by the board of trustees, before offering the facility for sale or lease or to any other specific entity.

(b) This section does not require the board of trustees of a school district to accept an offer made by an open-enrollment charter school.

Sec. 11.1543. CHARTER SCHOOL PAYMENT FOR FACILITIES USE OR FOR SERVICES. (a) An independent school district may not require a campus or campus program that has been granted a charter under Subchapter C, Chapter 12, and that is the result of the conversion of the status of an existing school district campus to pay rent for or to purchase a facility in order to use the facility.

(b) An independent school district may not require a campus or campus program described by Subsection (a) or an open-enrollment charter school to pay for any service provided by the district under a contract between the district and the campus, campus program, or open-enrollment charter school an amount that is greater than the amount of the actual costs to the district of providing the service.

SECTION 2. Section 12.055, Education Code, is amended to read as follows:

Sec. 12.055. APPLICABILITY OF LAWS AND RULES TO CAMPUS OR PROGRAM GRANTED CHARTER. (a) A campus or program for which a charter is granted under this subchapter is subject to federal and state laws and rules

governing public schools, except that the campus or program is subject to this code and rules adopted under this code only to the extent the applicability to a campus or program for which a charter is granted under this subchapter of a provision of this code or a rule adopted under this code is specifically provided.

(b) A school district may contract with another district or an open-enrollment charter school for services at a campus charter. An employee of the district or open-enrollment charter school providing contracted services to a campus charter is eligible for membership in and benefits from the Teacher Retirement System of Texas if the employee would be eligible for membership and benefits if holding the same position at the employing district or open-enrollment charter school.

SECTION 3. Subsection (b), Section 12.056, Education Code, is amended to read as follows:

(b) A campus or program for which a charter is granted under this subchapter is subject to:

- (1) a provision of this title establishing a criminal offense; and
- (2) a prohibition, restriction, or requirement, as applicable, imposed by this title or a rule adopted under this title, relating to:

(A) the Public Education Information Management System (PEIMS) to the extent necessary to monitor compliance with this subchapter as determined by the commissioner;

(B) criminal history records under Subchapter C, Chapter 22;

(C) high school graduation under Section 28.025;

(D) special education programs under Subchapter A, Chapter 29;

(E) bilingual education under Subchapter B, Chapter 29;

(F) prekindergarten programs under Subchapter E, Chapter 29;

(G) extracurricular activities under Section 33.081;

(H) health and safety under Chapter 38; and

(I) public school accountability under Subchapters B, C, D, E, F, and J,

Chapter 39.

SECTION 4. Section 12.057, Education Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) An employee of a charter holder, as defined by Section 12.1012, who is employed on a campus or in a program granted a charter under this subchapter and who qualifies for membership in the Teacher Retirement System of Texas shall be covered under the system in the same manner and to the same extent as a qualified employee of an independent school district who is employed on a regularly operating campus or in a regularly operating program.

SECTION 5. Section 12.059, Education Code, is amended to read as follows:

Sec. 12.059. CONTENT. Each charter granted under this subchapter must:

(1) describe the educational program to be offered, which may be a general or specialized program;

(2) provide that continuation of the charter is contingent on satisfactory student performance under Subchapter B, Chapter 39, satisfactory financial performance under Subchapter D, Chapter 39, and ~~on~~ compliance with other applicable accountability provisions under Chapter 39;

(3) specify any basis, in addition to a basis specified by this subchapter, on which the charter may be ~~[placed on probation or]~~ revoked;

(4) prohibit discrimination in admission on the basis of national origin, ethnicity, race, religion, or disability;

(5) describe the governing structure of the campus or program;

(6) specify any procedure or requirement, in addition to those under Chapter 38, that the campus or program will follow to ensure the health and safety of students and employees; and

(7) describe the manner in which an annual audit of financial and programmatic operations of the campus or program is to be conducted, including the manner in which the campus or program will provide information necessary for the school district in which it is located to participate, as required by this code or by State Board of Education rule, in the Public Education Information Management System (PEIMS).

SECTION 6. Section 12.101, Education Code, is amended by amending Subsection (b) and adding Subsections (b-0), (b-1), (b-2), (b-3), (b-4), (b-5), and (b-6) to read as follows:

(b) After thoroughly investigating and evaluating an applicant, the [The] State Board of Education may grant a charter for an open-enrollment charter school only to an applicant that meets any financial, governing, educational, and operational standards adopted by the commissioner under this subchapter, that the board determines is capable of carrying out the responsibilities provided by the charter and likely to operate a school of high quality, and that:

(1) has not within the preceding 10 years had a charter under this chapter or a similar charter issued under the laws of another state surrendered under a settlement agreement, revoked, or denied renewal; or

(2) is not, under rules adopted by the commissioner, considered to be a corporate affiliate of or substantially related to an entity that has within the preceding 10 years had a charter under this chapter or a similar charter issued under the laws of another state surrendered under a settlement agreement, revoked, or denied renewal.

(b-0) Notwithstanding any other provision of this subchapter, not later than the 90th day after the date the State Board of Education takes final action in granting a charter for an open-enrollment charter school, the commissioner may veto the grant of the charter.

(b-1) In granting charters for open-enrollment charter schools, the [The] State Board of Education may not grant a total of more than:

(1) 215 charters through the fiscal year ending August 31, 2014;

(2) 225 charters beginning September 1, 2014;

(3) 235 charters beginning September 1, 2015;

(4) 245 charters beginning September 1, 2016;

(5) 255 charters beginning September 1, 2017; and

(6) 265 charters beginning September 1, 2018 [for an open enrollment charter school].

(b-2) Beginning September 1, 2019, the total number of charters for open-enrollment charter schools that may be granted is 275 charters.

(b-3) The State Board of Education may not grant more than one charter for an open-enrollment charter school to any charter holder. The board may consolidate charters for an open-enrollment charter school held by multiple charter holders into a single charter held by a single charter holder with the written consent to the terms of consolidation by or at the request of each charter holder affected by the consolidation.

(b-4) Notwithstanding Section 12.114, approval of the commissioner under that section is not required for establishment of a new open-enrollment charter school campus under this subsection. A charter holder having an accreditation status of accredited and at least 50 percent of its student population in grades assessed under Subchapter B, Chapter 39, may establish one or more new campuses under an existing charter held by the charter holder if:

(1) the charter holder is currently evaluated under the standard accountability procedures for evaluation under Chapter 39 and received a district rating in the highest or second highest performance rating category under Subchapter C, Chapter 39, for three of the last five years with at least 75 percent of the campuses rated under the charter also receiving a rating in the highest or second highest performance rating category and with no campus with a rating in the lowest performance rating category in the most recent ratings;

(2) the charter holder provides written notice to the commissioner of the establishment of any campus under this subsection in the time, manner, and form provided by rule of the commissioner; and

(3) not later than the 60th day after the date the charter holder provides written notice under Subdivision (2), the commissioner does not provide written notice to the charter holder of disapproval of a new campus under this section.

(b-5) The initial term of a charter granted under this section is five years.

(b-6) The commissioner shall adopt rules to modify criteria for granting a charter for an open-enrollment charter school under this section to the extent necessary to address changes in performance rating categories or in the financial accountability system under Chapter 39.

SECTION 7. Subchapter D, Chapter 12, Education Code, is amended by adding Section 12.1011 to read as follows:

Sec. 12.1011. CHARTER AUTHORIZATION FOR HIGH-PERFORMING ENTITIES. (a) Notwithstanding Section 12.101(b), subject to the limit on the number of charters for an open-enrollment charter school that may be granted under Section 12.101(b-1), the State Board of Education may grant a charter for an open-enrollment charter school to an applicant that is:

(1) an eligible entity under Section 12.101(a)(3) that proposes to operate the charter school program of a charter operator that operates one or more charter schools in another state and with which the eligible entity is affiliated and, as determined by the commissioner in accordance with commissioner rule, has performed at a level of performance comparable to performance under the highest or second highest performance rating category under Subchapter C, Chapter 39; or

(2) an entity that has operated one or more charter schools established under this subchapter or Subchapter C or E and, as determined by the commissioner in accordance with commissioner rule, has performed in the highest or second highest performance rating category under Subchapter C, Chapter 39.

(b) Section 12.101(b-0) applies to the grant of a charter under this section.

(c) To the extent authorized by commissioner rule, a charter holder granted a charter for an open-enrollment charter school under this section may vest management of corporate affairs in a member entity provided that the member entity may change the members of the governing body of the charter holder before the expiration of a member's term only with the express written approval of the commissioner.

(d) The initial term of a charter granted under this section is five years.

(e) The commissioner shall adopt rules to modify criteria for granting a charter for an open-enrollment charter school under this section to the extent necessary to address changes in performance rating categories under Subchapter C, Chapter 39.

SECTION 8. Subchapter D, Chapter 12, Education Code, is amended by adding Section 12.1013 to read as follows:

Sec. 12.1013. REPORT COMPARING PUBLIC SCHOOLS. (a) In this section, "matched traditional campus" means a school district campus that has a student demographic composition similar to an open-enrollment charter school with which the district campus is being compared.

(b) The commissioner shall annually report under Subchapters J and K, Chapter 39, the performance of open-enrollment charter schools compared to the performance of campuses and programs operating under charters granted by school districts and of matched traditional campuses, based on student achievement indicators adopted under Section 39.053.

(c) The format of the report under Subsection (b) must enable the public to distinguish and compare the performance of each type of public school by classifying the schools as follows:

(1) open-enrollment charter schools;

(2) campuses or programs operating under charters granted by school districts; and

(3) matched traditional campuses.

(d) The report must include the performance of each public school in each class described by Subsection (c) as measured by the student achievement indicators adopted under Section 39.053.

(e) The report must also:

(1) aggregate and compare the performance of open-enrollment charter schools, campuses and programs operating under charters granted by school districts, and matched traditional campuses; and

(2) rate the aggregate performance of elementary, middle or junior high, and high schools within each class described by Subsection (c) as indicated by the composite rating that would be assigned to the class of elementary, middle or junior high, and high schools if the students attending all schools in that class were cumulatively enrolled in one elementary, middle or junior high, or high school.

SECTION 9. Section 12.102, Education Code, is amended to read as follows:

Sec. 12.102. AUTHORITY UNDER CHARTER. An open-enrollment charter school:

(1) shall provide instruction to students at one or more elementary or secondary grade levels as provided by the charter;

(2) is governed under the governing structure described by the charter;

(3) retains authority to operate under the charter to the extent authorized under Sections 12.1141 and 12.115 and Subchapter E, Chapter 39 [~~contingent on satisfactory student performance as provided by the charter in accordance with Section 12.111~~]; and

(4) does not have authority to impose taxes.

SECTION 10. Subsection (b), Section 12.104, Education Code, is amended to read as follows:

(b) An open-enrollment charter school is subject to:

(1) a provision of this title establishing a criminal offense; and

(2) a prohibition, restriction, or requirement, as applicable, imposed by this title or a rule adopted under this title, relating to:

(A) the Public Education Information Management System (PEIMS) to the extent necessary to monitor compliance with this subchapter as determined by the commissioner;

(B) criminal history records under Subchapter C, Chapter 22;

(C) reading instruments and accelerated reading instruction programs under Section 28.006;

(D) accelerated instruction under Section 28.0211;

(E) high school graduation requirements under Section 28.025;

(F) special education programs under Subchapter A, Chapter 29;

(G) bilingual education under Subchapter B, Chapter 29;

(H) prekindergarten programs under Subchapter E, Chapter 29;

(I) extracurricular activities under Section 33.081;

(J) discipline management practices or behavior management techniques under Section 37.0021;

(K) health and safety under Chapter 38;

(L) public school accountability under Subchapters B, C, D, E, F, G, and J, Chapter 39;

(M) the requirement under Section 21.006 to report an educator's misconduct; ~~and~~

(N) intensive programs of instruction under Section 28.0213; and

(O) parental rights and responsibilities under Chapter 26.

SECTION 11. Section 12.1051, Education Code, is amended by amending Subsection (b) and adding Subsections (c) and (d) to read as follows:

(b) With respect to the operation of an open-enrollment charter school, except as provided by Subsection (d), any requirement in Chapter 551 or 552, Government Code, or another law that concerns open meetings or the availability of information, that applies to a school district, the board of trustees of a school district, or public school students applies to an open-enrollment charter school, the governing body of a charter holder, the governing body of an open-enrollment charter school, or students attending an open-enrollment charter school.

(c) The governing body of a charter holder and the governing body of an open-enrollment charter school shall, not later than 48 hours before the time scheduled for the beginning of a meeting of the governing body, post the agenda of the meeting on the Internet website of the charter holder or school, as applicable. The commissioner shall adopt rules as necessary to administer this subsection.

(d) Notwithstanding Subchapter F, Chapter 551, Government Code, the commissioner shall provide by rule for meetings by telephone conference call or video conference call where a quorum of the governing body of a charter holder or charter school is not physically present at a single location of the meeting. The rules concerning a meeting by telephone conference call or video conference call must:

(1) provide for the meeting to be subject to the notice requirements applicable to other meetings;

(2) require each part of the meeting that is required to be open to the public to be audible to the public at a location within the geographical area served by the open-enrollment charter school;

(3) require audio recording of the meeting and for the recording to be made available to the public;

(4) require the location of the meeting that is open to the public to provide two-way communication during the entire meeting; and

(5) require the identification of each party to the conference call to be clearly stated before the party speaks.

SECTION 12. Section 12.1055, Education Code, is amended by adding Subsection (c) to read as follows:

(c) Section 11.1513(f) applies to an open-enrollment charter school as though the governing body of the school were the board of trustees of a school district and to the superintendent or, as applicable, the administrator serving as educational leader and chief executive officer of the school as though that person were the superintendent of a school district.

SECTION 13. Section 12.110, Education Code, is amended by amending Subsection (d) and adding Subsection (e) to read as follows:

(d) The State Board of Education [~~board may~~] approve or deny an application based on:

(1) documented evidence collected through the application review process;

(2) merit; and

(3) other criteria as adopted by the board, which [~~it adopts. The criteria the board adopts~~] must include:

(A) criteria relating to the capability of the applicant to carry out the responsibilities provided by the charter and the likelihood that the applicant will operate a school of high quality;

(B) [(H)] criteria relating to improving student performance and encouraging innovative programs; and

(C) [(2)] a statement from any school district whose enrollment is likely to be affected by the open-enrollment charter school, including information relating to any financial difficulty that a loss in enrollment may have on the district.

(e) The State Board of Education shall give priority to applications that propose an open-enrollment charter school campus to be located in the attendance zone of a school district campus assigned an unacceptable performance rating under Section 39.054 for the two preceding school years.

SECTION 14. Section 12.1101, Education Code, is amended to read as follows:

Sec. 12.1101. NOTIFICATION OF CHARTER APPLICATION OR ESTABLISHMENT OF CAMPUS. The commissioner by rule shall adopt a procedure for providing notice to the following persons on receipt by the State Board of Education of an application for a charter for an open-enrollment charter school under Section 12.110 or of notice of the establishment of a campus as authorized under Section 12.101(b-4):

(1) the board of trustees of each school district from which the proposed open-enrollment charter school or campus is likely to draw students, as determined by the commissioner; and

(2) each member of the legislature that represents the geographic area to be served by the proposed school or campus, as determined by the commissioner.

SECTION 15. Subsection (a), Section 12.111, Education Code, is amended to read as follows:

(a) Each charter granted under this subchapter must:

(1) describe the educational program to be offered, which must include the required curriculum as provided by Section 28.002;

(2) ~~[specify the period for which the charter or any charter renewal is valid;~~

~~[(3)] provide that continuation [or renewal] of the charter is contingent on the status of the charter as determined under Section 12.1141 or 12.115 or under Subchapter E, Chapter 39 [acceptable student performance on assessment instruments adopted under Subchapter B, Chapter 39, and on compliance with any accountability provision specified by the charter, by a deadline or at intervals specified by the charter];~~

(3) specify the academic, operational, and financial performance expectations by which a school operating under the charter will be evaluated, which must include applicable elements of the performance frameworks adopted under Section 12.1181 ~~[(4) establish the level of student performance that is considered acceptable for purposes of Subdivision (3)];~~

~~(4) [(5)] specify:~~

~~(A) any basis, in addition to a basis specified by this subchapter or Subchapter E, Chapter 39, on which the charter may be [placed on probation or] revoked, [or on which] renewal of the charter may be denied, or the charter may be allowed to expire; and~~

~~(B) the standards for evaluation of a school operating under the charter for purposes of charter renewal, denial of renewal, expiration, revocation, or other intervention in accordance with Section 12.1141 or 12.115 or Subchapter E, Chapter 39, as applicable;~~

~~(5) [(6)] prohibit discrimination in admission policy on the basis of sex, national origin, ethnicity, religion, disability, academic, artistic, or athletic ability, or the district the child would otherwise attend in accordance with this code, although the charter may:~~

~~(A) provide for the exclusion of a student who has a documented history of a criminal offense, a juvenile court adjudication, or discipline problems under Subchapter A, Chapter 37; and~~

~~(B) provide for an admission policy that requires a student to demonstrate artistic ability if the school specializes in performing arts;~~

- (6) ~~(7)~~ specify the grade levels to be offered;
- (7) ~~(8)~~ describe the governing structure of the program, including:
- (A) the officer positions designated;
 - (B) the manner in which officers are selected and removed from office;
 - (C) the manner in which members of the governing body of the school are selected and removed from office;
 - (D) the manner in which vacancies on that governing body are filled;
 - (E) the term for which members of that governing body serve; and
 - (F) whether the terms are to be staggered;
- (8) ~~(9)~~ specify the powers or duties of the governing body of the school that the governing body may delegate to an officer;
- (9) ~~(10)~~ specify the manner in which the school will distribute to parents information related to the qualifications of each professional employee of the program, including any professional or educational degree held by each employee, a statement of any certification under Subchapter B, Chapter 21, held by each employee, and any relevant experience of each employee;
- (10) ~~(11)~~ describe the process by which the person providing the program will adopt an annual budget;
- (11) ~~(12)~~ describe the manner in which an annual audit of the financial and programmatic operations of the program is to be conducted, including the manner in which the person providing the program will provide information necessary for the school district in which the program is located to participate, as required by this code or by State Board of Education rule, in the Public Education Information Management System (PEIMS);
- (12) ~~(13)~~ describe the facilities to be used;
- (13) ~~(14)~~ describe the geographical area served by the program;
- (14) ~~and~~
- (15) ~~(15)~~ specify any type of enrollment criteria to be used;
- (15) provide information, as determined by the commissioner, relating to any management company that will provide management services to a school operating under the charter; and
- (16) specify that the governing body of an open-enrollment charter school accepts and may not delegate ultimate responsibility for the school, including the school's academic performance and financial and operational viability, and is responsible for overseeing any management company providing management services for the school and for holding the management company accountable for the school's performance.

SECTION 16. Section 12.114, Education Code, is amended by adding Subsection (c) to read as follows:

(c) Not later than the 60th day after the date that a charter holder submits to the commissioner a completed request for approval for an expansion amendment, as defined by commissioner rule, including a new school amendment, the commissioner shall provide to the charter holder written notice of approval or disapproval of the amendment.

SECTION 17. Subchapter D, Chapter 12, Education Code, is amended by adding Section 12.1141 to read as follows:

Sec. 12.1141. RENEWAL OF CHARTER; DENIAL OF RENEWAL; EXPIRATION. (a) The commissioner shall develop and by rule adopt a procedure for renewal, denial of renewal, or expiration of a charter for an open-enrollment charter school at the end of the term of the charter. The procedure must include consideration of the performance under Chapter 39 of the charter holder and each campus operating under the charter and must include three distinct processes, which must be expedited renewal, discretionary consideration of renewal or denial of renewal, and expiration. To renew a charter at the end of the term, the charter holder must submit a petition for renewal to the commissioner in the time and manner established by commissioner rule.

(b) At the end of the term of a charter for an open-enrollment charter school, if a charter holder submits to the commissioner a petition for expedited renewal of the charter, the charter automatically renews unless, not later than the 30th day after the date the charter holder submits the petition, the commissioner provides written notice to the charter holder that expedited renewal of the charter is denied. The commissioner may not deny expedited renewal of a charter if:

(1) the charter holder has been assigned:

(A) the highest or second highest performance rating under Subchapter C, Chapter 39, for the three preceding school years; or

(B) except as provided by Subsection (b-1), an acceptable performance rating under the agency's alternative education accountability procedures for evaluation under Chapter 39;

(2) the charter holder has been assigned a financial performance accountability rating under Subchapter D, Chapter 39, indicating financial performance that is satisfactory or better for the three preceding school years; and

(3) no campus operating under the charter has been assigned the lowest performance rating under Subchapter C, Chapter 39, for the three preceding school years or such a campus has been closed.

(b-1) If, under the agency's alternative education accountability procedures for evaluation under Chapter 39, the commissioner provides for assigning performance ratings reflecting different levels of acceptable performance, the charter holder must have been assigned the highest or second highest performance rating under those procedures.

(c) At the end of the term of a charter for an open-enrollment charter school, if a charter holder submits to the commissioner a petition for renewal of the charter and the charter does not meet the criteria for expedited renewal under Subsection (b) or for expiration under Subsection (d), the commissioner shall use the discretionary consideration process. The commissioner's decision under the discretionary consideration process must take into consideration the results of annual evaluations under the performance frameworks established under Section 12.1181. In considering under this subsection the renewal of the charter of an open-enrollment charter school that is registered under the agency's alternative education accountability procedures for evaluation under Chapter 39, such as a dropout recovery school or a school providing education within a residential treatment facility, the commissioner shall use academic criteria established by commissioner rule that are appropriate to measure the specific goals of the school. The criteria established by the commissioner shall

recognize growth in student achievement as well as educational attainment. For purposes of this subsection, the commissioner shall designate as a dropout recovery school an open-enrollment charter school or a campus of an open-enrollment charter school:

(1) that serves students in grades 9 through 12 and has an enrollment of which at least 50 percent of the students are 17 years of age or older as of September 1 of the school year as reported for the fall semester Public Education Information Management System (PEIMS) submission; and

(2) that meets the eligibility requirements for and is registered under alternative education accountability procedures adopted by the commissioner.

(d) At the end of the term of a charter for an open-enrollment charter school, if a charter holder submits to the commissioner a petition for renewal of the charter, the commissioner may not renew the charter and shall allow the charter to expire if:

(1) the charter holder has been assigned the lowest performance rating under Subchapter C, Chapter 39, for any three of the five preceding school years;

(2) the charter holder has been assigned a financial accountability performance rating under Subchapter D, Chapter 39, indicating financial performance that is lower than satisfactory for any three of the five preceding school years;

(3) the charter holder has been assigned any combination of the ratings described by Subdivision (1) or (2) for any three of the five preceding school years; or

(4) any campus operating under the charter has been assigned the lowest performance rating under Subchapter C, Chapter 39, for the three preceding school years and such a campus has not been closed.

(e) Notwithstanding any other law, a determination by the commissioner under Subsection (d) is final and may not be appealed.

(f) Not later than the 90th day after the date on which a charter holder submits a petition for renewal of a charter for an open-enrollment charter school at the end of the term of the charter, the commissioner shall provide written notice to the charter holder, in accordance with commissioner rule, of the basis on which the charter qualified for expedited renewal, discretionary consideration, or expiration, and of the commissioner's decision regarding whether to renew the charter, deny renewal of the charter, or allow the charter to expire.

(g) Except as provided by Subsection (e), a decision by the commissioner to deny renewal of a charter for an open-enrollment charter school is subject to review by the State Office of Administrative Hearings. Notwithstanding Chapter 2001, Government Code:

(1) the administrative law judge shall uphold a decision by the commissioner to deny renewal of a charter for an open-enrollment charter school unless the judge finds the decision is arbitrary and capricious or clearly erroneous; and

(2) a decision of the administrative law judge under this subsection is final and may not be appealed.

(h) If a charter holder submits a petition for renewal of a charter for an open-enrollment charter school, notwithstanding the expiration date of the charter, the charter term is extended until the commissioner has provided notice to the charter holder of the renewal, denial of renewal, or expiration of the charter.

(i) The term of a charter renewed under this section is 10 years for each renewal.

(j) The commissioner shall adopt rules to modify criteria for renewal, denial of renewal, or expiration of a charter for an open-enrollment charter school under this section to the extent necessary to address changes in performance rating categories or in the financial accountability system under Chapter 39.

SECTION 18. Section 12.115, Education Code, is amended to read as follows:

Sec. 12.115. BASIS FOR CHARTER ~~[MODIFICATION, PLACEMENT ON PROBATION,] REVOCATION[;] OR MODIFICATION OF GOVERNANCE [DENIAL OF RENEWAL]~~. (a) Except as provided by Subsection (c), the [The] commissioner shall [may modify, place on probation,] revoke[, or deny renewal of] the charter of an open-enrollment charter school or reconstitute the governing body of the charter holder if the commissioner determines that the charter holder:

(1) committed a material violation of the charter, including failure to satisfy accountability provisions prescribed by the charter;

(2) failed to satisfy generally accepted accounting standards of fiscal management;

(3) failed to protect the health, safety, or welfare of the students enrolled at the school; [or]

(4) failed to comply with this subchapter or another applicable law or rule;

(5) failed to satisfy the performance framework standards adopted under Section 12.1181; or

(6) is imminently insolvent as determined by the commissioner in accordance with commissioner rule.

(b) The action the commissioner takes under Subsection (a) shall be based on the best interest of the open-enrollment charter school's students, the severity of the violation, [and] any previous violation the school has committed, and the accreditation status of the school.

(c) The commissioner shall revoke the charter of an open-enrollment charter school if:

(1) the charter holder has been assigned an unacceptable performance rating under Subchapter C, Chapter 39, for the three preceding school years;

(2) the charter holder has been assigned a financial accountability performance rating under Subchapter D, Chapter 39, indicating financial performance lower than satisfactory for the three preceding school years; or

(3) the charter holder has been assigned any combination of the ratings described by Subdivision (1) or (2) for the three preceding school years.

(d) This section does not limit the authority of the attorney general to take any action authorized by law.

(e) A charter holder rated as academically unacceptable under Subchapter D, Chapter 39, as that subchapter existed on January 1, 2009, for the 2010-2011 school year is considered to have been assigned an unacceptable performance rating for that school year under Subsection (c)(1). This subsection expires September 1, 2015.

SECTION 19. Section 12.116, Education Code, is amended to read as follows:

Sec. 12.116. PROCEDURE FOR [MODIFICATION, PLACEMENT ON PROBATION,] REVOCATION[;] OR MODIFICATION OF GOVERNANCE [DENIAL OF RENEWAL]. (a) The commissioner shall adopt an informal [a]

procedure to be used for ~~[modifying, placing on probation,]~~ revoking~~[, or denying renewal of]~~ the charter of an open-enrollment charter school or for reconstituting the governing body of the charter holder as authorized by Section 12.115.

(b) ~~[The procedure adopted under Subsection (a) must provide an opportunity for a hearing to the charter holder and to parents and guardians of students in the school. A hearing under this subsection must be held at the facility at which the program is operated.]~~

~~[(e)]~~ Chapter 2001, Government Code, does not apply to a procedure ~~[hearing]~~ that is related to a ~~[modification, placement on probation,]~~ revocation~~[,]~~ or modification of governance ~~[denial of renewal]~~ under this subchapter.

(c) A decision by the commissioner to revoke a charter is subject to review by the State Office of Administrative Hearings. Notwithstanding Chapter 2001, Government Code:

(1) the administrative law judge shall uphold a decision by the commissioner to revoke a charter unless the judge finds the decision is arbitrary and capricious or clearly erroneous; and

(2) a decision of the administrative law judge under this subsection is final and may not be appealed.

(d) If the commissioner revokes the charter of an open-enrollment charter school, the commissioner may:

(1) manage the school until alternative arrangements are made for the school's students; and

(2) assign operation of one or more campuses formerly operated by the charter holder who held the revoked charter to a different charter holder who consents to the assignment.

SECTION 20. Subsection (a), Section 12.1161, Education Code, is amended to read as follows:

(a) ~~If [Except as provided by Subsection (b), if]~~ the commissioner revokes or denies the renewal of a charter of an open-enrollment charter school~~[,]~~ or ~~[if]~~ an open-enrollment charter school surrenders its charter, the school may not:

(1) continue to operate under this subchapter; or

(2) receive state funds under this subchapter.

SECTION 21. Subsection (c), Section 12.1163, Education Code, is amended to read as follows:

(c) Unless the commissioner has specific cause to conduct an additional audit, the commissioner may not conduct more than one on-site audit ~~[under Section 12.1163]~~ during any fiscal year, including any financial and administrative records. For purposes of this subsection, an audit of a charter holder or management company associated with an open-enrollment charter school is not considered an audit of the school.

SECTION 22. Subsection (a), Section 12.1164, Education Code, is amended to read as follows:

(a) The commissioner must notify the Teacher Retirement System of Texas in writing of the revocation, denial of renewal, expiration, or surrender of a charter under this subchapter not later than the 10th business day after the date of the event.

SECTION 23. Subchapter D, Chapter 12, Education Code, is amended by adding Section 12.1181 to read as follows:

Sec. 12.1181. PERFORMANCE FRAMEWORKS; ANNUAL EVALUATIONS. (a) The commissioner shall develop and by rule adopt performance frameworks that establish standards by which to measure the performance of an open-enrollment charter school. The commissioner shall develop and by rule adopt separate, specific performance frameworks by which to measure the performance of an open-enrollment charter school that is registered under the agency's alternative education accountability procedures for evaluation under Chapter 39. The performance frameworks shall be based on national best practices that charter school authorizers use in developing and applying standards for charter school performance. In developing the performance frameworks, the commissioner shall solicit advice from charter holders, the members of the governing bodies of open-enrollment charter schools, and other interested persons.

(b) The performance frameworks must include student attrition rate as a standard and may include a variety of other standards. In evaluating an open-enrollment charter school, the commissioner shall measure school performance against an established set of quality standards developed and adopted by the commissioner.

(c) Each year, the commissioner shall evaluate the performance of each open-enrollment charter school based on the applicable performance frameworks adopted under Subsection (a). The performance of a school on a performance framework may not be considered for purposes of renewal of a charter under Section 12.1141(d) or revocation of a charter under Section 12.115(c).

SECTION 24. Subsection (c), Section 12.119, Education Code, is amended to read as follows:

(c) On request, the State Board of Education shall provide the information required by this section and Section 12.111(a)(7) [~~12.111(a)(8)~~] to a member of the public. The board may charge a reasonable fee to cover the board's cost in providing the information.

SECTION 25. Section 12.120, Education Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) Notwithstanding Subsection (a), subject to Section 12.1059, an open-enrollment charter school may employ a person:

(1) as a teacher or educational aide if:

(A) a school district could employ the person as a teacher or educational aide; or

(B) a school district could employ the person as a teacher or educational aide if the person held the appropriate certificate issued under Subchapter B, Chapter 21, and the person has never held a certificate issued under Subchapter B, Chapter 21; or

(2) in a position other than a position described by Subdivision (1) if a school district could employ the person in that position.

SECTION 26. Subchapter D, Chapter 12, Education Code, is amended by adding Section 12.1211 to read as follows:

Sec. 12.1211. NAMES OF MEMBERS OF GOVERNING BODY LISTED ON WEBSITE. An open-enrollment charter school shall list the names of the members of the governing body on the home page of the school's Internet website.

SECTION 27. Subsection (a), Section 12.122, Education Code, is amended to read as follows:

(a) Notwithstanding the applicable provisions of the Business Organizations Code [Texas Non-Profit Corporation Act (Article 1396.1-01 et seq., Vernon's Texas Civil Statutes)] or other law, on request of the commissioner, the attorney general may bring suit against a member of the governing body of an open-enrollment charter school for breach of a fiduciary duty by the member, including misapplication of public funds.

SECTION 28. Subsection (a), Section 12.128, Education Code, is amended to read as follows:

(a) Property purchased or leased with funds received by a charter holder under Section 12.106 after September 1, 2001:

(1) is considered to be public property for all purposes under state law;

(2) is property of this state held in trust by the charter holder for the benefit of the students of the open-enrollment charter school; and

(3) may be used only for a purpose for which a school district may use school district property.

SECTION 29. Subchapter D, Chapter 12, Education Code, is amended by adding Section 12.1231 to read as follows:

Sec. 12.1231. TRAINING FOR AGENCY EMPLOYEES. Not later than October 1, 2013, each agency employee assigned responsibility related to granting charters for open-enrollment charter schools or providing oversight or monitoring of charter holders or open-enrollment charter schools must participate in training on charter school authorization, oversight, and monitoring provided by a nationally recognized organization of charter school authorizers identified by the commissioner. This section expires January 1, 2014.

SECTION 30. Subchapter D, Chapter 12, Education Code, is amended by adding Section 12.136 to read as follows:

Sec. 12.136. POSTING OF CHIEF EXECUTIVE OFFICER SALARY. An open-enrollment charter school shall post on the school's Internet website the salary of the school's superintendent or, as applicable, of the administrator serving as educational leader and chief executive officer.

SECTION 31. Subsection (b), Section 12.156, Education Code, is amended to read as follows:

(b) A charter granted under this subchapter is not considered for purposes of the limit on the number of open-enrollment charter schools imposed by Section 12.101 [~~12.101(b)~~].

SECTION 32. Subsections (b), (c), and (d), Section 25.082, Education Code, are amended to read as follows:

(b) The board of trustees of each school district and the governing board of each open-enrollment charter school shall require students, once during each school day at each campus [~~school in the district~~], to recite:

(1) the pledge of allegiance to the United States flag in accordance with 4 U.S.C. Section 4~~[- and its subsequent amendments]~~; and

(2) the pledge of allegiance to the state flag in accordance with Subchapter C, Chapter 3100, Government Code.

(c) On written request from a student's parent or guardian, a school district or open-enrollment charter school shall excuse the student from reciting a pledge of allegiance under Subsection (b).

(d) The board of trustees of each school district and the governing board of each open-enrollment charter school shall provide for the observance of one minute of silence at each campus [school in the district] following the recitation of the pledges of allegiance to the United States and Texas flags under Subsection (b). During the one-minute period, each student may, as the student chooses, reflect, pray, meditate, or engage in any other silent activity that is not likely to interfere with or distract another student. Each teacher or other school employee in charge of students during that period shall ensure that each of those students remains silent and does not act in a manner that is likely to interfere with or distract another student.

SECTION 33. Subchapter D, Chapter 33, Education Code, is amended by adding Section 33.088 to read as follows:

Sec. 33.088. PARTICIPATION IN LEAGUE CONTESTS BY SPECIALTY HIGH SCHOOL. (a) In this section:

(1) "Division" includes academics, athletics, or music divisions of league contests.

(2) "Specialty high school" means the high school of an open-enrollment charter school that:

(A) enrolls students without regard to the attendance zones of the school district in which the high school is located; and

(B) is determined by the University Interscholastic League to specialize in a division of league contests.

(3) "League" means the University Interscholastic League.

(b) To ensure fair competition, the league shall adopt rules governing participation in league contests by students attending a specialty high school.

(c) The league rules adopted under Subsection (b) must require that, for any division of league contests that a specialty high school emphasizes, the school will be assigned to the conference with the largest student enrollment, except that the rules may provide for reasonable exceptions from that requirement based on travel, availability of participant schools, or other criteria.

(d) League rules adopted under Subsection (b) must apply beginning with the 2013-2014 school year. This subsection expires August 31, 2014.

SECTION 34. Section 39.152, Education Code, is amended to read as follows:

Sec. 39.152. REVIEW BY STATE OFFICE OF ADMINISTRATIVE HEARINGS: SANCTIONS. (a) A school district or open-enrollment charter school that intends to challenge a decision by the commissioner under this chapter to close the district or a district campus or the charter school or to pursue alternative management of a district campus or the charter school must appeal the decision under this section [the procedures provided for a contested case under Chapter 2001, Government Code].

(b) A challenge to a decision under this section is under the substantial evidence rule as provided by Subchapter G, Chapter 2001, Government Code. The commissioner shall adopt procedural rules for a challenge under this section.

(c) Notwithstanding other law:

(1) the State Office of Administrative Hearings shall conduct [~~provide~~] an expedited review of a challenge under this section;

(2) the administrative law judge shall issue a final order not later than the 30th day after the date on which the hearing is finally closed; [~~and~~]

(3) the decision of the administrative law judge is final and may not be appealed; and

(4) the decision of the administrative law judge may set an effective date for an action under this section.

SECTION 35. The following provisions of the Education Code are repealed:

(1) Subsection (b), Section 12.1055; and

(2) Subsection (b), Section 12.1161.

SECTION 36. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 2** (house committee report) as follows:

(1) On page 7, lines 3 and 4, strike "under this subsection" and substitute "if the requirements of this subsection, including the absence of commissioner disapproval under Subdivision (3), are satisfied".

(2) On page 14, line 18, between "Education" and "~~board may~~", insert "shall".

(3) On page 20, line 21, between "39" and the semicolon, insert "for the three preceding school years".

(4) On page 21, line 8, between "procedures" and the period, insert "for the three preceding school years".

(5) On page 24, between lines 10 and 11, insert the following:

(k) For purposes of determination of renewal under Subsection (b)(1) or (3) or (d)(1) or (4), performance during the 2011-2012 school year may not be considered. For purposes of determination of renewal under Subsection (b)(1) or (3) or (d)(1) or (4), the initial three school years for which performance ratings under Subchapter C, Chapter 39, shall be considered are the 2009-2010, 2010-2011, and 2012-2013 school years. For purposes of determination of renewal under Subsection (b)(2) or (d)(2), the earliest school year for which financial accountability performance ratings under Subchapter D, Chapter 39, may be considered is the 2010-2011 school year. This subsection expires September 1, 2016.

(6) On page 25, between lines 22 and 23, insert the following:

(c-1) For purposes of revocation under Subsection (c)(1), performance during the 2011-2012 school year may not be considered. For purposes of revocation under Subsection (c)(1), the initial three school years for which performance ratings under Subchapter C, Chapter 39, shall be considered are the 2009-2010, 2010-2011, and 2012-2013 school years. For purposes of revocation under Subsection (c)(2), the initial three school years for which financial accountability performance ratings under Subchapter D, Chapter 39, shall be considered are the 2010-2011, 2011-2012, and 2012-2013 school years. This subsection expires September 1, 2016.

(d) In reconstituting the governing body of a charter holder under this section, the commissioner shall appoint members to the governing body. In appointing members under this subsection the commissioner:

(1) shall consider:

(A) local input from community members and parents; and

(B) appropriate credentials and expertise for membership, including financial expertise, whether the person lives in the geographic area the charter holder serves, and whether the person is an educator; and

(2) may reappoint current members of the governing body.

(e) If a governing body of a charter holder subject to reconstitution under this section governs enterprises other than the open-enrollment charter school, the commissioner may require the charter holder to create a new, single-purpose organization that is exempt from taxation under Section 501(c)(3), Internal Revenue Code of 1986, to govern the open-enrollment charter school and may require the charter holder to surrender the charter to the commissioner for transfer to the organization created under this subsection. The commissioner shall appoint the members of the governing body of an organization created under this subsection.

(7) On page 25, line 23, strike "(d)" and substitute "(f)".

(8) On page 25, between lines 24 and 25, insert the following:

(g) The commissioner shall adopt rules necessary to administer this section.

(h) The commissioner shall adopt initial rules under Subsection (g) not later than September 1, 2014. This subsection expires October 1, 2014.

(9) Strike page 25, line 25, through page 26, line 3.

Floor Amendment No. 2

Amend **CSSB 2** (house committee printing) as follows:

(1) On page 5, line 10, strike "and (b-6)" and substitute "(b-6), and (b-7)".

(2) On page 8, between lines 5 and 6, insert the following:

(b-7) In adopting any financial standards under this subchapter that an applicant for a charter for an open-enrollment charter school must meet, the commissioner shall not:

(1) exclude any loan or line of credit in determining an applicant's available funding; or

(2) exclude an applicant from the grant of a charter solely because the applicant fails to demonstrate having a certain amount of current assets in cash.

Floor Amendment No. 5

Amend **CSSB 2** (house committee report) as follows:

(1) On page 11, lines 11 and 12, strike "Subsection (b), Section 12.104, Education Code, is amended" and substitute "Section 12.104, Education Code, is amended by amending Subsection (b) and adding Subsection (b-1)".

(2) On page 12, between lines 21 and 22, insert the following:

(b-1) During the first three years an open-enrollment charter school is in operation, the agency shall assist the school as necessary in complying with requirements under Subsection (b)(2)(A).

Floor Amendment No. 7

Amend **CSSB 2** (house committee report) as follows:

(1) On page 14, line 8, strike "Subsection (c)" and substitute "Subsections (c) and (d)".

(2) On page 14, between lines 14 and 15, insert the following:

(d) Notwithstanding any other provision of this section, a person who was not restricted or prohibited under this section as this section existed before September 1, 2013, from being employed by an open-enrollment charter school and who was employed by an open-enrollment charter school before September 1, 2013, is considered to have been in continuous employment as provided by Section 573.062(a), Government Code, and is not prohibited from continuing employment with the school.

Floor Amendment No. 9

Amend **CSSB 2** (house committee report) as follows:

(1) On page 35, line 2, strike "and".

(2) On page 35, line 3, strike the period and insert "; and".

(3) On page 35, between lines 3 and 4, insert the following:

(3) Subsection (b), Section 30A.101, Education Code, as amended by Chapters 895 (H.B. 3) and 1328 (H.B. 3646), Acts of the 81st Legislature, Regular Session, 2009.

(4) Insert the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Subsection (a), Section 30A.101, Education Code, is amended to read as follows:

(a) A school district or open-enrollment charter school is eligible to act as a provider school district or school under this chapter only if the district or school is rated acceptable [or higher] under Section 39.054. An open-enrollment charter school may serve as a provider school only:

(1) to a student within the school district in which the campus is located or within its service area, whichever is smaller; or

(2) to another student in the state:

(A) through an agreement with the school district in which the student resides; or

(B) if the student receives educational services under the supervision of a juvenile probation department, the Texas Juvenile Justice Department, or the Texas Department of Criminal Justice, through an agreement with the applicable agency.

Floor Amendment No. 10

Amend **CSSB 2** (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 12.129, Education Code, is amended to read as follows:

Sec. 12.129. MINIMUM ~~TEACHER~~ QUALIFICATIONS FOR ADMINISTRATORS AND TEACHERS. A person employed as an administrator or a teacher by an open-enrollment charter school must hold a baccalaureate degree [high school diploma].

Floor Amendment No. 11

Amend **CSSB 2** (house committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter D, Chapter 12, Education Code, is amended by adding Section 12.1014 to read as follows:

Sec. 12.1014. AUTHORIZATION FOR GRANT OF CHARTERS FOR SCHOOLS PRIMARILY SERVING STUDENTS WITH DISABILITIES. (a) The State Board of Education may grant under Section 12.101 a charter on the application of an eligible entity for an open-enrollment charter school intended primarily to serve students eligible to receive services under Subchapter A, Chapter 29.

(b) The limit on the number of charters for open-enrollment charter schools imposed by Section 12.101(b-1) does not apply to a charter granted under this section to a school at which at least 50 percent of the students are eligible to receive services under Subchapter A, Chapter 29. Not more than five charters may be granted for schools described by this subsection.

(c) For purposes of the applicability of state and federal law, including a law prescribing requirements concerning students with disabilities, an open-enrollment charter school described by Subsection (a) is considered the same as any other school for which a charter is granted under Section 12.101.

(d) To the fullest extent permitted under federal law, a parent of a student with a disability may choose to enroll the parent's child in an open-enrollment charter school described by Subsection (a) regardless of whether a disproportionate number of the school's students are students with disabilities.

(e) This section does not authorize an open-enrollment charter school to discriminate in admissions or in the services provided based on the presence, absence, or nature of an applicant's or student's disability.

(f) Each educator, including a person performing the duties of a superintendent, employed or under contract to serve on the instructional or administrative staff of an open-enrollment charter school described by Subsection (a) must hold the appropriate certificate, as determined in accordance with State Board for Educator Certification rule, to serve students with a disability of the same type as a disability of students enrolled in the school.

(g) The commissioner and the State Board for Educator Certification shall adopt rules as necessary to administer this section.

SECTION _____. Subchapter D, Chapter 12, Education Code, is amended by adding Section 12.1062 to read as follows:

Sec. 12.1062. FUNDING FOR CHARTER SCHOOLS PRIMARILY SERVING STUDENTS WITH DISABILITIES. A charter holder granted a charter under Section 12.1014 is entitled to receive for the open-enrollment charter school the sum of:

(1) funding under Chapter 42 equal to 105 percent of the amount of funding per student that the charter holder is entitled to receive under Section 12.106 for students receiving special education services under Subchapter A, Chapter 29;

(2) funding under Chapter 42 that the charter holder is entitled to receive under Section 12.106 for students not receiving special education services under Subchapter A, Chapter 29; and

(3) federal funds a student is eligible for under the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 et seq.).

SECTION _____. The State Board of Education is required to implement Sections 12.1014 and 12.1062, Education Code, as added by this Act, only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the board may, but it is not required to, implement those sections using other appropriations available for that purpose.

Floor Amendment No. 13

Amend **CSSB 2** (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter D, Chapter 12, Education Code, is amended by adding Section 12.1202 to read as follows:

Sec. 12.1202. REQUIREMENT FOR MAJORITY OF MEMBERS OF GOVERNING BODY. A majority of the members of the governing body of an open-enrollment charter school or the governing body of a charter holder must be qualified voters.

Floor Amendment No. 14

Amend **CSSB 2** to read as follows:

SECTION _____. Subchapter A, Chapter 44, Education Code, is amended by adding Section 44.0031 to read as follows:

Sec. 44.0031. ELECTRONIC CHECKING ACCOUNT TRANSACTION REGISTER. (a) A charter school shall maintain the transaction register for the school's checking account in a searchable portable document format (PDF) in which the transaction register is readily available for purposes of Subsections (d) and (e). Except as provided by Subsection (b) or (c), the electronic checking account transaction register must include for each check written from a school checking account:

(1) the transaction amount; and

(2) the name of the payee.

(a-1) Beginning September 1, 2013, a charter school's electronic checking account transaction register must contain the information required by Subsection (a) for each check dated on or after August 1, 2013. This subsection expires September 1, 2014.

(b) A charter school may not include in the school's electronic checking account transaction register a check issued to an employee in payment of:

(1) salary, wages, or an employment stipend; or

(2) a workers' compensation income benefit, medical benefit, death benefit, or burial benefit that is issued by a school district operating as a self-insurer under Chapter 504, Labor Code.

(c) This section does not apply to a checking account maintained by a charter school or campus solely for a student activity fund.

(d) A charter school shall prominently post at all times on the home page of its Internet website a direct link to the web page on the school's website that contains its electronic checking account transaction register for viewing and downloading by interested persons.

(e) A charter school shall share data from the electronic checking account transaction register with any interested person who requests the data under Chapter 552, Government Code.

(f) A charter school shall:

(1) update the electronic checking account transaction register not later than the 90th day after the closing date of the most recent monthly statement for the checking account; and

(2) maintain each transaction or listing in the electronic checking account transaction register on the school's Internet website until the second anniversary of the date of the transaction or listing.

Floor Amendment No. 15

Amend **CSSB 2** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Section 140.006(c), Local Government Code, is amended to read as follows:

(c) The presiding officer of a school district shall submit a financial statement prepared under Section 140.005 to a daily, weekly, or biweekly newspaper published within the boundaries of the district. If a daily, weekly, or biweekly newspaper is not published within the boundaries of the school district, the financial statement shall be published in the manner provided by Subsections (a) and (b). The governing body of an open-enrollment charter school shall take action to ensure that the school's financial statement is ~~[of an open enrollment charter school shall be]~~ made available in the manner provided by Chapter 552, Government Code, and is posted continuously on the school's Internet website.

Floor Amendment No. 16

Amend **CSSB 2** (house committee report) on page 7, line 6, between "Chapter 39," and "may establish", by inserting "or at least 50 percent of the students in the grades assessed having been enrolled in the school for at least three school years".

Floor Amendment No. 17

Amend **CSSB 2** (house committee report) by striking page 9, line 17, through page 10, line 22, and substituting the following:

Sec. 12.1013. REPORT COMPARING PUBLIC SCHOOLS. (a) The commissioner shall select a center for education research authorized by Section 1.005 to prepare a report providing a valid and reliable analysis of the performance of

students at each public school on assessment instruments required under Section 39.023. The format of the report must enable the public to distinguish and compare student performance at each type of public school by placing each public school in the appropriate category as follows:

(1) open-enrollment charter school;

(2) campus or program operating under a charter granted by a school district; or

(3) traditional campus.

(b) The analysis under Subsection (a) must:

(1) consider:

(A) factors that affect a parent's or student's ability or decision to enroll the student in a particular school;

(B) student mobility at each school; and

(C) the past academic achievement of each school's students; and

(2) disaggregate performance results for each school by student:

(A) eligibility for participation in a special education program;

(B) status as a student of limited English proficiency as defined by Section 29.052;

(C) status as a student at risk of dropping out of school as defined by Section 29.081;

(D) race or ethnicity; and

(E) socioeconomic status.

(c) The agency shall make the report required by this section readily available to the public.

Floor Amendment No. 18

Amend **CSSB 2** (house committee report) by inserting into the bill the following appropriately numbered new SECTIONS and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 12.052(a), Education Code, is amended to read as follows:

(a) In accordance with this subchapter, the board of trustees of a school district or the governing body of a home-rule school district shall ~~may~~ grant or deny, through a public vote, a charter to parents and teachers for a campus or a program on a campus if the board is presented with a petition signed by:

(1) the parents of a majority of the students at that school campus; and

(2) a majority of the classroom teachers at that school campus.

SECTION _____. Subchapter C, Chapter 12, Education Code, is amended by adding Section 12.0531 to read as follows:

Sec. 12.0531. PERFORMANCE CONTRACT; DURATION OF CHARTER. If a charter is granted under this subchapter, the board of trustees of the school district that granted the charter shall enter into a performance contract with, as applicable, a campus- or program-level planning and decision-making committee representing the parents, teachers, and the principal or equivalent chief operating officer of the campus or program. The performance contract must specify enhanced authority granted to the principal or equivalent officer in order to achieve the academic goals that must be met by campus or program students. A charter granted under this subchapter expires 10

years from the date the charter is granted unless the specified goals are substantially met, as determined by the board of trustees of the school district that granted the charter.

Floor Amendment No. 19

Amend **CSSB 2** (house committee report) by inserting into the bill the following appropriately numbered new SECTION and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Subchapter C, Chapter 12, Education Code, is amended by adding Section 12.0532 to read as follow:

Sec. 12.0532. NEIGHBORHOOD SCHOOL. (a) A charter granted under this subchapter for a campus may, as determined by the board of trustees of the school district granting the charter, provide for the campus to be a neighborhood school.

(b) Except as otherwise provided by this subsection, the principal or equivalent chief operating officer of a neighborhood school shall manage the funding provided for the school under this code and any other funding provided for the school in the manner the principal or other officer determines best meets the needs of the school's students. The district in which the school is located may retain that portion of funding that the district generally withholds from a campus for costs associated with the salary of the district superintendent or other district governance.

(c) The principal or equivalent chief operating officer of a neighborhood school may use school funding to purchase from the school district in which the school is located services for the school, including bus service, facilities maintenance services, and other services generally provided by a school district to district campuses. The school shall pay for each service an amount that reflects the actual cost to the district of providing the service for the number of the school's students for which the service is provided.

Floor Amendment No. 20

Amend **CSSB 2** (house committee report) on page 10, between lines 22 and 23, by inserting the following:

(f) The commissioner shall also include in the report an analysis of whether the performance of matched traditional campuses would likely improve if there were consolidation of school districts within the county in which the campuses are located. This subsection applies only to a county that:

(1) includes at least seven school districts and at least 10 open-enrollment charter schools;

Floor Amendment No. 1 on Third Reading

Amend **CSSB 2** on third reading as follows:

(1) In amended Section 12.052(a), Education Code, as added by Amendment No. 18, between "public vote" and the comma, insert "of the board of trustees or governing body".

The amendments were read.

Senator Patrick moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 2** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Patrick, Chair; Lucio, Taylor, West, and Campbell.

SENATE BILL 211 WITH HOUSE AMENDMENTS

Senator Nichols called **SB 211** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 211**, SECTION 11 of the house committee report, as follows:

On page 7, line 11, between the words "plans" and "including", insert the words "design guidelines or zoning requirements".

On page 7, line 25, between the words "estate" and "legal", insert the words "design".

On page 8, line 3, between the words "analysis" and "contract", insert the words "design review".

Floor Amendment No. 2

Amend **SB 211** (house committee report) as follows:

(1) On page 15, line 10, strike "July 1, 2014" and substitute "April 1, 2016".

(2) On page 15, line 18, between "2166.106" and "REVIEW", insert the following:

REVIEW OF CAPITOL COMPLEX MASTER PLAN BY PARTNERSHIP ADVISORY COMMISSION. (a) Before a proposed Capitol Complex master plan or proposed update to the plan is submitted and considered approved under Section 2166.1065 and before the commission adopts the plan or update, the commission must submit the plan or update to the Partnership Advisory Commission established under Chapter 2268 for review and comment.

(b) Not later than the 60th day after the date the Partnership Advisory Commission receives the plan or update, the advisory commission shall in a public hearing by majority vote of the members present:

(1) vote to approve the plan or update; or

(2) submit to the commission written comments and recommended modifications to the plan or update.

Sec. 2166.1065.

(3) On page 15, line 23, strike "and the General Land Office".

(4) On page 15, line 24, following the period, insert "Not later than the 60th day before the date the commission holds a public meeting to discuss a proposed Capitol Complex master plan, the commission must submit the proposed plan to the General Land Office for review and comment.".

(5) Strike page 16, line 22 through page 17, line 8.

(6) On page 41, line 3, strike "and".

(7) On page 41, strike lines 4-10, and substitute the following:

(2) not later than July 1, 2014, prepare the comprehensive capital improvement and deferred maintenance plan required by Section 2166.108, Government Code, as added by this Act; and

(3) not later than April 1, 2016, prepare the Capitol Complex master plan required by Section 2166.105, Government Code, as added by this Act, and submit the plan as required by that section.

Floor Amendment No. 3

Amend Floor Amendment No. 2 to **SB 211** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 2165.2035, Government Code, is amended by adding Subsection (d-1) to read as follows:

(d-1) From the money received under Subsection (d), an amount equal to the costs associated with the lease of state parking lots and garages, including costs of trash collection and disposal, grounds and other property maintenance, and the remedying of any damage to state property, may be appropriated only to the commission to pay those costs.

Floor Amendment No. 4

Amend **SB 211**, SECTION 11 of the house committee report:

On page 27, line 16, between the words "by" and "employee", by inserting the words "similarly qualified".

On page 27, line 17, by adding the following after the word "entity":

For a proposal for the construction or renovation of a structure or project estimated to cost \$5 million or more, the analysis conducted under this section must include review by all three qualified professionals.

On page 25, line 19, by inserting a new number (7) to read as follows and renumbering the subsequent subsections accordingly:

(7) ensure that the governmental entity, for a proposed project to improve real property, evaluate design quality, life-cycle costs, and the proposed projects relationship to any relevant comprehensive planning or zoning requirements.

Floor Amendment No. 5

Amend Amendment No. 4 to **SB 211** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 2175.184, Government Code, is amended to read as follows:

Sec. 2175.184. DIRECT TRANSFER. (a) During the 10 business days after the date the property is posted on the comptroller's website, a state agency, political subdivision, or assistance organization shall coordinate with the commission for a transfer of the property at a price established by the commission. A transfer to a state agency has priority over any other transfer during this period.

(b) A political subdivision or assistance organization may not lease, lend, bail, deconstruct, encumber, sell, trade, or otherwise dispose of property acquired under this section or acquired from a state agency under Section 2175.241 before the second anniversary of the date the property was acquired. A political subdivision or an assistance organization that violates this subsection shall remit to the commission the amount the political subdivision or assistance organization received from the lease, loan, bailment, deconstruction, encumbrance, sale, trade, or other disposition of the property unless the commission authorizes the action taken by the political subdivision or assistance organization with respect to the property.

SECTION _____. Section 2175.905, Government Code, is amended by adding Subsection (d) to read as follows:

(d) An assistance organization may not lease, lend, bail, deconstruct, encumber, sell, trade, or otherwise dispose of data processing equipment acquired under this section. The assistance organization may dispose of the equipment only by transferring the equipment to the school district that specified the assistance organization for transfer under this section.

Floor Amendment No. 6

Amend **SB 211** (house committee report) on page 11, between lines 21 and 22, by inserting the following:

Sec. 2165.3561. MUNICIPAL PROJECT. Not later than the 30th day before the date the commission is scheduled to meet and vote on a project to develop or improve state property in a municipality, the commission staff must:

(1) place the project on the commission's meeting agenda to provide the public with notice of the meeting and an opportunity to comment; and

(2) present sufficient information to commission members to enable the members to adequately prepare for the meeting and to address the members' questions and concerns.

Floor Amendment No. 1 on Third Reading

Amend **SB 211** (house committee report) as follows:

(1) On page 6, line 11, between "Complex" and the period, insert the following: , except as specifically granted the authority:

(1) by the legislature, if the legislature is in session; or

(2) jointly by the governor and the Legislative Budget Board, if the legislature is not in session

(2) On page 8, line 11, strike "The" and substitute "On completion of the negotiation phase for the development of a comprehensive agreement and before a comprehensive agreement is entered into, the".

(3) On page 17, lines 19-20, strike ", including the General Land Office".

(4) On page 19, line 15, strike "Subdivision (1-a)" and substitute "Subdivisions (1-a), (5-a), (9-a), (9-b), (9-c), and (10-a) and amending Subdivisions (10) and (12)".

(5) On page 19, between lines 18 and 19, insert the following:

(5-a) "Improvement" means:

(A) a building, structure, fixture, or fence erected on or affixed to land;

(B) the installation of water, sewer, or drainage lines on, above, or

under land;

(C) the paving of undeveloped land; and

(D) specialized software that in any manner is related to the control, management, maintenance, or operation of an improvement.

(9-a) "Private entity" means any individual person, corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, nonprofit entity, or other business entity.

(9-b) "Property" means any matter or thing capable of public or private ownership.

(9-c) "Proposer" means a private entity that submits a proposal to a responsible governmental entity or affected jurisdiction.

(10) "Qualifying project" means:

(A) any ferry, mass transit facility, vehicle parking facility, port facility, power generation facility, fuel supply facility, oil or gas pipeline, water supply facility, public work, waste treatment facility, hospital, school, medical or nursing care facility, recreational facility, public building, or other similar facility currently available or to be made available to a governmental entity for public use, including any structure, parking area, appurtenance, and other property required to operate the structure or facility and any technology infrastructure installed in the structure or facility that is essential to the project's purpose; or

(B) any improvements necessary or desirable to [~~unimproved~~] real property [~~estate~~] owned by a governmental entity.

(10-a) "Real property" means:

(A) improved or unimproved land;

(B) an improvement;

(C) a mine or quarry;

(D) a mineral in place;

(E) standing timber; or

(F) an estate or interest, other than a mortgage or deed of trust creating a lien on property or an interest securing payment or performance of an obligation, in a property described by Paragraphs (A) through (E).

(12) "Revenue" means all revenue, income, earnings, user fees, lease payments, or other service payments that arise out of or in connection with [~~support~~] the development or operation of a qualifying project, including money received as a grant or otherwise from the federal government, a governmental entity, or any agency or instrumentality of the federal government or governmental entity in aid of the project.

(6) On page 20, line 6, between "443.0071" and the period, insert the following: , except as specifically granted the authority:

(A) by the legislature, if the legislature is in session; or

(B) jointly by the governor and the Legislative Budget Board, if the legislature is not in session

(7) On page 20, line 10, strike "2267.007, and 2267.008" and substitute "and 2267.007".

(8) Strike page 20, line 11, through page 22, line 17, and substitute the following:

Sec. 2267.005. PROHIBITED EMPLOYMENT OF RESPONSIBLE GOVERNMENTAL ENTITY EMPLOYEES. (a) An employee of a responsible governmental entity may not be employed or hired by another person to perform duties that relate to the employee's specific duties in developing and implementing a qualifying project, including review, evaluation, development, and negotiation of a qualifying project proposal.

(b) The responsible governmental entity shall obtain from each employee sufficient information to determine whether:

(1) the employee is employed by another person; and

(2) a potential conflict of interest exists between the employee's duties for the entity and the employee's duties with the other employer.

(c) Each employee of a responsible governmental entity whose duties relate to a qualifying project shall attest that the employee is aware of and agrees to the responsible governmental entity's ethics and conflict-of-interest policies.

(d) To the extent the other employment is authorized by the responsible governmental entity's policy, this section does not prohibit additional employment for an employee of a responsible governmental entity whose duties are not related to a qualifying project.

(9) On page 22, line 18, strike "2267.007" and substitute "2267.006".

(10) On page 22, line 25, strike "2267.008" and substitute "2267.007".

(11) On page 27, strike lines 20-21 and substitute the following:

commission consistent with the requirements of Section 2267.052(b). The commission shall prescribe the procedure for submitting the guidelines for review under this section, provided that the commission completes its review not later than the 60th day after the date the commission receives the guidelines and provides written comments and recommendations to the governmental entity to ensure timely compliance with Section 2267.052(b). The

(12) On page 27, line 27, strike "and (b)" and substitute ", (b), (g), and (h)".

(13) On page 29, lines 22-23, strike "approves a proposal for a qualifying project under Subsection (a)" and substitute "accepts an unsolicited proposal for a qualifying project under Subsection (a), in accordance with the requirements of Section 2267.052(b)(10)(B)".

(14) On page 31, between lines 15 and 16, insert the following:

(g) The responsible governmental entity shall take action appropriate under Section 552.153 to protect confidential and proprietary information provided by a private entity submitting the proposal and by the contracting person under an agreement.

(h) Before completing the negotiation and entering into [the negotiation of] an interim or comprehensive agreement, each responsible governmental entity described by Section 2267.001(5)(A) must submit copies of detailed proposals, including drafts of any interim agreement and the comprehensive agreement, to the Partnership Advisory Commission in accordance with Chapter 2268.

(15) On page 33, strike lines 20-25 and substitute the following:

(c) Trade secrets, proprietary information, financial records, and work product ~~[or other records]~~ of a proposer are ~~[the contracting person]~~ excluded from disclosure under Section 552.101 and may not be posted or made available for public inspection except as otherwise agreed to by the responsible governmental entity and the proposer ~~[contracting person]~~. After submission by a responsible governmental entity of a detailed qualifying project proposal to the commission, the trade secrets, proprietary information, financial records, and work product of the proposer are not protected from disclosure unless expressly excepted from the requirements of Chapter 552 or considered confidential under other law.

(16) Strike page 35, line 16, through page 36, line 2.

(17) On page 36, line 8, strike "(a)" and substitute "(d)".

(18) On page 36, strike lines 10-12 and substitute the following:

(d) The Texas Facilities Commission, using the qualifying project fees authorized under Section 2165.353, [comptroller or a state agency] shall provide, on a cost recovery basis, professional services of its architectural, engineering, and real estate staff and the expertise of financial, technical, and other necessary advisors and consultants, authorized under Section 2267.053(d), as necessary to support the Partnership Advisory Commission in its review and evaluation of proposals, including financial and risk allocation analysis and ongoing contract performance monitoring of qualifying projects. The Texas Facilities Commission shall assign staff and contracted advisors and consultants necessary to perform the duties required by this subsection [additional assistance as needed].

(19) On page 37, line 12, strike "negotiate" and substitute "enter into".

(20) On page 37, strike lines 17-22.

(21) On page 38, strike lines 13-15.

(22) Add the following appropriately numbered SECTIONS to the bill:

SECTION _____. Section 552.153, Government Code, as added by Chapter 1334 (SB 1048), Acts of the 82nd Legislature, Regular Session, 2011, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

(b) Information in the custody of a responsible governmental entity that relates to a proposal for a qualifying project authorized under Chapter 2267 is excepted from the requirements of Section 552.021 if:

(1) the information consists of memoranda, staff evaluations, or other records prepared by the responsible governmental entity, its staff, outside advisors, or consultants exclusively for the evaluation and negotiation of proposals filed under Chapter 2267 for which:

(A) disclosure to the public before or after the execution of an interim or comprehensive agreement would adversely affect the financial interest or bargaining position of the responsible governmental entity; and

(B) the basis for the determination under Paragraph (A) is documented in writing by the responsible governmental entity; or

(2) the records are provided by a proposer ~~[contracting person]~~ to a responsible governmental entity or affected jurisdiction under Chapter 2267 and contain:

(A) trade secrets of the proposer ~~[contracting person]~~;

(B) financial records of the proposer [~~contracting person~~], including balance sheets and financial statements, that are not generally available to the public through regulatory disclosure or other means; or

(C) work product related to a competitive bid or proposal [~~other information~~] submitted by the proposer [~~contracting person~~] that, if made public before the execution of an interim or comprehensive agreement, would provide a competing proposer an unjust advantage or adversely affect the financial interest or bargaining position of the responsible governmental entity or the proposer [person].

(d) In this section, "proposer" has the meaning assigned by Section 2267.001, as added by Chapter 1334 (SB 1048), Acts of the 82nd Legislature, Regular Session, 2011.

SECTION _____. Section 2152.104, Government Code, is amended by adding Subsection (e) to read as follows:

(e) The commission shall establish a public private partnership division to perform its duties assigned under Chapters 2165 and 2267. The commission may hire or assign the staff necessary for the division to perform the duties required under Subchapter H, Chapter 2165, and Chapters 2267 and 2268. The commission shall provide professional service staff and the expertise of financial, technical, and other necessary advisors and consultants, authorized under Section 2267.053(d), to support the Partnership Advisory Commission in its review and evaluation of qualifying project proposals.

SECTION _____. The heading to Chapter 2166, Government Code, is amended to read as follows:

CHAPTER 2166. BUILDING CONSTRUCTION AND ACQUISITION AND
DISPOSITION OF REAL PROPERTY

SECTION _____. Section 2166.002, Government Code, is amended to read as follows:

Sec. 2166.002. APPLICABILITY OF CHAPTER. This chapter applies only to a building construction project of the state, the acquisition of real property for state purposes, and the disposition of real property owned by the state.

SECTION _____. Section 2267.055(a), Government Code, as added by Chapter 1334 (SB 1048), Acts of the 82nd Legislature, Regular Session, 2011, is amended to read as follows:

(a) A private entity whose proposal, other than a proposal for a service contract, is accepted for conceptual stage evaluation [~~A person submitting a proposal to a responsible governmental entity~~] under Section 2267.053 shall notify each affected jurisdiction by providing a copy of its proposal to the affected jurisdiction.

SECTION _____. Section 2267.058, Government Code, as added by Chapter 1334 (SB 1048), Acts of the 82nd Legislature, Regular Session, 2011, is amended by adding Subsection (g) to read as follows:

(g) The comprehensive agreement must provide that a security document or other instrument purporting to mortgage, pledge, encumber, or create a lien, charge, or security interest on or against the contracting party's interest may not extend to or affect the fee simple interest of the state in the qualifying project or the state's rights or interests under the comprehensive agreement. Any holder of debt shall acknowledge that the mortgage, pledge, or encumbrance or a lien, charge, or security interest on or

against the contracting party's interest is subordinate to the fee simple interest of the state in the qualifying project and the state's rights or interests under the comprehensive agreement.

(23) Renumber the SECTIONS of the bill appropriately.

The amendments were read.

Senator Nichols moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 211** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Nichols, Chair; Whitmire, Watson, Eltife, and Duncan.

BILLS AND RESOLUTIONS SIGNED

The Presiding Officer, Senator Eltife in Chair, announced the signing of the following enrolled bills and resolutions in the presence of the Senate after the captions had been read:

SB 128, SB 164, SB 172, SB 193, SB 362, SB 382, SB 390, SB 409, SB 428, SB 430, SB 502, SB 531, SB 546, SB 552, SB 563, SB 569, SB 603, SB 604, SB 607, SB 706, SB 717, SB 769, SB 771, SB 793, SB 845, SB 848, SB 874, SB 886, SB 889, SB 890, SB 916, SB 951, SB 967, SB 1006, SB 1010, SB 1012, SB 1071, SB 1072, SB 1073, SB 1075, SB 1099, SB 1125, SB 1415, SB 1481, SB 1662, SB 1822, SB 1824, SB 1829, SB 1830, SB 1840, SB 1843, SB 1857, SB 1876, SB 1892, SB 1903, SCR 1, SCR 12, SCR 17, SCR 18, SCR 30, SJR 54, HB 33, HB 35, HB 52, HB 62, HB 139, HB 259, HB 338, HB 347, HB 376, HB 485, HB 619, HB 788, HB 1227, HB 1287, HB 1296, HB 1348, HB 1461, HB 1554, HB 1690, HB 1753, HB 1777, HB 1807, HB 1967, HB 1996, HB 2025, HB 2094, HB 2111, HB 2127, HB 2139, HB 2290, HB 2380, HB 2392, HB 2394, HB 2474, HB 2725, HB 2772, HB 2806, HB 3211, HB 3471, HCR 59.

SENATE BILL 270 WITH HOUSE AMENDMENT (Motion In Writing)

Senator Seliger submitted a Motion In Writing to call **SB 270** from the President's table for consideration of the House amendment to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 270** (house committee printing) as follows:

(1) On page 1, line 9, strike "(b) and (c)" and substitute "(b), (c), and (d)".

(2) On page 1, line 15, strike "the defense counsel" and substitute "[~~the defense~~] counsel representing the defendant at trial or in a postconviction proceeding".

(3) On page 1, line 16, strike "(b) On" and substitute "(b) Subject to Subsection (d), on".

(4) On page 2, between lines 1 and 2, insert the following:

(d) On a written request, the court shall disclose the information described by Subsection (a) that was collected by the court, including providing copies of any juror summons, to counsel representing the defendant in a postconviction proceeding. A showing of good cause is not required for a disclosure under this subsection. This subsection does not authorize the disclosure of information described by Subsection (a) that was collected by a prosecuting attorney.

The amendment was read.

Senator Seliger moved that the Senate do not concur in the House amendment, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 270** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Seliger, Chair; Huffman, Schwertner, Hinojosa, and Duncan.

SENATE BILL 281 WITH HOUSE AMENDMENT (Motion In Writing)

Senator Estes submitted a Motion In Writing to call **SB 281** from the President's table for consideration of the House amendment to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 281** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the administration and powers of the Red River Authority of Texas.

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

SECTION 1. Chapter 279, Acts of the 56th Legislature, Regular Session, 1959, is amended by adding Section 7a to read as follows:

Sec. 7a. The Authority's Board of Directors or a Board committee may hold a meeting by telephone conference call, by video conference call, or through communications over the Internet, in accordance with procedures provided by Subchapter F, Chapter 551, Government Code, if holding the meeting in that way is determined to be necessary or convenient by the Board president or any three Board members.

SECTION 2. Section 19, Chapter 279, Acts of the 56th Legislature, Regular Session, 1959, is amended to read as follows:

Sec. 19. Said Authority shall have and may exercise such functions, powers, authority, rights and duties as may permit the accomplishment of the purposes for which it is created, including investigating and planning, acquiring, constructing, maintaining and operating of all necessary properties, lands, rights, tenements, easements, improvements, reservoirs, dams, canals, laterals, plants, works and facilities which it may deem necessary or proper for the accomplishment of said purposes, including the acquisition within and/or without said Authority of lands, rights-of-way, surface water rights, groundwater rights, if purchased, as provided by Section 19a, and all other properties, tenements, easements and all other rights incident, helpful to, or in aid of carrying out the purposes of said Authority as herein defined; provided, however, that said Authority shall not engage in the generation or distribution of electric power except as provided by Section 14b of this Act. The right of eminent domain shall not be exercised or extend beyond the boundaries of this District.

SECTION 3. Chapter 279, Acts of the 56th Legislature, Regular Session, 1959, is amended by adding Section 19a to read as follows:

Sec. 19a. The Authority may purchase groundwater rights in a county in the Authority's territory only if the commissioners court of the county approves the purchase of groundwater rights by the Authority in the county.

SECTION 4. Section 25, Chapter 279, Acts of the 56th Legislature, Regular Session, 1959, is amended to read as follows:

Sec. 25. Nothing in this Act shall be construed as authorizing the Authority to acquire ~~or~~ regulate ~~[or control in any way]~~ underground water or underground water rights by condemnation or ~~[purchase or otherwise or to develop,]~~ regulate ~~[or control]~~ the use of underground water resources in any manner ~~[-This Act is intended to govern and shall be construed to govern and apply to surface water only].~~

SECTION 5. This Act takes effect September 1, 2013.

The amendment was read.

Senator Estes moved that the Senate do not concur in the House amendment, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 281** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Estes, Chair; Fraser, Hegar, Eltife, and Uresti.

**SENATE BILL 359 WITH HOUSE AMENDMENT
(Motion In Writing)**

Senator Hinojosa submitted a Motion In Writing to call **SB 359** from the President's table for consideration of the House amendment to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 359** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the selection of certain members of the board of directors of an appraisal district.

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

SECTION 1. Subsections (c) and (e), Section 6.03, Tax Code, are amended to read as follows:

(c) Members of the board of directors other than a county assessor-collector serving as a nonvoting director are appointed by vote of the governing bodies of the incorporated cities and towns, the school districts, the junior college districts, and, if entitled to vote, the conservation and reclamation districts that participate in the district and of the county. A governing body may cast all its votes for one candidate or distribute them among candidates for any number of directorships. Conservation and reclamation districts are not entitled to vote unless at least one conservation and reclamation district in the district delivers to the chief appraiser a written request to nominate and vote on the board of directors by June 1 of each odd-numbered year. On receipt of a request, the chief appraiser shall certify a list by June 15 of all eligible conservation and reclamation districts that are imposing taxes and that participate in the district.

(e) The chief appraiser shall calculate the number of votes to which each taxing unit other than a conservation and reclamation district is entitled and shall deliver written notice to each of those units of its voting entitlement before October 1 of each odd-numbered year. The chief appraiser shall deliver the notice:

(1) to the county judge and each commissioner of the county served by the appraisal district;

(2) to the presiding officer of the governing body of each city or town participating in the appraisal district, to the city manager of each city or town having a city manager, and to the city secretary or clerk, if there is one, of each city or town that does not have a city manager; ~~and~~

(3) to the presiding officer of the governing body of each school district participating in the district and to the superintendent of those school districts; and

(4) to the presiding officer of the governing body of each junior college district participating in the district and to the president, chancellor, or other chief executive officer of those junior college districts.

SECTION 2. Section 6.031, Tax Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) If an appraisal district increases the number of members on the board of directors of the district or changes the method or procedure for appointing the members as provided by this section, the board of directors by resolution shall provide for the junior college districts that participate in the appraisal district to collectively participate in the selection of directors in the same manner as the school district that imposes the lowest total dollar amount of property taxes in the appraisal district among all of the school districts that participate in the appraisal district. A resolution

adopted under this section is not subject to rejection by a resolution opposing the change filed with the board of directors by a taxing unit under Subsection (a).

SECTION 3. The change in law made by this Act applies only to the selection of appraisal district directors for terms beginning on or after January 1, 2014. The change in law made by this Act does not affect the selection of appraisal district directors for terms beginning before that date.

SECTION 4. 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, 2013.

The amendment was read.

Senator Hinojosa moved that the Senate do not concur in the House amendment, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 359** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Hinojosa, Chair; Garcia, Nichols, Whitmire, and Taylor.

SENATE BILL 690 WITH HOUSE AMENDMENT (Motion In Writing)

Senator Ellis submitted a Motion In Writing to call **SB 690** from the President's table for consideration of the House amendment to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 690** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to certain management districts in Harris County, including the boundaries of the Near Northside Management District and the creation of Harris County Improvement District No. 23; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

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

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3910 to read as follows:

CHAPTER 3910. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 23

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3910.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means the City of Houston.

(3) "County" means Harris County.

(4) "Director" means a board member.

(5) "District" means the Harris County Improvement District No. 23.

(6) "East End district" means the Greater East End Management District created under Chapter 3807.

Sec. 3910.002. NATURE OF DISTRICT. The Harris County Improvement District No. 23 is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3910.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district, and to accomplish the redevelopment of the land in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant East End district, city, or county services provided in the district.

Sec. 3910.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;

(2) eliminating unemployment and underemployment; and

(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and

(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Sec. 3910.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on the bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Sec. 3910.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created under Chapter 312, Tax

Code;

(3) an enterprise zone created under Chapter 2303, Government Code; or

(4) an industrial district created under Chapter 42, Local Government Code.

Sec. 3910.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3910.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3910.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of nine voting directors who serve staggered terms of four years, with four or five directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than 5 or more than 15 voting directors.

Sec. 3910.052. APPOINTMENT OF VOTING DIRECTORS. The mayor and members of the governing body of the city shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body and the mayor vote to appoint that person.

Sec. 3910.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Sec. 3910.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Sec. 3910.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Sec. 3910.056. INITIAL VOTING DIRECTORS. (a) The initial board consists of the following voting directors:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>Dan Lipnick</u>
<u>2</u>	<u>Hien Le</u>
<u>3</u>	<u>Ndukwe Kalu</u>
<u>4</u>	<u>Adam Williams</u>
<u>5</u>	<u>Kenady Davis</u>
<u>6</u>	<u>Sakina Lanig</u>
<u>7</u>	<u>Alison Leland</u>
<u>8</u>	<u>Carver L. Henry</u>
<u>9</u>	<u>Charles McCloud</u>

(b) Of the initial directors, the terms of directors appointed for positions one through five expire June 1, 2015, and the terms of directors appointed for positions six through nine expire June 1, 2017.

(c) Section 3910.052 does not apply to this section.

(d) This section expires September 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3910.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 3910.102. IMPROVEMENT PROJECTS AND SERVICES. Subject to Section 3910.113, the district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement or service authorized under this chapter or Chapter 375, Local Government Code.

Sec. 3910.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Sec. 3910.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation.

The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Sec. 3910.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 3910.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Sec. 3910.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 3910.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and

(2) Subchapter A, Chapter 1509, Government Code.

Sec. 3910.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Sec. 3910.110. ANNEXATION OF LAND. The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

Sec. 3910.111. NAVIGATION DISTRICT POWERS. (a) The district has the powers provided by the general law of this state applicable to navigation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 60 and 62, Water Code.

(b) The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, a canal, waterway, bulkhead, dock, or other improvement or facility necessary or convenient to accomplish the navigation purposes of the district.

(c) An improvement or facility that is owned, constructed, or financed by the district under this section is subject to any applicable rules, regulations, bylaws, or similar legislative or regulatory acts or policies of the Port of Houston Authority of Harris County, Texas.

(d) This chapter does not supersede or diminish the rights, powers, privileges, and authority of the Port of Houston Authority of Harris County, Texas.

Sec. 3910.112. APPROVAL BY CITY. (a) Except as provided by Subsection (c), the district must obtain the approval of the city for:

(1) the issuance of bonds;

(2) the plans and specifications of an improvement project financed by bonds; and

(3) the plans and specifications of an improvement project related to the use of land owned by the city, an easement granted by the city, or a right-of-way of a street, road, or highway.

(b) The district may not issue bonds until the governing body of the city adopts a resolution or ordinance authorizing the issuance of the bonds.

(c) If the district obtains the approval of the city's governing body of a capital improvements budget for a period not to exceed 10 years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the city.

(d) The governing body of the city:

(1) is not required to adopt a resolution or ordinance to approve plans and specifications described by Subsection (a); and

(2) may establish an administrative process to approve plans and specifications described by Subsection (a) without the involvement of the governing body.

Sec. 3910.113. COORDINATION WITH EAST END DISTRICT. In determining the improvement projects or services the district provides, the district shall coordinate its efforts with the efforts of the East End district to achieve governmental efficiency and avoid duplication of improvement projects or services. The district may not duplicate an improvement project or service that the East End district provides in the same territory.

Sec. 3910.114. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3910.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Sec. 3910.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Sec. 3910.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Sec. 3910.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Sec. 3910.155. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to a tax authorized or approved by the voters of the district or a required payment for a service provided by the district, including water and sewer services.

Sec. 3910.156. NOTICE TO EAST END DISTRICT. The district shall send to the board of directors of the East End district notice of a hearing regarding an improvement project or service that is to be financed with assessments under this chapter. The district shall send the notice by certified mail, return receipt requested, or by another method determined by the board to provide adequate proof that the notice was timely mailed, not later than the 30th day before the date of the hearing. The notice must contain the information required by Section 375.115(b), Local Government Code.

Sec. 3910.157. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of district taxes or assessments on property in the zones.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3910.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

- (1) revenue other than ad valorem taxes; or
- (2) contract payments described by Section 3910.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Sec. 3910.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3910.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

- (1) maintain and operate the district;
- (2) construct or acquire improvements; or
- (3) provide a service.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(h), Water Code, does not apply to the district.

Sec. 3910.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Sec. 3910.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Sec. 3910.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 3910.206. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city is not required to pay a bond, note, or other obligation of the district.

SECTION 2. The Harris County Improvement District No. 23 initially includes all territory contained in the following area:

TRACT 1

Being a 102.136 acre (4,449,039 square feet) tract of land situated in the S.M. Harris Survey, Abstract No. 327, the Darius Gregg Survey, Abstract No. 283 and the Harris & Wilson Survey, Abstract No. 32, Harris County, Texas, being a portion of a called 104.25 acre tract described as Tract 1, Exhibit F and a portion of Tract 5, Exhibit F, both described in a special warranty deed dated January 2, 1990 from BROWN & ROOT I, INC. to BROWN & ROOT CORPORATE SERVICES, INC. as recorded under File No. M938947 of the Harris County Official Public Records of Real Property (H.C.O.P.R.R.P.), being all of a called 2.736 acre tract conveyed in a special warranty deed dated May 24, 2004 from KELLOGG BROWN & ROOT, INC. to KBR TECHNICAL SERVICES, INC. as recorded under File No. X640714 of said H.C.O.P.R.R.P. and being all of a called 0.0784 acre tract conveyed in warranty deed dated June 21, 1990 from ADAMS RESOURCES & ENERGY, INC. to BROWN & ROOT CORPORATE SERVICES, INC. as recorded under File No. M691219 of said H.C.O.P.R.R.P., said 102.136 acre tract being all of Blocks 50, 51 and 60 of the L.B. Swiney's Addition, a subdivision of record according to the map or plat thereof recorded under Volume 6, Page 610 of the Harris County Deed Records (H.C.D.R.), being all of Blocks 4 and 25 of the Cage Addition, a subdivision of record according to the map or plat thereof recorded under Volume 43, Page 385 of said H.C.D.R. and being a portion of Lots 1 through 8, Block 4 of the William A. Wilson Company Subdivision, a subdivision of record according to the map or plat thereof recorded under Volume 317, Page 298 of said H.C.D.R., said 102.136 acre tract being more particularly described by metes and bounds as follows with all bearings referenced to the Texas State Plane Coordinate System of 1983 (1993 Adjustment), South Central Zone. All coordinates and distances shown herein are surface values and may be converted to grid by multiplying by a combined scale factor of 0.999889585;

BEGINNING at a 5/8-inch iron rod (N = 13,845,069.64, East = 3,131,004.78) found at the point of intersection of the southerly right-of-way line of Richardson Drive (40' wide) with the easterly right-of-way line of Grove Street (60' wide) for the northwest corner of Block 50 of said L.B. Swiney's Addition and being the most westerly northwest corner of said 104.25 acre tract;

THENCE, North 87°03'43" East, along the southerly right-of-way line of Richardson Drive, a distance of 275.58 feet to a PK nail found for corner at the intersection of the easterly projection of the southerly right-of-way line of Richardson Drive with the southerly projection of the easterly right-of-way line of Gregg Street for an angle point in said 104.25 acre tract;

THENCE, North $02^{\circ}36'08''$ West, along the projected easterly right-of-way line of Gregg Street, passing at a distance of 31.07 feet, the southwest corner of Block 4 of said Cage Addition, same being an angle point in said 104.25 acre tract, and continuing along the easterly right-of-way line of Gregg Street and the westerly line of said Block 4 for a total distance of 231.07 feet to a 5/8-inch iron rod with plastic cap stamped "SURVCON INC." set in the southerly right-of-way line of Clinton Drive (width varies) for the northwest corner of said Block 4;

THENCE, along the southerly right-of-way line of Clinton Drive, the following courses:

North $87^{\circ}23'52''$ East, a distance of 540.00 feet to an "X" in concrete found in the westerly right-of-way line of Bringhurst Street (40' wide) for angle point and being the northeast corner of Block 25 of said Cage Addition;

North $74^{\circ}45'40''$ East, a distance of 51.25 feet to a 5/8-inch iron rod with plastic cap stamped "SURVCON INC." set in the easterly right-of-way line of Bringhurst Street for the beginning of a non-tangent curve to the left;

An arc distance of 228.80 feet, along said curve to the left, having a radius of 340.40 feet, a delta angle of $38^{\circ}30'38''$ and a chord bearing and distance of North $61^{\circ}04'34''$ East, 224.51 feet to a 5/8-inch iron rod found for a point of tangency;

North $41^{\circ}49'15''$ East, a distance of 12.60 feet to a 5/8-inch iron rod found for corner;

South $87^{\circ}24'15''$ West, a distance of 11.40 feet to a 5/8-inch iron rod found for corner;

North $41^{\circ}49'15''$ East, a distance of 31.00 feet a point for the beginning of a non-tangent curve to the right, from which a found 5/8-inch iron rod bears North $60^{\circ}15'$ East, 0.33 feet;

An arc distance of 170.31 feet, along said curve to the right, having a radius of 272.90 feet, a delta angle of $35^{\circ}45'21''$ and a chord bearing and distance of North $59^{\circ}41'56''$ East, 167.56 feet to an "X" in concrete found for the end of said curve to the right;

North $87^{\circ}24'15''$ East, passing at a distance of 1,133.91 feet, a 5/8-inch iron rod found for the northwest corner of said 2.736 acre tract, continuing and passing at a distance of 1,193.91 feet, a 5/8-inch iron rod found for the northeast corner of said 2.736 acre tract, and continuing for a total distance of 1,293.20 feet to a 5/8-inch iron rod found for the most northerly northeast corner of said 104.25 acre tract;

South $02^{\circ}51'30''$ East, a distance of 10.55 feet to a 5/8-inch iron rod found for angle point;

North $87^{\circ}08'30''$ East, passing at a distance of 80.00 feet, the northwest corner of said 0.0784 acre tract, and continuing for a total distance of 228.00 feet to a 5/8-inch iron rod found for a cutback corner, same being the most northerly northeast corner of said 0.0784 acre tract;

THENCE, South $47^{\circ}51'30''$ East, along a cutback line, a distance of 21.21 feet to a 5/8-inch iron rod with plastic cap stamped "SURVCON INC." set for corner in the westerly right-of-way line of Hirsch Street (100 feet wide), same being the most easterly northeast corner of said 0.0784 acre tract;

THENCE, South 02°51'30" East, along said westerly right-of-way line of Hirsch Street and the easterly line of said 0.0784 acre tract, passing at a distance of 179.15 feet, a 1/2-inch iron rod found for the southeast corner of said 0.0784 acre tract and the most easterly northeast corner of said 104.25 acre tract, continuing along said westerly right-of-way line of Hirsch Street and the easterly line of said 104.25 acre tract, passing at a distance of 660.00 feet, a 5/8-inch iron rod found for an angle point in said 104.25 acre tract, same being the northwest corner of a called 0.2865 acre roadway easement conveyed to the City of Houston and described as Tract 4 in deed recorded in Volume 3468, Page 487 of said H.C.D.R., and continuing along the westerly right-of-way easement line of Hirsch Street, for a total distance of 818.07 feet to a point for the beginning of a tangent curve to the right;

THENCE, an arc distance of 1,095.02 feet, continuing along said westerly right-of-way easement line of Hirsch Street and along said curve to the right, having a radius of 1,587.02 feet, a delta angle of 39°32'00" and a chord bearing and distance of South 16°54'30" West, 1,073.43 feet to 3/4-inch iron rod found for the point of tangency;

THENCE, South 36°40'30" West, continuing along said westerly right-of-way easement line of Hirsch Street, a distance of 85.13 feet to a point in the northerly line of Buffalo Bayou and the southerly line of said 104.25 acre tract;

THENCE, along the meanders of the northerly line of Buffalo Bayou and along the southerly line of said 104.25 acre tract, the following courses:

North 81°21'02" West, a distance of 294.22 feet to a point for corner;

South 81°17'51" West, a distance of 92.69 feet to a point for corner;

South 71°46'20" West, a distance of 87.60 feet to a point for corner;

South 56°00'12" West, a distance of 139.78 feet to a point for corner;

South 42°22'06" West, a distance of 530.18 feet to a point for corner;

South 86°47'52" West, a distance of 13.79 feet to a point for corner;

South 43°55'05" West, a distance of 65.25 feet to a point for corner;

South 74°12'42" West, a distance of 73.39 feet to a point for corner;

South 80°29'10" West, a distance of 95.12 feet to a point for corner;

North 62°25'33" West, a distance of 84.80 feet to a point for corner;

North 23°26'39" West, a distance of 96.22 feet to a point for corner;

North 48°58'41" West, a distance of 75.07 feet to a point for corner;

North 22°52'13" West, a distance of 70.85 feet to a point for corner;

North 00°23'51" East, a distance of 570.94 feet to a point for the most southerly corner of said 2.736 acre tract;

North 00°03'45" East, along the westerly line of said 2.736 acre tract, a distance of 60.38 feet to an angle point in the northwesterly line of said 2.736 acre tract;

North 17°43'38" West, a distance of 86.97 feet to a point for corner;

North 35°56'28" West, a distance of 143.97 feet to a point for corner;

North 61°18'39" West, a distance of 144.29 feet to a point for corner;

North 83°06'56" West, a distance of 306.10 feet to a point for corner;

South 88°11'58" West, a distance of 152.95 feet to a point for corner;

North 89°23'55" West, a distance of 158.35 feet to a point for corner;

North 81°40'26" West, a distance of 86.39 feet to a point for corner;

North 79°43'08" West, a distance of 97.41 feet to a point in said easterly right-of-way line of Grove Street for the southwest corner of said 104.25 acre tract;

THENCE, North 02°56'17" West, along said easterly right-of-way line of Grove Street and the westerly line of said 104.25 acre tract, passing at a distance of 65.05 feet, a found 5/8-inch iron rod, and continuing for a total distance of 705.08 feet to the POINT OF BEGINNING, containing a computed area of 102.136 acres (4,449,039 square feet) of land. Said 102.136 acre tract being subject to portions of three (3) existing roadways defined as follows: 1.) a 0.542 acre (23,589 square feet) tract within the right-of-way of Richardson Drive between the easterly right-of-way line of Gregg Street and the easterly right-of-way line of Bringhurst Street, 2.) a 0.184 acre (7,997 square feet) tract within the right-of-way of Cage Street between the southerly right-of-way line of Clinton Drive and the northerly right-of-way line of Richardson Drive and 3.) a 0.236 acre (10,280 square feet) tract within the right-of-way of Bringhurst Street between the southerly right-of-way line of Clinton Drive and the northerly right-of-way line of Richardson Drive.

TRACT 2

Being a 4.059 acre (176,821 square feet) tract of land situated in the Darius Gregg Survey, Abstract No. 283 and the Harris & Wilson Survey, Abstract No. 32, Harris County, Texas, being a portion of a called 104.25 acre tract described as Tract 1 of Exhibit F in a special warranty deed dated January 2, 1990 from BROWN & ROOT I, INC. to BROWN & ROOT CORPORATE SERVICES, INC. as recorded under File No. M938947 of the Harris County Official Public Records of Real Property (H.C.O.P.R.R.P.), said 4.059 acre tract being more particularly described by metes and bounds as follows with all bearings referenced to the Texas State Plane Coordinate System of 1983 (1993 Adjustment), South Central Zone. All coordinates and distances shown herein are surface values and may be converted to grid by multiplying by a combined scale factor of 0.999889585:

BEGINNING at a 5/8-inch iron rod (N = 13,844,963.67, East = 3,133,786.01) found in the existing westerly right-of-way line of Hirsch Street (width varies) for an angle point in the easterly line of said 104.25 acre tract, same being the northwest corner of a called 0.2865 acre roadway easement conveyed to the City of Houston and described as Tract 4 in deed recorded in Volume 3468, Page 487 of the Harris County Deed Records (H.C.D.R.);

THENCE, North 87°42'30" East, along the easterly line of said 104.25 acre tract and along the northerly line of said 0.2865 acre roadway easement, a distance of 41.88 feet to an "X" in concrete found for an angle point in the easterly line of said 104.25 acre tract and the northeast corner of said 0.2865 acre roadway easement;

THENCE, South 02°17'32" East, along the easterly line of said 104.25 acre tract, a distance of 1,163.73 feet to a point in the northerly line of Buffalo Bayou;

THENCE, along the meanders of the northerly line of Buffalo Bayou and along the southerly line of said 104.25 acre tract, the following courses:

- South 40°14'22" West, a distance of 42.90 feet to a point for corner;
- South 75°00'39" West, a distance of 50.16 feet to a point for corner;
- South 84°00'51" West, a distance of 77.13 feet to a point for corner;
- South 83°31'17" West, a distance of 214.24 feet to a point for corner;
- South 74°08'41" West, a distance of 61.85 feet to a point for corner;

North $81^{\circ}21'02''$ West, a distance of 18.52 feet to a point for the southwest corner of a called 1,595 square foot roadway easement conveyed to the City of Houston and described as Tract 1 in deed recorded in Volume 3468, Page 487 of said H.C.D.R.;

THENCE, North $36^{\circ}40'30''$ East, along the westerly right-of-way easement line of Hirsch Street, a distance of 85.13 feet to a 3/4-inch iron rod found for the beginning of a tangent curve to the left;

THENCE, an arc distance of 1,095.02 feet, continuing along the westerly right-of-way easement line of Hirsch Street and along said curve to the left, having a radius of 1,587.02 feet, a delta angle of $39^{\circ}32'00''$ and a chord bearing and distance of North $16^{\circ}54'30''$ East, 1,073.43 feet to the point of tangency;

THENCE, North $02^{\circ}51'30''$ West, continuing along the westerly right-of-way easement line of Hirsch Street, a distance of 158.07 feet to the POINT OF BEGINNING, containing a computed area of 4.059 acres (176,821 square feet) of land. Said 4.059 acre tract being subject to an existing roadway easement defined as follows: a 2.392 acre (104,206 square feet) tract within the right-of-way easement of Hirsch Street along the westerly line of said 4.059 acre tract.

TRACT 3

Being a 24.983 acre (1,088,253 square feet) tract of land situated in the S.M. Harris Survey, Abstract No. 327, Harris County, Texas, and being all of a called 24.92 acre tract described as Tract 2 of Exhibit F in a special warranty deed dated January 2, 1990 from BROWN & ROOT I, INC. to BROWN & ROOT CORPORATE SERVICES, INC. as recorded under File No. M938947 of the Harris County Official Public Records of Real Property (H.C.O.P.R.R.P.), same being all of Blocks 43, 44, 45 46, 47, 48, 53, 54, 55, 56, 57 and 58 of the L.B. Swiney's Addition, a subdivision of record according to the map or plat thereof recorded under Volume 6, Page 610 of the Harris County Deed Records (H.C.D.R.), said Blocks 43, 44 and 45 also being defined in the Swiney Addition, a subdivision of record according to the map or plat thereof recorded under Volume 1A, Page 65 of the Harris County Map Records (H.C.M.R.), and being all of Blocks 16, 17, 18, 21 and Tract C of the Barnes & Wetmore Addition, a subdivision of record according to the map or plat thereof recorded under Volume 37, Page 77 of said H.C.M.R., and being all of Lots 1, 2, 3, 4, 7, 8, 9, 10 and 11 and a portion of Lot 6 of Block 19, all of Lots 1, 2, 3, 4, 12, 13 and 14 and a portion of Lots 5 and 10 of Block 20 and a portion of Tract B, all of said Barnes & Wetmore Addition, and being a portion of the abandoned public streets by City of Houston Ordinance No.(s) 2601, 2988 and 2986, as recorded in Volume 1779, Page 159, Volume 1825, Page 235 and Volume 3218, Page 132, respectively, all of said H.C.D.R., said 24.983 acre tract being more particularly described by metes and bounds as follows with all bearings referenced to the Texas State Plane Coordinate System of 1983 (1993 Adjustment), South Central Zone. All coordinates and distances shown herein are surface values and may be converted to grid by multiplying by a combined scale factor of 0.999889585:

BEGINNING at a 5/8-inch iron rod (N = 13,845,290.36, East = 3,130,622.97) found at the point of intersection of the southerly right-of-way line of Clinton Drive (width varies) with the westerly right-of-way line of Bayou Street (60' wide) for the common northeast corner of said 24.92 acre tract and Lot 1, Block 43 of said L.B. Swiney's Addition;

THENCE, South 02°56'17" East, along the westerly right-of-way line of Bayou Street and the easterly line of said 24.92 acre tract, passing at a distance of 750.00 feet, a found 5/8-iron rod, and continuing for a total distance of 811.60 feet to a point in the northerly line of Buffalo Bayou for the common southeast corner of said 24.92 acre tract and said Block 58;

THENCE, along the meanders of the northerly line of Buffalo Bayou and along the southerly line of said 24.92 acre tract, the following courses:

North 84°59'39" West, a distance of 126.92 feet to a point for corner;

South 85°43'56" West, a distance of 185.30 feet to a point for corner;

South 72°56'47" West, a distance of 78.42 feet to a point for corner;

South 56°53'10" West, a distance of 405.98 feet to a point for corner;

South 60°22'55" West, a distance of 78.78 feet to a point for corner;

South 72°14'30" West, a distance of 84.28 feet to a point for corner;

South 84°58'16" West, a distance of 63.45 feet to a point for corner;

North 87°53'15" West, a distance of 129.94 feet to a point for the southwest corner of said 24.92 acre tract;

THENCE, along the westerly line of said 24.92 acre tract, the following courses:

North 06°46'38" West, a distance of 263.23 feet to a point for corner, from which a found 5/8-inch iron rod bears South 73°45' West, 0.30 feet;

North 12°46'38" West, a distance of 185.40 feet to a point for corner, from which a found 5/8-inch iron rod bears South 88°16' East, 0.33 feet;

North 22°58'38" West, a distance of 192.60 feet to a point for corner, from which a found 5/8-inch iron rod bears South 00°00' West, 0.21 feet;

North 15°42'38" West, a distance of 131.20 feet to a point for corner, from which a found 5/8-inch iron rod bears South 44°08' East, 0.23 feet;

North 05°54'38" West, a distance of 286.20 feet to a 60d nail found for corner;

North 02°42'02" East, a distance of 29.48 feet to a point for corner in the southerly right-of-way line of Clinton Drive for the northwest corner of said 24.92 acre tract, from which a found 5/8-inch iron rod bears South 83°37' East, 0.20 feet;

THENCE, North 87°03'43" East, along the southerly right-of-way line of Clinton Drive, a distance of 1,238.93 feet to the POINT OF BEGINNING, containing a computed area of 24.983 acres (1,088,253 square feet) of land. Said 24.983 acre tract being subject to portions of three (3) existing roadways defined as follows: 1.) a 0.753 acre (32,800 square feet) tract within the right-of-way of Richardson Drive between the westerly right-of-way line of Bayou Street and a line 200 feet west of the westerly right-of-way line of Meadow Street, 2.) a 0.275 acre (12,000 square feet) tract within the right-of-way of Meadow Street between the southerly right-of-way line of Clinton Drive and the northerly right-of-way line of Richardson Drive and 3.) a

0.275 acre (12,000 square feet) tract within the right-of-way of Sydnor Street between the southerly right-of-way line of Clinton Drive and the northerly right-of-way line of Richardson Drive.

TRACTS 4-7

Being 4.592 acres (200,000 square feet) of land situated in the S. M. Harris Survey, Abstract No. 327 and being out of the L.B. Swiney's Addition, a subdivision of record according to the map or plat thereof recorded under Volume 6, Page 610 of the Harris County Deed Records (H.C.D.R.). Said 4.592 acre tract being comprised of four (4) tracts defined as follows:

TRACT 4

A 1.148 acre (50,000 square feet) tract of land, being all of Lots 1 through 10, Block 52 of said L.B. Swiney's Addition, being a portion of Tracts 4 and 5 of Exhibit F as described in deed dated January 2, 1990 from BROWN & ROOT I, INC. to BROWN & ROOT CORPORATE SERVICES, INC. as recorded under File No. M938947 of the Harris County Official Public Records of Real Property (H.C.O.P.R.R.P.).

TRACT 5

A 1.148 acre (50,000 square feet) tract of land, being all of Lots 1 through 10, Block 49 of said L.B. Swiney's Addition and described as follows: All of Lots 1 through 7 and Lot 10, Block 49, being a portion of Tract 4 of Exhibit F as described in said deed recorded under File No. M938947 of said H.C.O.P.R.R.P.; and all of Lots 8 and 9, Block 49 described as a called 10,000 square foot tract of land addressed in a May 22, 1996 motion under City of Houston Ordinance 96-456 as recorded under File No. S023877 of said H.C.O.P.R.R.P., said 10,000 square foot tract of land being conveyed in a special warranty deed dated July 18, 1996 from the City of Houston to BROWN & ROOT CORPORATE SERVICES, INC. as recorded under File No. S023876 of said H.C.O.P.R.R.P.

TRACT 6

A 1.148 acre (50,000 square feet) tract of land, being all of Lots 1 through 10, Block 42 of said L.B. Swiney's Addition, being all of Tracts 7, 10, 11 and 13 and a portion of Tract 5 of Exhibit F as described in said deed recorded under File No. M938947 of said H.C.O.P.R.R.P.

TRACT 7

A 1.148 acre (50,000 square feet) tract of land, being all of Lots 1 through 10, Block 41 of said L.B. Swiney's Addition, being all of Tracts 6, 8, 9, 12 and 14 and a portion of Tract 5 of Exhibit F as described in said deed recorded under File No. M938947 of said H.C.O.P.R.R.P.

SECTION 3. Section 2, Chapter 358, Acts of the 82nd Legislature, Regular Session, 2011, is amended to read as follows:

Sec. 2. BOUNDARIES. The Near Northside Management District initially includes all the territory contained in the following area:

In Harris County, Texas, the territory enclosed by Loop 610 as the north boundary, Lockwood Dr. as the east boundary, Buffalo Bayou [~~Interstate 10~~] as the south boundary, and Jensen Dr. as the west boundary.

SECTION 4. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) The general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and road powers and the inclusion of land in those districts has been complied with.

(e) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 5. 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, 2013.

The amendment was read.

Senator Ellis moved that the Senate do not concur in the House amendment, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 690** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Ellis, Chair; Garcia, Hinojosa, Taylor, and Nichols.

SENATE BILL 700 WITH HOUSE AMENDMENTS (Motion In Writing)

Senator Hegar submitted a Motion In Writing to call **SB 700** from the President's table for consideration of the House amendments to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 700** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to energy and water management planning and reporting by state agencies and institutions of higher education.

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

SECTION 1. The heading to Section 447.009, Government Code, is amended to read as follows:

Sec. 447.009. ENERGY AND WATER MANAGEMENT PLANNING; REPORTING.

SECTION 2. Section 447.009, Government Code, is amended by amending Subsection (c) and adding Subsection (e) to read as follows:

(c) The state energy conservation office shall prepare guidelines for preparation of the plan described in Subsection (a)(3) and develop a template for state agencies and institutions of higher education to use in creating the plan. Each state agency and institution of higher education shall set percentage goals for reducing the agency's or institution's use of energy and water and include those goals in the agency's or institution's comprehensive energy and water management plan. A state agency or an institution of higher education that occupies a state-owned building shall prepare and implement a five-year energy and water management plan and shall submit that plan to the office upon request. The agency or institution shall update its plan annually [biennially]. A state agency or an institution of higher education that occupies a building not owned by the state shall cooperate with the office in addressing the energy or water management of that building.

(e) Not later than December 1 of each even-numbered year, the state energy conservation office shall submit a report to the governor and the Legislative Budget Board on the status and effectiveness of the utility management and conservation efforts of state agencies and institutions of higher education. The report must include information submitted to the office from each state agency and institution of higher education. The office shall post the report on the office's Internet website.

SECTION 3. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 700** (house committee printing) on page 2, line 10, after the period, by inserting "This subsection expires September 1, 2019."

The amendments were read.

Senator Hegar moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 700** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Hegar, Chair; Birdwell, Schwertner, Rodriguez, and Zaffirini.

SENATE BILL 1458 WITH HOUSE AMENDMENTS

Senator Duncan called **SB 1458** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 1458** (house committee printing) on page 6, line 25, by striking "August 31, 1999" and substituting "August 31, 2004".

Floor Amendment No. 2

Amend **SB 1458** (house committee printing) as follows:

(1) On page 2, lines 9 through 11, strike "does not have at least five years of service credit in the retirement system on or before August 31, 2014, or who".

(2) On page 3, lines 21 through 23, strike "does not have at least five years of service credit in the retirement system on or before August 31, 2014, or who".

(3) On page 5, lines 13 through 15, strike "does not have at least five years of service credit in the retirement system on or before August 31, 2014, or who".

(4) Strike page 14, line 18, through page 15, line 15.

(5) Strike page 15, line 22, through page 16, line 26.

(6) On page 17, line 2, strike "Section" and substitute "Sections 821.006 and".

(7) Add the following appropriately numbered SECTIONS to the bill:

SECTION ____ . Section 821.006, Government Code, is amended by adding Subsections (c), (d), and (e) to read as follows:

(c) Notwithstanding Subsections (a) and (b), the retirement system may provide a one-time supplemental payment to an annuitant eligible to receive:

(1) a standard retirement annuity payment;

(2) an optional retirement annuity payment as either a retiree or beneficiary;

(3) a life annuity payment under Section 824.402(a)(4);

(4) an annuity for a guaranteed period of 60 months under Section 824.402(a)(3); or

(5) an alternate payee annuity payment under Section 804.005.

(d) A one-time supplemental payment under Subsection (c) is authorized, even if the amortization period for the unfunded actuarial liabilities of the retirement system exceeds 30 years by one or more years, only if the board of trustees determines that at the time of the supplemental payment the payment can be made while preserving the ability of the retirement system to meet at least 80 percent of the system's pension obligations.

(e) The funding for a one-time supplemental payment under Subsection (c) must come from the earnings the retirement system makes on its investments as provided by this subsection. The supplemental payment may be made at any time during the period beginning September 1, 2013, and ending December 31, 2015, only if, during the preceding fiscal year, the return on investments, as provided by the actuarial valuation on August 31 of that year, exceeds eight percent by an amount sufficient to pay for the supplemental payment. Subsections (c) and (d) and this subsection expire January 1, 2016.

SECTION ____ . Section 821.006, Government Code, as amended by this Act, is not intended to supplant the power or discretion of the legislature to provide supplemental payments to annuitants of the Teacher Retirement System of Texas. That

section provides an additional tool by which the legislature may provide those annuitants with a much-needed one-time supplemental payment without requesting additional funds from general revenue.

SECTION _____. (a) The Teacher Retirement System of Texas shall make a one-time supplemental payment of a retirement or death benefit, as provided by Section 821.006, Government Code, as amended by this Act, and this section.

(b) The supplemental payment is payable not later than December 31, 2015, and, to the extent practicable, on a date or dates that coincide with the regular annuity payment payable to each eligible annuitant.

(c) The amount of the supplemental payment is equal to the lesser of:

(1) the gross amount of the regular annuity payment to which the eligible annuitant is otherwise entitled for the month of August 2013; or

(2) \$2,400.

(d) The supplemental payment is payable without regard to any forfeiture of benefits under Section 824.601, Government Code. The Teacher Retirement System of Texas shall make applicable tax withholding and other legally required deductions before disbursing the supplemental payment. A supplemental payment under this section is in addition to and not in lieu of the regular monthly annuity payment to which the eligible annuitant is otherwise entitled.

(e) Subject to Subsection (f) of this section, to be eligible for the supplemental payment, a person must be, for the month of August 2013, and disregarding any forfeiture of benefits under Section 824.601, Government Code, an annuitant eligible to receive:

(1) a standard retirement annuity payment;

(2) an optional retirement annuity payment as either a retiree or beneficiary;

(3) a life annuity payment under Section 824.402(a)(4), Government Code;

(4) an annuity for a guaranteed period of 60 months under Section 824.402(a)(3), Government Code; or

(5) an alternate payee annuity payment under Section 804.005, Government Code.

(f) If the annuitant is a retiree or a beneficiary under an optional retirement payment plan, to be eligible for the supplemental payment, the effective date of the retirement of the member of the Teacher Retirement System of Texas must have been on or before December 31, 2010. If the annuitant is a beneficiary under Section 824.402(a)(3) or (4), Government Code, to be eligible for the supplemental payment, the date of death of the member of the retirement system must have been on or before December 31, 2010. The supplemental payment shall be made to an alternate payee who is an annuitant under Section 804.005, Government Code, only if the annuity payment to the alternate payee commenced on or before December 31, 2010. The supplemental payment is in addition to the guaranteed number of payments under Section 824.402(a)(3), 824.204(c)(3) or (4), or 824.308(c)(3) or (4), Government Code, and may not be counted as one of the guaranteed monthly payments.

(g) The supplemental payment does not apply to payments under:

(1) Section 824.304(a), Government Code, relating to disability retirees with less than 10 years of service credit;

(2) Section 824.804(b), Government Code, relating to participants in the deferred retirement option plan with regard to payments from their deferred retirement option plan accounts;

(3) Section 824.501(a), Government Code, relating to retiree survivor beneficiaries who receive a survivor annuity in an amount fixed by statute; or

(4) Section 824.404(a), Government Code, relating to active member survivor beneficiaries who receive a survivor annuity in an amount fixed by statute.

(h) Except as provided by this section, the board of trustees of the Teacher Retirement System of Texas shall determine the eligibility for and the amount and timing of a supplemental payment and the manner in which the payment is made.

SECTION _____. The change in law made by this Act to Chapter 1575, Insurance Code, applies only to a person who becomes a member of the Teacher Retirement System of Texas on or after September 1, 2014. A person who becomes a member of the retirement system before September 1, 2014, is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

(8) Renumber the SECTIONS of the bill accordingly.

Floor Amendment No. 3

Amend **SB 1458** (house committee printing) as follows:

(1) On page 1, line 8, strike "Subsections (a-2), (b-2), and (d-2)" and substitute "Subsections (a-2), (a-3), (b-2), (b-3), (d-2), and (d-3)".

(2) On page 2, line 9, strike "This" and substitute "Except as provided by Subsection (a-3), this".

(3) On page 2, between lines 20 and 21, insert the following:

(a-3) Subsection (a-2) does not apply to a member who is a peace officer licensed under Subchapter G, Chapter 1701, Occupations Code, and who is employed and commissioned as a peace officer under Section 37.081 or 51.203, Education Code, and assigned to the duty of a peace officer at the time the member retires. A person described by this subsection is subject to Subsection (a) or (a-1), as appropriate. This subsection does not apply to a member who is employed as security personnel under Section 37.081, Education Code, and assigned to the duty of security personnel at the time the member retires.

(4) On page 3, line 21, strike "This" and substitute "Except as provided by Subsection (b-3), this".

(5) On page 4, between lines 9 and 10, insert the following:

(b-3) Subsection (b-2) does not apply to a member who is a peace officer licensed under Subchapter G, Chapter 1701, Occupations Code, and who is employed and commissioned as a peace officer under Section 37.081 or 51.203, Education Code, and assigned to the duty of a peace officer at the time the member retires. A person described by this subsection is subject to Subsection (b) or (b-1), as appropriate. This subsection does not apply to a member who is employed as security personnel under Section 37.081, Education Code, and assigned to the duty of security personnel at the time the member retires.

(6) On page 5, line 13, strike "This" and substitute "Except as provided by Subsection (d-3), this".

(7) On page 5, between lines 24 and 25, insert the following:

(d-3) Subsection (d-2) does not apply to a member who is a peace officer licensed under Subchapter G, Chapter 1701, Occupations Code, and who is employed and commissioned as a peace officer under Section 37.081 or 51.203, Education Code, and assigned to the duty of a peace officer at the time the member retires. A person described by this subsection is subject to Subsection (d) or (d-1), as appropriate. This subsection does not apply to a member who is employed as security personnel under Section 37.081, Education Code, and assigned to the duty of security personnel at the time the member retires.

The amendments were read.

Senator Duncan moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1458** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Duncan, Chair; Watson, Davis, Williams, and Seliger.

CONFERENCE COMMITTEE ON HOUSE BILL 396

Senator Huffman called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 396** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 396** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Huffman, Chair; Patrick, Van de Putte, Fraser, and Uresti.

CONFERENCE COMMITTEE ON HOUSE BILL 429

Senator Zaffirini called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 429** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 429** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Zaffirini, Chair; Hinojosa, Nichols, Taylor, and Carona.

CONFERENCE COMMITTEE ON HOUSE BILL 773

Senator Schwertner called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 773** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 773** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Schwertner, Chair; Patrick, Campbell, Lucio, and Paxton.

HOUSE BILL 1897 ON SECOND READING

Senator Carona moved to suspend the regular order of business to take up for consideration **HB 1897** at this time on its second reading:

HB 1897, Relating to the exemption from ad valorem taxation of pollution control property.

The motion prevailed by the following vote: Yeas 23, Nays 8.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Fraser, Hancock, Nichols, Patrick, Paxton, Schwertner.

The bill was read second time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1897** (senate committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. Section 11.31, Tax Code, is amended by adding Subsection (e-1) to read as follows:

(e-1) The executive director shall issue a determination letter required by Subsection (d) to the person seeking the exemption, and the commission shall take final action on the initial appeal under Subsection (e) if an appeal is made, not later than the first anniversary of the date the person submits the information required by Subsection (c).

SECTION 2. Section 42.43, Tax Code, is amended by adding Subsections (j) and (k) to read as follows:

(j) A property owner is not entitled to a refund under this section resulting from the final determination of an appeal of the denial of an exemption under Section 11.31, wholly or partly, unless the property owner is entitled to the refund under Subsection (a) or has entered into a written agreement with the chief appraiser that

authorizes the refund as part of an agreement related to the taxation of the property pending a final determination by the Texas Commission on Environmental Quality under Section 11.31.

(k) Not later than the 10th day after the date a property owner and the chief appraiser enter into a written agreement described by Subsection (j), the chief appraiser shall provide to each taxing unit that taxes the property a copy of the agreement. The agreement is void if a taxing unit that taxes the property objects in writing to the agreement on or before the 60th day after the date the taxing unit receives a copy of the agreement.

SECTION 3. Not later than September 1, 2014, the Texas Commission on Environmental Quality shall adopt rules to implement Section 11.31(e-1), Tax Code, as added by this Act.

SECTION 4. Section 42.43(k), Tax Code, as added by this Act, applies only to an agreement between a property owner and a chief appraiser entered into on or after the effective date of this Act.

SECTION 5. 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, 2013.

The amendment to **HB 1897** was read.

Senator West offered the following amendment to Floor Amendment No. 1:

Floor Amendment No. 2

Amend Floor Amendment No. 1 to **HB 1897** (senate committee printing) by adding the following SECTION, appropriately numbered, to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) The legislature finds that current rules adopted by the Texas Commission on Environmental Quality regarding qualification of property for exemption from taxation under Section 11.31, Tax Code, are consistent with the legislature's desire to exempt only property used, constructed, acquired, or installed wholly or partly to meet or exceed laws, rules, or regulations adopted by any environmental protection agency of the United States, Texas, or a political subdivision of Texas, for the prevention, monitoring, control, or reduction of air, water, or land pollution. The legislature further finds that current unique market forces are a deterrent to landfill methane capture, and the limited exemption set forth in this section will prevent the loss of facilities that help the state in reducing pollution.

(b) Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.311 to read as follows:

Sec. 11.311. TEMPORARY EXEMPTION: LANDFILL-GENERATED GAS CONVERSION FACILITIES. (a) This section applies only to real and personal property that is used in the manner described by Subsection (b) on January 1, 2014.

(b) A person is entitled to an exemption from taxation of the real and personal property the person owns that is located on or in close proximity to a landfill and is used to:

- (1) collect gas generated by the landfill;
- (2) compress and transport the gas;

(3) process the gas so that it may be:

(A) delivered into a natural gas pipeline; or

(B) used as a transportation fuel in methane-powered on-road or off-road vehicles or equipment; and

(4) deliver the gas:

(A) into a natural gas pipeline; or

(B) to a methane fueling station.

(c) Property described by this section is considered to be property used as a facility, device, or method for the control of air, water, or land pollution.

(d) This section expires December 31, 2015.

(c) Section 403.302(d), Government Code, is amended to read as follows:

(d) For the purposes of this section, "taxable value" means the market value of all taxable property less:

(1) the total dollar amount of any residence homestead exemptions lawfully granted under Section 11.13(b) or (c), Tax Code, in the year that is the subject of the study for each school district;

(2) one-half of the total dollar amount of any residence homestead exemptions granted under Section 11.13(n), Tax Code, in the year that is the subject of the study for each school district;

(3) the total dollar amount of any exemptions granted before May 31, 1993, within a reinvestment zone under agreements authorized by Chapter 312, Tax Code;

(4) subject to Subsection (e), the total dollar amount of any captured appraised value of property that:

(A) is within a reinvestment zone created on or before May 31, 1999, or is proposed to be included within the boundaries of a reinvestment zone as the boundaries of the zone and the proposed portion of tax increment paid into the tax increment fund by a school district are described in a written notification provided by the municipality or the board of directors of the zone to the governing bodies of the other taxing units in the manner provided by former Section 311.003(e), Tax Code, before May 31, 1999, and within the boundaries of the zone as those boundaries existed on September 1, 1999, including subsequent improvements to the property regardless of when made;

(B) generates taxes paid into a tax increment fund created under Chapter 311, Tax Code, under a reinvestment zone financing plan approved under Section 311.011(d), Tax Code, on or before September 1, 1999; and

(C) is eligible for tax increment financing under Chapter 311, Tax Code;

(5) the total dollar amount of any captured appraised value of property that:

(A) is within a reinvestment zone:

(i) created on or before December 31, 2008, by a municipality with a population of less than 18,000; and

(ii) the project plan for which includes the alteration, remodeling, repair, or reconstruction of a structure that is included on the National Register of Historic Places and requires that a portion of the tax increment of the zone be used for the improvement or construction of related facilities or for affordable housing;

(B) generates school district taxes that are paid into a tax increment fund created under Chapter 311, Tax Code; and

(C) is eligible for tax increment financing under Chapter 311, Tax Code;

(6) the total dollar amount of any exemptions granted under Section 11.251 or 11.253, Tax Code;

(7) the difference between the comptroller's estimate of the market value and the productivity value of land that qualifies for appraisal on the basis of its productive capacity, except that the productivity value estimated by the comptroller may not exceed the fair market value of the land;

(8) the portion of the appraised value of residence homesteads of individuals who receive a tax limitation under Section 11.26, Tax Code, on which school district taxes are not imposed in the year that is the subject of the study, calculated as if the residence homesteads were appraised at the full value required by law;

(9) a portion of the market value of property not otherwise fully taxable by the district at market value because of:

(A) action required by statute or the constitution of this state, other than Section 11.311, Tax Code, that, if the tax rate adopted by the district is applied to it, produces an amount equal to the difference between the tax that the district would have imposed on the property if the property were fully taxable at market value and the tax that the district is actually authorized to impose on the property, if this subsection does not otherwise require that portion to be deducted; or

(B) action taken by the district under Subchapter B or C, Chapter 313, Tax Code, before the expiration of the subchapter;

(10) the market value of all tangible personal property, other than manufactured homes, owned by a family or individual and not held or used for the production of income;

(11) the appraised value of property the collection of delinquent taxes on which is deferred under Section 33.06, Tax Code;

(12) the portion of the appraised value of property the collection of delinquent taxes on which is deferred under Section 33.065, Tax Code; and

(13) the amount by which the market value of a residence homestead to which Section 23.23, Tax Code, applies exceeds the appraised value of that property as calculated under that section.

(d) This section applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date of this section.

(e) Notwithstanding any other provision of this Act, this section takes effect January 1, 2014.

The amendment to Floor Amendment No. 1 to **HB 1897** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2 except as follows:

Nays: Birdwell, Patrick.

Question recurring on the adoption of Floor Amendment No. 1 to **HB 1897**, the amendment as amended was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 as amended.

On motion of Senator Carona and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 1897 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Fraser, Hancock, Nichols, Patrick, Paxton, Schwertner.

HOUSE BILL 1897 ON THIRD READING

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1897** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Fraser, Patrick, Paxton, Schwertner.

The bill was read third time and was passed by the following vote: Yeas 23, Nays 8.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Fraser, Hancock, Nichols, Patrick, Paxton, Schwertner.

COMMITTEE SUBSTITUTE HOUSE BILL 2818 ON SECOND READING

On motion of Senator Carona and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2818** at this time on its second reading:

CSHB 2818, Relating to certain local option elections and the permits and licenses that can be issued in areas that approved the sale of certain alcoholic beverages in a local option election.

The bill was read second time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2818** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill as appropriate:

SECTION _____. Section 11.05, Alcoholic Beverage Code, is amended to read as follows:

Sec. 11.05. UNAUTHORIZED USE OF PERMIT. A [No] permittee may not consent to or allow the use or display of the permittee's [his] permit by a person other than the person to whom the permit was issued.

SECTION _____. Section 11.46, Alcoholic Beverage Code, is amended by adding Subsection (d) to read as follows:

(d) The commission or administrator shall refuse to issue an original permit to a person convicted of an offense under Section 101.76 for a period of 10 years from the date of the conviction.

SECTION _____. Section 11.61, Alcoholic Beverage Code, is amended by adding Subsection (d-1) to read as follows:

(d-1) Notwithstanding Section 11.64, the commission or administrator shall cancel an original or renewal permit if it is found, after notice and hearing, that the permittee was convicted of an offense under Section 101.76.

SECTION _____. Subchapter A, Chapter 61, Alcoholic Beverage Code, is amended by adding Section 61.16 to read as follows:

Sec. 61.16. UNAUTHORIZED USE OF LICENSE. A licensee may not consent to or allow the use or display of the licensee's license by a person other than the person to whom the license was issued.

SECTION _____. Section 61.42, Alcoholic Beverage Code, is amended by adding Subsection (d) to read as follows:

(d) The county judge, commission, or administrator shall refuse to approve or issue a license to a person convicted of an offense under Section 101.76 for a period of 10 years from the date of the conviction.

SECTION _____. Subchapter C, Chapter 61, Alcoholic Beverage Code, is amended by adding Section 61.713 to read as follows:

Sec. 61.713. CANCELLATION FOR IMPROPER DISPLAY OR USE OF LICENSE. Notwithstanding Section 61.76 or 61.761, the commission or administrator shall cancel an original or renewal license if it is found, after notice and hearing, that the licensee was convicted of an offense under Section 101.76.

SECTION _____. Subchapter D, Chapter 101, Alcoholic Beverage Code, is amended by adding Section 101.76 to read as follows:

Sec. 101.76. UNLAWFUL DISPLAY OR USE OF PERMIT OR LICENSE. (a) A person commits an offense if the person allows another person to display or use a permit or license issued by the commission in any manner not allowed by law.

(b) A person commits an offense if the person displays or uses a permit or license issued by the commission to another person in any manner not allowed by law.

(c) An offense under this section is a Class A misdemeanor.

The amendment to **CSHB 2818** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Carona and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 2818 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2818 ON THIRD READING**

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2818** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 346 ON SECOND READING**

Senator Carona moved to suspend the regular order of business and Senate Rule 5.14(a) to take up for consideration **CSHB 346** at this time on its second reading:

CSHB 346, Relating to the accessing and use of electronically readable personal identification information obtained from driver's licenses or personal identification certificates.

The motion prevailed.

Senators Birdwell, Campbell, Nichols, Patrick, Paxton, Schwertner, and Uresti asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 346** (senate committee printing) in SECTION 1 of the bill as follows:

- (1) In the recital (page 1, line 26), between "(b)" and "and (e)" insert ", (c)".
- (2) In the recital (page 1, line 26), strike "Subsection (l)" and substitute "Subsections (e-1) and (l)".
- (3) In amended Section 521.126(b), Transportation Code (page 1, line 28), between "(e)," and "(g)," insert "(e-1)".
- (4) In amended Section 521.126(e), Transportation Code (page 1, line 37), strike "(b) [~~(b)(1)~~]" and substitute "(b)(1)".
- (5) In amended Section 521.126(e)(1), Transportation Code (page 1, line 43), after the underlined semicolon, insert "or".
- (6) Strike amended Section 521.126(e)(2), Transportation Code (page 1, lines 44-49), and substitute the following:

(2) accesses or uses as electronically readable information a driver's license number or a name printed on a driver's license as part of a transaction initiated by the license or certificate holder to provide information encrypted in a manner:

(A) consistent with PCI DSS Standard 3.4 to a check services company or fraud prevention services company governed by the Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.) for the purpose of effecting, administering, or enforcing the transaction; and

(B) that does not involve the sale, transfer, or other dissemination of a name or driver's license number to a third party for any purpose, including any marketing, advertising, or promotional activities.

(7) Strike amended Section 521.126(e)(3), Transportation Code (page 1, lines 50-55), and substitute the following:

(e-1) The prohibition provided by Subsection (b) does not apply to:

(1) a check services company or a fraud prevention services company governed by the Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.) that, for the purpose of preventing fraud when effecting, administering, or enforcing the transaction:

(A) accesses or uses as electronically readable information a driver's license number or a name printed on a driver's license; or

(B) compiles or maintains a database of electronically readable driver's license numbers or names printed on driver's licenses and periodically removes the numbers or names from the database that are at least four years old; or

(8) In amended Section 521.126(e)(4), Transportation Code (page 1, line 56), strike "(4) is" and substitute "(2)".

The amendment to **CSHB 346** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Carona and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 346 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Nichols, Patrick, Paxton, Schwertner, Uresti.

COMMITTEE SUBSTITUTE HOUSE BILL 346 ON THIRD READING

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 346** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Paxton, Rodríguez, Seliger, Taylor, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Nichols, Patrick, Schwertner, Uresti.

The bill was read third time and was passed by the following vote: Yeas 24, Nays 7.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Rodríguez, Seliger, Taylor, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Nichols, Patrick, Paxton, Schwertner, Uresti.

SENATE BILL 123 WITH HOUSE AMENDMENT

Senator Rodríguez called **SB 123** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 123** (house committee printing) on page 1, line 18, by striking "shall" and substituting "may [~~shall~~]".

The amendment was read.

Senator Rodríguez moved to concur in the House amendment to **SB 123**.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Birdwell.

SENATE BILL 209 WITH HOUSE AMENDMENT

Senator Huffman called **SB 209** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 209** (house committee report) as follows:

(1) In SECTION 5 of the bill, strike Sec. 33.0055(a) and substitute the following: Sec. 33.0055. PUBLIC MEETING. (a) The Commission shall in each even numbered year hold a public hearing to consider comment from the public regarding the commission's mission and operations. Such comments shall be considered in a manner which does not compromise the confidentiality of matters considered by the commission.

The amendment was read.

Senator Huffman moved to concur in the House amendment to **SB 209**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 495 WITH HOUSE AMENDMENTS

Senator Huffman called **SB 495** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 495** (house committee printing) on page 11 by striking lines 24 through 27 and substituting the following:

Sec. 34.014. FUNDING. The department may accept gifts and grants from any

Floor Amendment No. 2

Amend **SB 495** (house committee printing) on page 12, line 9, by striking "34.005(a)(3)" and substituting "34.005(3)".

The amendments were read.

Senator Huffman moved to concur in the House amendments to **SB 495**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 1556 WITH HOUSE AMENDMENTS

Senator Seliger called **SB 1556** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 1556** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the establishment of a school safety certification program and the School Safety Task Force.

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

SECTION 1. Subchapter D, Chapter 37, Education Code, is amended by adding Sections 37.1081 and 37.1082 to read as follows:

Sec. 37.1081. SCHOOL SAFETY CERTIFICATION PROGRAM. (a) The Texas School Safety Center, in consultation with the School Safety Task Force established under Section 37.1082, shall develop a school safety certification program.

(b) The Texas School Safety Center shall award a school safety certificate to a school district that:

(1) has adopted and implemented a multihazard emergency operations plan as required under Section 37.108 and that includes in that plan:

(A) measures for security of facilities and grounds;

(B) measures for communication with parents and the media in the event of an emergency; and

(C) an outline of safety training for school employees;

(2) demonstrates to the center with current written self-audit processes that the district conducts at least one drill per year for each of the following types of drills:

(A) a school lockdown drill;

(B) an evacuation drill;

(C) a weather-related emergency drill;

(D) a reverse evacuation drill; and

(E) a shelter-in-place drill;

(3) is in compliance with Sections 37.108(b) and (c); and

(4) meets any other eligibility criteria as recommended by the School Safety Task Force.

Sec. 37.1082. SCHOOL SAFETY TASK FORCE. (a) The School Safety Task Force is established to:

(1) study, on an ongoing basis, best practices for school multihazard emergency operations planning; and

(2) based on those studies, make recommendations to the legislature, the Texas School Safety Center, and the governor's office of homeland security.

(b) The task force is composed of:

(1) the chief of the Texas Division of Emergency Management, or the chief's designee;

(2) the training director of the Advanced Law Enforcement Rapid Response Training Center at Texas State University–San Marcos, or the training director's designee;

(3) the chairperson of the Texas School Safety Center, or the chairperson's designee; and

(4) the agency director of the Texas A&M Engineering Extension Service, or the agency director's designee.

(c) The chief of the Texas Division of Emergency Management, or the chief's designee, shall serve as the presiding officer of the task force.

(d) A member of the task force is not entitled to compensation for service on the task force but is entitled to reimbursement for actual and necessary expenses incurred in performing task force duties.

(e) In performing the task force's duties under this section for schools, the task force shall consult with and consider recommendations from school district and school personnel, including school safety personnel and educators, and from first responders, emergency managers, local officials, representatives of appropriate nonprofit organizations, and other interested parties with knowledge and experience concerning school emergency operations planning.

(f) Not later than September 1 of each even-numbered year, the task force shall prepare and submit to the legislature a report concerning the results of the task force's most recent study, including any recommendations for statutory changes the task force considers necessary or appropriate to improve school multihazard emergency operations.

SECTION 2. Section 46.0081, Education Code, is amended to read as follows:

Sec. 46.0081. SECURITY CRITERIA IN DESIGN OF INSTRUCTIONAL FACILITIES. A school district that constructs a new instructional facility or conducts a major renovation of an existing instructional facility using funds allotted to the district under this subchapter shall consider, in the design of the instructional facility, appropriate security criteria [~~developed by the Texas School Safety Center under Section 37.2051~~].

SECTION 3. Section 37.2051, Education Code, is repealed.

SECTION 4. 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, 2013.

Floor Amendment No. 1

Amend **CSSB 1556** (house committee report) as follows:

(1) On page 2, between lines 9 and 10, insert the following:

(c) The certification program is abolished and this section expires September 1, 2017.

(2) On page 3, between lines 20 and 21, insert the following:

(g) The task force is abolished and this section expires September 1, 2017.

The amendments were read.

Senator Huffman moved to concur in the House amendments to **SB 1556**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 1367 WITH HOUSE AMENDMENT

Senator Duncan called **SB 1367** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1367** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to abolishing the Texas Health Insurance Pool.

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

SECTION 1. DEFINITIONS. In this Act:

- (1) "Board" means the board of directors of the pool.
- (2) "Commissioner" means the commissioner of insurance.
- (3) "Department" means the Texas Department of Insurance.
- (4) "Health benefit exchange" has the meaning assigned by Section 1369.201, Insurance Code.

(5) "Pool" means the Texas Health Insurance Pool established under Chapter 1506, Insurance Code, as that chapter existed before its repeal by this Act.

SECTION 2. PLAN FOR DISSOLUTION. As soon as practicable after the effective date of this Act, the board shall:

- (1) develop a plan for:

(A) dissolving the board and the pool after the pool's obligations to issue and continue health benefit coverage terminate under Sections 3 and 4 of this Act; and

- (B) transferring to the commissioner and the department:

- (i) any continuing obligations of the board and the pool;
- (ii) any assets of the pool;

(iii) any rights of the board or the pool that accrued before the dissolution of the board or the pool or that accrue with respect to coverage issued by the pool before the pool's dissolution; and

(iv) any authority previously held by the board the continuation of which is necessary or appropriate; and

(2) submit the plan to the commissioner for the commissioner's approval.

SECTION 3. ACCEPTANCE OF ENROLLEES. The latest date on which the pool may issue health benefit coverage is the later of:

(1) December 31, 2013; or

(2) the earliest date on which health benefit coverage is reasonably available on a guaranteed issue basis to each class of individuals eligible for health benefit coverage through the pool immediately before the effective date of this Act, as determined by the commissioner.

SECTION 4. TERMINATION OF POOL COVERAGE. Health benefit coverage that is issued to an individual by the pool and that is otherwise in force terminates on the later of:

(1) January 1, 2014; or

(2) the earliest date on which the individual:

(A) is enrolled in comparable health benefit coverage; or

(B) could reasonably be expected to have obtained health benefit coverage on a guaranteed issue basis, as determined by the commissioner.

SECTION 5. EXERCISE OF POOL'S RECOVERY RIGHTS. The department may exercise any authority to recover overpayments or other amounts the pool would have been authorized to recover or collect had the pool not been dissolved, including amounts recoverable under the pool's subrogation rights.

SECTION 6. TRANSFER OF CERTAIN FUNDS; ASSESSMENT AUTHORITY CONTINUED. (a) Any fund in which money belonging to the pool is kept and any other assets of the pool shall be transferred to the department on dissolution of the pool. That money and any other money recovered or otherwise collected by the department under this Act on behalf of the pool shall be used by the department to satisfy obligations of the pool in accordance with this Act, Chapter 1506, Insurance Code, as that chapter existed before its repeal by this Act, and the dissolution plan.

(b) The authority of the board to make assessments under Subchapter F, Chapter 1506, Insurance Code, as that subchapter existed before its repeal by this Act, is continued and may be exercised by the commissioner until the commissioner determines that all financial obligations of the board and the pool have been satisfied.

(c) Money collected by the department under Subsections (a) and (b) of this section shall be deposited to an account in the Texas Treasury Safekeeping Trust Company to be used for the purposes described by this Act. The money deposited to the account may be used to pay fees for the Texas Treasury Safekeeping Trust Company account. The department may transfer money into the treasury local operating fund to disburse the money as required by this Act.

(d) When the commissioner determines that all financial obligations of the board and the pool have been satisfied, the commissioner shall make a final accounting with respect to pool finances and:

(1) make any necessary final assessment under this section; or
(2) refund any surplus assessments or other surplus money collected on behalf of the pool, other than money described by Subsection (e) of this section:

(A) on a pro rata basis to the health benefit plan issuers that paid the assessments to the extent possible; or

(B) on another equitable basis to the extent pro rata refunds are not possible.

(e) If money paid or payable under Subsection (m), Section 843.342 and Subsection (l), Section 1301.137, Insurance Code, is no longer necessary to finance premium discounts as prescribed by Section 1506.260, Insurance Code, as that section existed immediately before the effective date of this Act, the money shall be distributed and used as follows:

(1) \$5 million shall be distributed to the corporation established under Chapter 182, Health and Safety Code, to be used for a purpose provided by that chapter; and

(2) any money available after the amount required by Subdivision (1) of this subsection has been distributed in accordance with that subdivision shall be distributed to the fund established under Subchapter F, Chapter 1508, Insurance Code, to be used:

(A) before January 1, 2014, for a purpose provided by that subchapter; and

(B) on and after January 1, 2014, for any other purpose authorized by the commissioner by rule to improve access to health benefit coverage for individuals without coverage.

(f) Money paid or payable under Subsection (m), Section 843.342 and Subsection (l), Section 1301.137, Insurance Code, is subject to audit by the State Auditor's Office.

SECTION 7. DELAYED IMPLEMENTATION. The commissioner by rule may delay the implementation of any part of Sections 1 through 6 of this Act or the pool dissolution plan established under this Act if:

(1) the guaranteed issue of health benefit coverage is delayed;

(2) the operation of a health benefit exchange in this state is delayed; or

(3) the commissioner determines that health benefit coverage expected to be available on a guaranteed issue basis to a class of individuals eligible for coverage under Chapter 1506, Insurance Code, immediately before the effective date of this Act, is not reasonably available to those individuals in this state.

SECTION 8. REPEALER. (a) Effective January 1, 2014, the following laws are repealed:

(1) Subsections (a-1) and (a-2), Section 1506.007, Insurance Code;

(2) Subsections (b) and (c), Section 1506.205, Insurance Code;

(3) Subsection (b), Section 1251.255, Insurance Code; and

(4) Section 1271.305, Insurance Code.

(b) Effective September 1, 2015, Chapter 1506, Insurance Code, is repealed.

SECTION 9. EFFECTIVE DATE. 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, 2013.

The amendment was read.

Senator Duncan moved to concur in the House amendment to **SB 1367**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 1803 WITH HOUSE AMENDMENTS

Senator Huffman called **SB 1803** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 1803** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to investigations of and payment holds relating to allegations of fraud or abuse and investigations of and hearings on overpayments and other amounts owed by providers in connection with the Medicaid program or other health and human services programs.

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

SECTION 1. Section 531.1011, Government Code, is amended to read as follows:

Sec. 531.1011. DEFINITIONS. For purposes of this subchapter:

(1) "Abuse" means:

(A) a practice by a provider that is inconsistent with sound fiscal, business, or medical practices and that results in:

(i) an unnecessary cost to the Medicaid program; or

(ii) the reimbursement of services that are not medically necessary or that fail to meet professionally recognized standards for health care; or

(B) a practice by a recipient that results in an unnecessary cost to the Medicaid program.

(2) "Allegation of fraud" means an allegation of Medicaid fraud received by the commission from any source that has not been verified by the state, including an allegation based on:

(A) a fraud hotline complaint;

(B) claims data mining;

(C) data analysis processes; or

(D) a pattern identified through provider audits, civil false claims cases, or law enforcement investigations.

(3) "Credible allegation of fraud" means an allegation of fraud that has been verified by the state. An allegation is considered to be credible when the commission has:

(A) verified that the allegation has indicia of reliability; and

(B) reviewed all allegations, facts, and evidence carefully and acts judiciously on a case-by-case basis.

(4) "Fraud" means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to that person or some other person, including any act that constitutes fraud under applicable federal or state law.

(5) [(2)] "Furnished" refers to items or services provided directly by, or under the direct supervision of, or ordered by a practitioner or other individual (either as an employee or in the individual's own capacity), a provider, or other supplier of services, excluding services ordered by one party but billed for and provided by or under the supervision of another.

(6) "Payment hold" [(3) "~~Hold on payment~~"] means the temporary denial of reimbursement under the Medicaid program for items or services furnished by a specified provider.

(7) [(4)] "Practitioner" means a physician or other individual licensed under state law to practice the individual's profession.

(8) [(5)] "Program exclusion" means the suspension of a provider from being authorized under the Medicaid program to request reimbursement of items or services furnished by that specific provider.

(9) [(6)] "Provider" means a person, firm, partnership, corporation, agency, association, institution, or other entity that was or is approved by the commission to:

(A) provide medical assistance under contract or provider agreement with the commission; or

(B) provide third-party billing vendor services under a contract or provider agreement with the commission.

SECTION 2. Section 531.102, Government Code, is amended by amending Subsections (f) and (g) and adding Subsections (l), (m), (n), (o), and (p) to read as follows:

(f)(1) If the commission receives a complaint or allegation of Medicaid fraud or abuse from any source, the office must conduct a preliminary investigation as provided by Section 531.118(c) [an integrity review] to determine whether there is a sufficient basis to warrant a full investigation. A preliminary investigation [An integrity review] must begin not later than the 30th day after the date the commission receives a complaint or allegation or has reason to believe that fraud or abuse has occurred. A preliminary investigation [An integrity review] shall be completed not later than the 90th day after it began.

(2) If the findings of a preliminary investigation [an integrity review] give the office reason to believe that an incident of fraud or abuse involving possible criminal conduct has occurred in the Medicaid program, the office must take the following action, as appropriate, not later than the 30th day after the completion of the preliminary investigation [integrity review]:

(A) if a provider is suspected of fraud or abuse involving criminal conduct, the office must refer the case to the state's Medicaid fraud control unit, provided that the criminal referral does not preclude the office from continuing its investigation of the provider, which investigation may lead to the imposition of appropriate administrative or civil sanctions; or

(B) if there is reason to believe that a recipient has defrauded the Medicaid program, the office may conduct a full investigation of the suspected fraud, subject to Section 531.118(c).

(g)(1) Whenever the office learns or has reason to suspect that a provider's records are being withheld, concealed, destroyed, fabricated, or in any way falsified, the office shall immediately refer the case to the state's Medicaid fraud control unit. However, such criminal referral does not preclude the office from continuing its investigation of the provider, which investigation may lead to the imposition of appropriate administrative or civil sanctions.

(2) In addition to other instances authorized under state or federal law, the office shall impose without prior notice a payment hold on ~~[payment of]~~ claims for reimbursement submitted by a provider to compel production of records, when requested by the state's Medicaid fraud control unit, or on the determination that a credible allegation of fraud exists, subject to Subsections (l) and (m), as applicable, and the criteria adopted under Subsection (n)(3) ~~[on receipt of reliable evidence that the circumstances giving rise to the hold on payment involve fraud or willful misrepresentation under the state Medicaid program in accordance with 42 C.F.R. Section 455.23, as applicable]~~. The office must notify the provider of the payment hold ~~[on payment]~~ in accordance with 42 C.F.R. Section 455.23(b). In addition to the requirements of 42 C.F.R. Section 455.23(b), the notice of payment hold provided under this subdivision must also include:

(A) the specific basis for the hold, including identification of the claims supporting the allegation at that point in the investigation and a representative sample of any documents that form the basis for the hold; and

(B) a description of administrative and judicial due process remedies, including the provider's right to seek informal resolution, a formal administrative appeal hearing, or both.

(3) On timely written request by a provider subject to a payment hold ~~[on payment]~~ under Subdivision (2), other than a hold requested by the state's Medicaid fraud control unit, the office shall file a request with the State Office of Administrative Hearings or the appeals division of the commission, as requested by the provider, for an expedited administrative hearing regarding the hold. The provider must request an expedited administrative hearing under this subdivision not later than the 30th ~~[10th]~~ day after the date the provider receives notice from the office under Subdivision (2). Unless otherwise determined by the administrative law judge for good cause at an expedited administrative hearing before the State Office of Administrative Hearings under this subdivision, the state and the provider shall each be responsible for:

(A) one-half of the costs charged by the State Office of Administrative Hearings;

(B) one-half of the costs for transcribing the hearing;

(C) the party's own costs related to the hearing, including the costs associated with preparation for the hearing, discovery, depositions, and subpoenas, service of process and witness expenses, travel expenses, and investigation expenses; and

(D) all other costs associated with the hearing that are incurred by the party, including attorney's fees.

(4) The executive commissioner and the State Office of Administrative Hearings shall jointly adopt rules that require a provider, before an expedited administrative hearing before the State Office of Administrative Hearings under Subdivision (3), to advance security for the costs for which the provider is responsible under that subdivision.

(5) Following an expedited administrative hearing under Subdivision (3), a provider subject to a payment hold, other than a hold requested by the state's Medicaid fraud control unit, may appeal a final administrative order by filing a petition for judicial review in a district court in Travis County.

(6) The executive commissioner [commission] shall adopt rules that allow a provider subject to a [hold-on] payment hold under Subdivision (2), other than a hold requested by the state's Medicaid fraud control unit, to seek an informal resolution of the issues identified by the office in the notice provided under that subdivision. A provider must request [seek] an initial informal resolution meeting under this subdivision not later than the deadline prescribed by Subdivision (3) for requesting an expedited administrative hearing. On receipt of a timely request, the office shall schedule an initial informal resolution meeting not later than the 60th day after the date the office receives the request, but the office shall schedule the meeting on a later date, as determined by the office, if requested by the provider. The office shall give notice to the provider of the time and place of the initial informal resolution meeting not later than the 30th day before the date the meeting is to be held. A provider may request a second informal resolution meeting not later than the 20th day after the date of the initial informal resolution meeting. On receipt of a timely request, the office shall schedule a second informal resolution meeting not later than the 45th day after the date the office receives the request, but the office shall schedule the meeting on a later date, as determined by the office, if requested by the provider. The office shall give notice to the provider of the time and place of the second informal resolution meeting not later than the 20th day before the date the meeting is to be held. A provider must have an opportunity to provide additional information before the second informal resolution meeting for consideration by the office. A provider's decision to seek an informal resolution under this subdivision does not extend the time by which the provider must request an expedited administrative hearing under Subdivision (3). However, a hearing initiated under Subdivision (3) shall be stayed [at the office's request] until the informal resolution process is completed.

(7) ~~(5)~~ The office shall, in consultation with the state's Medicaid fraud control unit, establish guidelines under which payment holds [on payment] or program exclusions:

(A) may permissively be imposed on a provider; or

(B) shall automatically be imposed on a provider.

(l) The office shall employ a medical director who is a licensed physician under Subtitle B, Title 3, Occupations Code, and the rules adopted under that subtitle by the Texas Medical Board, and who preferably has significant knowledge of the Medicaid program. The medical director shall ensure that any investigative findings based on medical necessity or the quality of medical care have been reviewed by a qualified

expert as described by the Texas Rules of Evidence who preferably has knowledge of Medicaid program rules and requirements before the office imposes a payment hold or seeks recoupment of an overpayment, damages, or penalties.

(m) The office shall employ a dental director who is a licensed dentist under Subtitle D, Title 3, Occupations Code, and the rules adopted under that subtitle by the State Board of Dental Examiners, and who preferably has significant knowledge of the Medicaid program. The dental director shall ensure that any investigative findings based on the necessity of dental services or the quality of dental care have been reviewed by a qualified expert as described by the Texas Rules of Evidence who preferably has knowledge of Medicaid program rules and requirements before the office imposes a payment hold or seeks recoupment of an overpayment, damages, or penalties.

(n) The executive commissioner shall, in conjunction with the office and in consultation with the state's Medicaid fraud control unit, adopt rules for the office that establish:

(1) criteria for initiating a full fraud or abuse investigation, conducting the investigation, and collecting evidence;

(2) training requirements for Medicaid provider fraud or abuse investigators; and

(3) criteria for determining, in accordance with state and federal law, when good cause exists to:

(A) not impose a payment hold on a provider;

(B) discontinue a payment hold imposed on a provider;

(C) partially discontinue a payment hold imposed on a provider; and

(D) convert a full payment hold imposed on a provider to a partial payment hold.

(o) In determining what constitutes good cause for purposes of Subsection (n)(3), the executive commissioner shall consider:

(1) a specific request by a law enforcement agency that the office not impose a payment hold on a provider or discontinue a payment hold imposed on a provider;

(2) a determination by the office that other available remedies implemented by the office or commission could more effectively or quickly protect Medicaid funds than imposing or continuing a payment hold;

(3) evidence submitted by a provider that convinces the office that a payment hold should be discontinued or partially imposed;

(4) a determination by the office that a Medicaid recipient's access to items or services will be jeopardized by the imposition of a payment hold;

(5) a determination by the office that a payment hold should be discontinued because the state's Medicaid fraud control unit or a law enforcement agency declines to cooperate in certifying that the unit or agency is continuing to investigate the credible allegation of fraud that is the basis of the payment hold;

(6) a determination by the office that imposing a full or partial payment hold is not in the best interest of the Medicaid program; and

(7) a determination by the office that a partial payment hold will ensure that potentially fraudulent claims under the Medicaid program will not be continued to be paid.

(p) An employee of the office may bring a whistleblower suit in accordance with Chapter 554.

SECTION 3. Subchapter C, Chapter 531, Government Code, is amended by adding Sections 531.118, 531.119, 531.120, 531.1201, and 531.1202 to read as follows:

Sec. 531.118. PRELIMINARY INVESTIGATIONS OF ALLEGATIONS OF FRAUD OR ABUSE AND FRAUD REFERRALS. (a) The commission shall maintain a record of all allegations of fraud or abuse against a provider containing the date each allegation was received or identified and the source of the allegation, if available. The record is confidential under Section 531.1021(g) and is subject to Section 531.1021(h).

(b) If the commission receives an allegation of fraud or abuse against a provider from any source, the commission's office of inspector general shall conduct a preliminary investigation of the allegation as provided by Section 531.102(f)(1).

(c) In conducting a preliminary investigation, the office must review the allegations of fraud or abuse and all facts and evidence relating to the allegation and must prepare a preliminary investigation report before the allegation of fraud or abuse may proceed to a full investigation. The preliminary investigation report must document the allegation, the evidence reviewed, if available, the procedures used to conduct the preliminary investigation, the findings of the preliminary investigation, and the office's determination of whether a full investigation is warranted.

(d) If the state's Medicaid fraud control unit or any other law enforcement agency accepts a fraud referral from the office for investigation, a payment hold based on a credible allegation of fraud may be continued until:

(1) that investigation and any associated enforcement proceedings are complete; or

(2) the state's Medicaid fraud control unit, another law enforcement agency, or other prosecuting authorities determine that there is insufficient evidence of fraud by the provider.

(e) If the state's Medicaid fraud control unit or any other law enforcement agency declines to accept a fraud referral from the office for investigation, a payment hold based on a credible allegation of fraud must be discontinued unless the commission has alternative federal or state authority under which it may impose a payment hold or the office makes a fraud referral to another law enforcement agency.

(f) On a quarterly basis, the office must request a certification from the state's Medicaid fraud control unit and other law enforcement agencies as to whether each matter accepted by the unit or agency on the basis of a credible allegation of fraud referral continues to be under investigation and that the continuation of the payment hold is warranted.

Sec. 531.119. WEBSITE POSTING. The commission's office of inspector general shall post on its publicly available website a description in plain English of, and a video explaining, the processes and procedures the office uses to determine whether to impose a payment hold on a provider under this subchapter.

Sec. 531.120. NOTICE AND INFORMAL RESOLUTION OF PROPOSED RECOUPMENT OF OVERPAYMENT OR DEBT. (a) The commission or the commission's office of inspector general shall provide a provider with written notice of any proposed recoupment of an overpayment or debt and any damages or penalties relating to a proposed recoupment of an overpayment or debt arising out of a fraud or abuse investigation. The notice must include:

(1) the specific basis for the overpayment or debt;
(2) a description of facts and supporting evidence;
(3) a representative sample of any documents that form the basis for the overpayment or debt;
(4) the extrapolation methodology;
(5) the calculation of the overpayment or debt amount;
(6) the amount of damages and penalties, if applicable; and
(7) a description of administrative and judicial due process remedies, including the provider's right to seek informal resolution, a formal administrative appeal hearing, or both.

(b) The executive commissioner shall adopt rules that allow a provider who is the subject of a proposed recoupment of an overpayment or debt to seek informal resolution of the issues identified in the notice provided under Subsection (a).

(c) The rules adopted under Subsection (b) must require a provider who seeks informal resolution of the issues identified in the notice provided under Subsection (a) to request an initial informal resolution meeting not later than the 30th day after the date the provider receives the notice. On receipt of a timely request, the office shall schedule the initial informal resolution meeting not later than the 60th day after the date the office receives the request, but the office shall schedule the meeting on a later date, as determined by the office, if requested by the provider. The office shall give notice to the provider of the time and place of the initial informal resolution meeting not later than the 30th day before the date the meeting is to be held.

(d) The rules adopted under Subsection (b) must allow a provider to request a second informal resolution meeting not later than the 20th day after the date of the initial informal resolution meeting. On receipt of a timely request, the office shall schedule a second informal resolution meeting not later than the 45th day after the date the office receives the request, but the office shall schedule the meeting on a later date, as determined by the office, if requested by the provider. The office shall give notice to the provider of the time and place of the second informal resolution meeting not later than the 20th day before the date the meeting is to be held. A provider must have an opportunity to provide additional information before the second informal resolution meeting for consideration by the office.

(e) Not later than the 60th day after the date of the initial informal resolution meeting or, if a second informal resolution meeting is requested by the provider, after the second informal resolution meeting, or on a later date at the request of a provider, the commission or the office shall provide the provider with written notice of the commission's or office's final determination of whether the commission or office will seek to recoup an overpayment or debt from the provider.

(f) If a provider does not request an informal resolution meeting under this section, not later than the 60th day after the date the provider receives the notice under Subsection (a), the commission or the office shall provide the provider with written notice of the commission's or office's final determination of whether the commission or office will seek to recoup an overpayment or debt from the provider.

(g) Nothing in this section shall be construed to require a provider to request an informal resolution meeting under this section before requesting an appeal under Section 531.1201 of the commission's or office's final determination to recoup an overpayment or debt from the provider.

Sec. 531.1201. APPEAL OF DETERMINATION TO RECOUP OVERPAYMENT OR DEBT. (a) If, after a final determination, the commission or the commission's office of inspector general seeks to recoup from a provider an overpayment or debt arising out of a fraud or abuse investigation in an amount that is less than \$1 million, the provider may appeal the determination not later than the 15th day after the date the provider receives the notice under Section 531.120(e) or (f), as applicable, by requesting in writing that the commission or office set an administrative hearing on the determination. On receipt of a timely written request for an administrative hearing from the provider under this section, the commission or the office shall file a docketing request with the State Office of Administrative Hearings or the appeals division of the commission, as requested by the provider, for an administrative hearing on the final determination to recoup the overpayment or debt and any associated damages and penalties.

(b) If, after a final determination, the commission or the commission's office of inspector general seeks to recoup an overpayment or debt arising out of a fraud or abuse investigation in an amount of \$1 million or more from a provider, the provider may appeal the determination not later than the 15th day after the date the provider receives the notice under Section 531.120(e) or (f), as applicable, by:

(1) requesting in writing that the commission or office file a docketing request with the State Office of Administrative Hearings for an administrative hearing on the final determination to recoup an overpayment or debt and any associated damages and penalties; or

(2) filing a petition to appeal the final determination to recoup an overpayment or debt and any associated damages and penalties in a district court in Travis County.

(c) If a provider requests that the commission or office set an administrative hearing under Subsection (b)(1), the provider may not appeal any administrative order issued by an administrative law judge relating to the commission's or office's final determination to recoup an overpayment or debt and any associated damages and penalties from the provider in a district court.

(d) Unless otherwise determined by the administrative law judge for good cause, at any administrative hearing under this section before the State Office of Administrative Hearings, the state and the provider shall each be responsible for:

(1) one-half of the costs charged by the State Office of Administrative Hearings;

(2) one-half of the costs for transcribing the hearing;

(3) the party's own costs related to the hearing, including the costs associated with preparation for the hearing, discovery, depositions, and subpoenas, service of process and witness expenses, travel expenses, and investigation expenses; and

(4) all other costs associated with the hearing that are incurred by the party, including attorney's fees.

(e) The executive commissioner and the State Office of Administrative Hearings shall jointly adopt rules that require a provider, before an administrative hearing under this section before the State Office of Administrative Hearings, to advance security for the costs for which the provider is responsible under Subsection (d).

Sec. 531.1202. PRESENCE OF NEUTRAL THIRD PARTY AT INFORMAL RESOLUTION MEETINGS. The commission shall employ a person whose salary is paid by the commission and who is independent of the commission's office of inspector general to attend the informal resolution meetings held under Sections 531.102(g)(6) and 531.120(c) and (d) as a neutral third-party observer. The person shall report to the executive commissioner on the proceedings and outcome of each informal resolution meeting.

SECTION 4. The heading to Section 32.0291, Human Resources Code, is amended to read as follows:

Sec. 32.0291. PREPAYMENT REVIEWS AND PAYMENT [POSTPAYMENT] HOLDS.

SECTION 5. Sections 32.0291(b) and (c), Human Resources Code, are amended to read as follows:

(b) Subject to Section 531.102, Government Code, and notwithstanding [Notwithstanding] any other law, the department may impose a payment [postpayment] hold on [payment of] future claims submitted by a provider [if the department has reliable evidence that the provider has committed fraud or wilful misrepresentation regarding a claim for reimbursement under the medical assistance program. The department must notify the provider of the postpayment hold not later than the fifth working day after the date the hold is imposed].

(c) A payment hold authorized by this section is governed by the requirements and procedures specified for a payment hold under Section 531.102, Government Code, including the notice requirements under Subsection (g) of that section. [On timely written request by a provider subject to a postpayment hold under Subsection (b), the department shall file a request with the State Office of Administrative Hearings for an expedited administrative hearing regarding the hold. The provider must request an expedited hearing under this subsection not later than the 10th day after the date the provider receives notice from the department under Subsection (b). The department shall discontinue the hold unless the department makes a prima facie showing at the hearing that the evidence relied on by the department in imposing the hold is relevant, credible, and material to the issue of fraud or wilful misrepresentation.]

SECTION 6. Section 32.0291(d), Human Resources Code, is repealed.

SECTION 7. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for the implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 8. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 1803** (house committee printing) as follows:

(1) Between page 2, line 27, and page 3, line 1, insert the following:

(7) "Physician" includes an individual licensed to practice medicine in this state, a professional association composed solely of physicians, a partnership composed solely of physicians, a single legal entity authorized to practice medicine owned by two or more physicians, and a nonprofit health corporation certified by the Texas Medical Board under Chapter 162, Occupations Code.

(2) On page 3, line 1, strike "(7)" and substitute "(8)".

(3) On page 3, line 4, strike "(8)" and substitute "(9)".

(4) On page 3, line 8, strike "(9)" and substitute "(10)".

(5) On page 3, lines 16 and 17, strike "Subsections (l), (m), (n), (o), and (p)" and substitute "Subsections (l), (m), and (n)".

(6) On page 5, lines 4 and 5, strike "and the criteria adopted under Subsection (n)(3)".

(7) On page 5, lines 25 and 26, strike "or the appeals division of the commission, as requested by the provider,".

(8) On page 6, lines 5 and 6, strike "before the State Office of Administrative Hearings under this subdivision".

(9) On page 6, lines 20 and 21, strike "before the State Office of Administrative Hearings under Subdivision (3)".

(10) On page 8, lines 20 and 21, strike "who preferably has knowledge of Medicaid program rules and requirements".

(11) On page 9, lines 3 and 4, strike "who preferably has knowledge of Medicaid program rules and requirements".

(12) Strike page 9, line 7, through page 10, line 24, and substitute the following:

(n) To the extent permitted under federal law, the office, acting through the commission, shall adopt rules establishing the criteria for initiating a full-scale fraud or abuse investigation, conducting the investigation, collecting evidence, accepting and approving a provider's request to post a surety bond to secure potential recoupments in lieu of a payment hold or other asset or payment guarantee, and establishing minimum training requirements for Medicaid provider fraud or abuse investigators.

(13) On page 11, line 11, strike "as provided by Section 531.102(f)(1)." and substitute the following:

to determine whether there is a sufficient basis to warrant a full investigation. A preliminary investigation must begin not later than the 30th day after the date the commission receives or identifies an allegation of fraud or abuse.

(14) Strike page 13, line 13, through page 17, line 18, and substitute the following:

(b) A provider must request an initial informal resolution meeting under this section not later than the 30th day after the date the provider receives notice under Subsection (a). On receipt of a timely request, the office shall schedule an initial informal resolution meeting not later than the 60th day after the date the office receives the request, but the office shall schedule the meeting on a later date, as determined by the office if requested by the provider. The office shall give notice to the provider of the time and place of the initial informal resolution meeting not later than the 30th day before the date the meeting is to be held. A provider may request a second informal resolution meeting not later than the 20th day after the date of the initial informal resolution meeting. On receipt of a timely request, the office shall schedule a second informal resolution meeting not later than the 45th day after the date the office receives the request, but the office shall schedule the meeting on a later date, as determined by the office if requested by the provider. The office shall give notice to the provider of the time and place of the second informal resolution meeting not later than the 20th day before the date the meeting is to be held. A provider must have an opportunity to provide additional information before the second informal resolution meeting for consideration by the office.

Sec. 531.1201. APPEAL OF DETERMINATION TO RECOUP OVERPAYMENT OR DEBT. (a) A provider must request an appeal under this section not later than the 15th day after the date the provider is notified that the commission or the commission's office of inspector general will seek to recover an overpayment or debt from the provider. On receipt of a timely written request by a provider who is the subject of a recoupment of overpayment or recoupment of debt arising out of a fraud or abuse investigation, the office of inspector general shall file a docketing request with the State Office of Administrative Hearings or the Health and Human Services Commission appeals division, as requested by the provider, for an administrative hearing regarding the proposed recoupment amount and any associated damages or penalties. The office shall file the docketing request under this section not later than the 60th day after the date of the provider's request for an administrative hearing or not later than the 60th day after the completion of the informal resolution process, if applicable.

(b) Unless otherwise determined by the administrative law judge for good cause, at any administrative hearing under this section before the State Office of Administrative Hearings, the state and the provider shall each be responsible for:

(1) one-half of the costs charged by the State Office of Administrative Hearings;

(2) one-half of the costs for transcribing the hearing;

(3) the party's own costs related to the hearing, including the costs associated with preparation for the hearing, discovery, depositions, and subpoenas, service of process and witness expenses, travel expenses, and investigation expenses; and

(4) all other costs associated with the hearing that are incurred by the party, including attorney's fees.

(c) The executive commissioner and the State Office of Administrative Hearings shall jointly adopt rules that require a provider, before an administrative hearing under this section before the State Office of Administrative Hearings, to advance security for the costs for which the provider is responsible under Subsection (b).

(d) Following an administrative hearing under Subsection (a), a provider who is the subject of a recoupment of overpayment or recoupment of debt arising out of a fraud or abuse investigation may appeal a final administrative order by filing a petition for judicial review in a district court in Travis County.

Sec. 531.1202. RECORD OF INFORMAL RESOLUTION MEETINGS. The commission shall, at no expense to the provider who requested the meeting, provide for an informal resolution meeting held under Section 531.102(g)(6) or 531.120(b) to be recorded. The recording of an informal resolution meeting shall be made available to the provider who requested the meeting.

Floor Amendment No. 2

Amend **CSSB 1803** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. The House Public Health Committee, the House Human Services Committee, and the Senate Health and Human Services Committee shall periodically request and review information from the Health and Human Services Commission and the commission's office of inspector general to monitor the enforcement of and the protections provided by the changes in law made by this Act and to recommend additional changes in law to further the purposes of this Act. In performing the duties required under this section, the House Public Health Committee and the House Human Services Committee shall perform the duties jointly and the Senate Health and Human Services Committee shall perform the duties independently.

The amendments were read.

Senator Huffman moved to concur in the House amendments to **SB 1803**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE HOUSE BILL 2836 ON SECOND READING

On motion of Senator Patrick and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2836** at this time on its second reading:

CSHB 2836, Relating to the administration of certain state assessment instruments to public school students and to a study of the essential knowledge and skills of the required public school curriculum and of certain state assessment instruments.

The bill was read second time.

Senator West offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2836** (senate committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Chapter 11, Education Code, is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. TEXAS ACHIEVEMENT SCHOOL DISTRICT

Sec. 11.401. TEXAS ACHIEVEMENT SCHOOL DISTRICT ESTABLISHED.

(a) The Texas Achievement School District is hereby established as a school district under this code and an intermediate educational unit under 34 C.F.R. Section 222.50 for the purpose of educating students attending a campus removed from the jurisdiction of a school district under Section 39.1071.

(b) In this subchapter, "prior system" means the school district from which a campus that is transferred to the jurisdiction of the achievement school district was removed.

(c) The commissioner shall select the superintendent of the achievement school district. The superintendent shall report to the commissioner under a written contract for services.

(d) The achievement school district does not have authority to impose taxes but has authority to seek and expend federal funding and grant funding and to otherwise seek, obtain, and expend funding with the same authority as an independent school district.

(e) The achievement school district may provide for the supervision, management, and operation of each campus placed under the district's jurisdiction and receive, control, and expend the local, state, and federal funding attributable to that campus, with all the same power and authority as the prior system, subject to the requirements of this subchapter and Section 39.1071, and with any other power or authority otherwise granted by law.

(f) The achievement school district is entitled to the same level of services provided to other school districts by regional education service centers, and to participate in any state program available to school districts, including a purchasing program. In addition, using funds appropriated for the regional education service centers, the commissioner shall direct that appropriate administrative facilities and support be made available to serve as the central administrative offices of the district.

(g) The achievement school district may not contract with a private entity for providing educational services to the students attending a campus transferred to the district, other than an eligible entity, as defined by Section 12.101, that holds a charter granted under Chapter 12 and has:

(1) operated one or more open-enrollment charter schools in this state for three or more consecutive years;

(2) achieved a district rating of exemplary or recognized under Subchapter G, Chapter 39, or the equivalent under subsequent laws or rules regarding accountability ratings for three of the preceding five years;

(3) documented success in whole school interventions that increased the educational and performance levels of students in campuses that received unacceptable performance ratings under Section 39.054; and

(4) demonstrated success in educating populations of students similar to the populations of students enrolled at the campus transferred to the district.

(h) The achievement school district may employ such staff as the superintendent deems necessary.

Sec. 11.402. APPLICABILITY OF LAWS, RULES, AND ORDINANCES TO ACHIEVEMENT SCHOOL DISTRICT. (a) Except as expressly provided by law, the achievement school district is subject to federal and state laws and rules governing public schools and to municipal zoning ordinances governing public schools.

(b) Except as provided by Subsection (c) and as expressly provided by other law, the achievement school district is subject to a provision of this title to the extent and in the manner that such provision applies to an open-enrollment charter school under Subchapter D, Chapter 12.

(c) A teacher employed by the achievement school district must be certified under Subchapter B, Chapter 21, and may only teach a subject in which the teacher is certified.

(d) The performance of a campus under the jurisdiction of the achievement school district may not be used for purposes of determining the prior system's performance rating under Section 39.054.

(e) With respect to the operation of the achievement school district, any requirement in Chapter 551 or 552, Government Code, or another law that concerns open meetings or the availability of information that applies to a school district, the board of trustees of a school district, or public school students applies to the achievement school district, the superintendent of the district, or students attending the district.

Sec. 11.403. IMMUNITY. The achievement school district is immune from liability to the same extent as any other school district, and the district's employees and volunteers are immune from liability to the same extent as other school district employees and volunteers.

Sec. 11.404. MEMBERSHIP IN TEACHER RETIREMENT SYSTEM OF TEXAS BY ACHIEVEMENT SCHOOL DISTRICT EMPLOYEES. (a) An employee of the achievement school district who qualifies for membership in the Teacher Retirement System of Texas shall be covered under the system to the same extent a qualified employee of any other school district is covered.

(b) For each employee of the achievement school district covered under the system, the district is responsible for making any contribution that otherwise would be the legal responsibility of the district, and the state is responsible for making contributions to the same extent it would be legally responsible if the employee were that of another school district.

Sec. 11.405. FUNDING OF STUDENTS ENROLLED IN ACHIEVEMENT SCHOOL DISTRICT. (a) The achievement school district is entitled to receive for the education of students transferred to the district funding under Chapter 42 equal to

the amount of funding per student in weighted average daily attendance to which the prior system would be entitled under Chapter 42 if the prior system were a school district without a tier one local share for purposes of Section 42.253.

(b) In determining funding for the achievement school district under Subsection (a), adjustments under Sections 42.102, 42.103, 42.104, and 42.105 are based on the actual adjustment for the prior system. In addition to the funding provided by Subsection (a), the achievement school district is entitled to receive enrichment funding under Section 42.302 based on the actual amount for the prior system.

(c) In determining funding for the achievement school district under Subsection (a), the commissioner shall apply the same adjustment factor provided under Section 42.101 to calculate the regular program allotment as for the prior system. This subsection expires September 1, 2015.

(d) The achievement school district is entitled to funds that are available to other school districts from the agency or the commissioner in the form of grants or other discretionary funding. The district is entitled to a pro rata share of all revenue to the prior system from the agency or the commissioner in the form of grants or other discretionary funding.

(e) The achievement school district is entitled to share in the available school fund apportionment and other privileges in the same manner as the prior system. The district shall report its student attendance and receive funding in the same manner as any other district.

(f) For purposes of calculating the amount of the prior system's obligations and entitlements under Chapters 41 and 42, students transferred to the achievement school district who would otherwise have attended the prior system are not counted in calculating the average daily attendance of the prior system.

(f-1) For purposes of calculating the prior system's allotments under Chapter 46, students transferred to the achievement school district who would otherwise have attended the prior system are counted in calculating the average daily attendance of the prior system.

(g) The commissioner shall adopt rules under this section.

Sec. 11.406. FACILITIES SUPPORT FOR STUDENTS ENROLLED IN ACHIEVEMENT SCHOOL DISTRICT. The achievement school district is entitled to use any school building and all facilities and property otherwise part of the campus and recognized as part of the facilities or assets of the campus before the campus was placed in the district. The district is entitled to access to such additional facilities as were typically available to the campus, its students, and faculty and staff before the campus was placed in the district. Such use may not be restricted, except that the achievement school district is responsible for and obligated to provide for routine maintenance and repair such that the facilities and property are maintained in as good an order as when the right of use was acquired by the district.

Sec. 11.407. OTHER SUPPORT FOR STUDENTS ENROLLED IN ACHIEVEMENT SCHOOL DISTRICT. The achievement school district may require the prior system to provide school support or student support services for a campus transferred from the prior system's jurisdiction, including student transportation, school food service, or student assessment for special education eligibility that are compliant with all laws and regulations governing such services. The achievement

school district shall reimburse the actual cost of such services to the prior system. If a dispute arises between the achievement school district and the prior system regarding the actual cost of services to be reimbursed, the commissioner or the commissioner's designee shall determine the cost to be reimbursed.

Sec. 11.408. EXPENDITURES FOR SUPPORT OF STUDENTS ENROLLED IN ACHIEVEMENT SCHOOL DISTRICT. Funds received by the achievement school district under Section 11.405 shall be used for the operation and administration of campuses transferred from prior systems to the district.

Sec. 11.409. ACHIEVEMENT CHARTER SCHOOLS. (a) The achievement school district may design and grant campus charters under Section 12.0521(a)(1) to new campuses created by the district for the purpose of applying the district's experience and expertise in turning around persistently low-performing campuses. The district shall develop a statewide plan under this section to be submitted in the manner provided by Section 39.332.

(b) New charters under this section are eligible for funding under Section 11.405. Any administrative cost of charter-authorizing activities under this section may be paid from funds appropriated to the agency.

(c) An entity granted a charter under this section is not eligible for an additional charter under this section or an expansion amendment if it fails to achieve and maintain an acceptable rating in its third year of operation at a campus.

SECTION ____. Subchapter C, Chapter 12, Education Code, is amended by adding Section 12.0523 to read as follows:

Sec. 12.0523. AUTHORIZATION FOR FAILING CAMPUS. (a) The commissioner may grant a charter to an eligible entity as defined by Section 12.101(a) in consultation with parents of students enrolled in the district and assigned to the attendance zone of the feeder pattern for the campus for the operation of a school campus with unacceptable performance under Chapter 39 for three consecutive school years if the commissioner determines that the campus has not instituted meaningful change as provided by Section 39.107(a).

(b) The name of the campus may be changed only on agreement by the holder of the charter under this section and the affected school district.

(c) The commissioner shall adopt rules necessary to implement this section.

SECTION ____. Subsection (f), Section 39.106, Education Code, is amended to read as follows:

(f) Notwithstanding any other provision of this subchapter, if the commissioner determines that a campus for which an intervention is ordered under Subsection (a) is not fully implementing the campus intervention team's recommendations or targeted improvement plan or updated plan, the commissioner may order the reconstitution of the campus as provided by Section 39.107 or the removal of the campus to the achievement school district established by Subchapter I, Chapter 11.

SECTION ____. The heading to Section 39.107, Education Code, is amended to read as follows:

Sec. 39.107. RECONSTITUTION, REMOVAL, OR GRANT OF CHARTER; REPURPOSING, ALTERNATIVE MANAGEMENT, AND CLOSURE.

SECTION _____. Section 39.107, Education Code, is amended by amending Subsections (a) and (a-1) and adding Subsections (a-2), (a-3), (a-4), (a-5), (a-6), and (k-1) to read as follows:

(a) After a campus has been identified as unacceptable for two consecutive school years, the commissioner shall determine whether the district has instituted meaningful change, including reconstituting the staff or leadership at the campus. If the commissioner determines that the campus has instituted meaningful change, the commissioner may take action under Subsection (a-1) and reevaluate the campus under this subsection following the conclusion of the subsequent school year. If the commissioner determines that the campus has not instituted meaningful change, the commissioner shall, based on the commissioner's determination of the best remedy for the campus:

(1) order the reconstitution of the campus under this section;

(2) order the removal of the campus to the achievement school district as provided by Section 39.1071; or

(3) grant a charter to an eligible entity in the manner provided by Section 12.0523.

(a-1) At the request of the board of trustees of the district, the commissioner may annually for two consecutive years grant the district extraordinary powers to address performance deficiencies in accordance with the following limitations:

(1) the commissioner may only grant powers specifically requested by the board;

(2) the board must provide evidence that the power or powers requested will enable the district to overcome identified barriers to performance growth;

(3) the commissioner may not grant a district powers or related waivers or exemptions not available to the achievement school district; and

(4) when the grant of an extraordinary power expires at the end of the first or second year in which it is operative, as determined by the commissioner, the campus will be removed to the achievement school district if the commissioner determines that the campus has not achieved a performance growth level that enables the campus to achieve acceptable performance within four years.

(a-2) In making a determination regarding action to be taken under this section, the commissioner shall seek and give considerable weight to recommendations from parents of students enrolled at the campus and members of the community who reside in the attendance zone of the campus.

(a-3) In reconstituting a campus, a campus intervention team, with the involvement and advice of the school community partnership team, if applicable, shall assist the campus in:

(1) developing an updated targeted improvement plan;

(2) submitting the updated targeted improvement plan to the board of trustees of the school district for approval and presenting the plan in a public hearing as provided by Section 39.106(e-1);

(3) obtaining approval of the updated plan from the commissioner; and

(4) executing the plan on approval by the commissioner.

(a-4) The campus intervention team or a school community partnership team shall develop information regarding campus performance and available options for improving campus performance that may be provided to interested parties on request.

(a-5) Notwithstanding Subsection (a), the commissioner may refrain from taking action otherwise required under that subsection against a campus based on campus performance for the 2014-2015 school year and preceding school years. If the commissioner takes action, the commissioner may not order the reconstitution of the campus and may only take other actions authorized by law. This subsection expires September 1, 2016.

(a-6) In ordering the reconstitution of a campus or as an alternative to reconstitution, the commissioner may order, if a school district requests the order, that:

(1) except as expressly provided by other law, the reconstituted campus and its employees and students are subject to a provision of this title to the extent and in the same manner that such provision applies to an open-enrollment charter school and its employees and students under Subchapter D, Chapter 12; or

(2) the reconstituted campus, by agreement between the school district and the achievement school district, be transferred to or operated by the achievement school district.

(k-1) A managing entity may not assume management of a campus under this section if a member of the entity's management and leadership team provided any input to the commissioner regarding the commissioner's determination under Subsection (a).

SECTION ____. Subchapter E, Chapter 39, Education Code, is amended by adding Section 39.1071 to read as follows:

Sec. 39.1071. REMOVAL OF CAMPUS TO ACHIEVEMENT SCHOOL DISTRICT. (a) In this section, "prior system" has the meaning assigned by Section 11.401(b).

(b) As provided by Section 39.107, the commissioner may order the removal of the campus to the achievement school district established by Subchapter I, Chapter 11, if action by the commissioner is required under Section 39.107.

(c) The students assigned to attend the campus or the students who would have been eligible to attend the campus if the campus had remained in the prior system may choose to attend the campus under the jurisdiction of the achievement school district or may exercise an option, made available by the prior system, to attend another campus remaining under the jurisdiction of the prior system.

(d) Only students who were eligible to attend a campus under the prior system or who would have been eligible to attend the campus if the campus had remained in the prior system may attend that campus at the achievement school district. All such students are eligible to attend the campus notwithstanding any contrary provision of law.

(e) Effective on a date determined by the commissioner after consulting with the superintendent of the achievement school district, a campus subject to this section shall be removed from the jurisdiction of the school district and transferred to the jurisdiction of the achievement school district. On that date, the school district or charter holder from which the campus was removed becomes the prior system.

(f) The removed campus shall be reorganized and reformed, as necessary, and operated by the achievement school district.

(g) The superintendent of the achievement school district shall decide which educators may be retained at that campus in the superintendent's sole discretion. If the achievement school district does not retain an educator, that educator may be assigned to another position by the prior system.

(h) A certified teacher with regular and direct responsibility for providing classroom instruction to students who is employed at the removed campus by the prior system shall be given priority consideration for employment in a comparable position by the achievement school district's superintendent. A person employed by the prior system at a removed campus may choose to remain in the employ of the prior system, and in that case, the prior system shall retain and reassign the person consistent with the prior system's contractual obligations or policies regarding the retention and reassignment of employees.

(i) For the purposes of any benefit or right requiring continuous service or based on years of service, the prior system shall grant a leave of absence to a person employed by the achievement school district who was employed at a campus when the campus was removed under this section. The prior system shall consider the period during which the achievement school district operates the campus to be service time with the prior system if the employee returns to the prior system's employment, but the prior system is not required to provide benefits during such leave.

(j) The benefits and privileges of any person employed in a campus by the achievement school district who was not employed by the prior system at the time the campus was removed to the achievement school district shall be those determined by the achievement school district at the time of such employment in compliance with applicable law.

(k) The achievement school district shall retain jurisdiction over any campus removed to the district until the commissioner, on the recommendation of the achievement school district's superintendent, enters into an agreement with the prior system for return of the campus to the prior system.

(l) When a campus in the achievement school district achieves an acceptable level of performance under this chapter, the commissioner shall direct the achievement school district to seek agreement for the return of the campus to the prior system. An agreement between the commissioner and the prior system for the return of the campus shall include:

(1) details for the operation of the campus by the prior system, including provisions for the continuation of the programs that have provided the basis for the academic achievement by the students and any charter granted under Section 11.409;

(2) provisions for the employment status of all persons employed by the achievement school district who were not employed by the prior system at the time the campus was removed to the achievement school district; and

(3) provisions for the means and timetable for the campus's transition and return to the prior system.

(m) If a campus has been operating under arrangements established by the achievement school district for three years, or two years if the commissioner determines that the campus has not made meaningful progress during those two years, and the campus has failed during that period of three or two years, as applicable, to achieve an acceptable level of performance under this chapter, the commissioner shall:

(1) take the following action:

(A) direct the superintendent of the achievement school district to organize a new campus of the achievement school district for the purpose of educating the students attending the campus initially removed from the prior system under this section in the manner determined by the superintendent as most likely to bring the campus to an acceptable level of performance, which may be done by designing and granting a campus charter under Section 12.0521(a)(1), as provided by Section 11.409; or

(B) in accordance with a proposal for improving campus performance submitted by the prior system, return the campus to the prior system;

(2) if the campus remains in the jurisdiction of the achievement school district, address the achievement school district's failure to turn around the campus within three years in the next statewide plan under Section 11.409; and

(3) record these steps for annual reporting as required by Section 39.332.

(n) For purposes of this subsection, "parent" has the meaning assigned by Section 12.051. If the commissioner is presented, in the time and manner specified by commissioner rule, a written petition signed by the parents of a majority of the students enrolled at a campus to which Subsection (m) applies specifying an action described by Section 39.107(e)(1), (2), or (3) that the parents request the commissioner to order, the commissioner shall, except as otherwise authorized by this section, order the specific action requested. For purposes of this subsection, the signature of only one parent of a student is required.

(o) If a campus governing body established by the achievement school district presents to the commissioner, in the time and manner specified by commissioner rule, a written request that the commissioner order specific action described by Section 39.107(e)(1) or (2) other than the specific action requested in the parents' petition and a written explanation of the basis for the governing body's request, the commissioner may order the action requested by the governing body.

(p) If the commissioner determines that the basis for the unsatisfactory performance of a campus for two consecutive school years is limited to a specific condition that may be remedied with targeted technical assistance, the commissioner may require the district to contract for the appropriate technical assistance instead of removal under this section.

(q) On request, the commissioner and the superintendent of the achievement school district shall provide information concerning the new operations and performance of a campus to the prior system.

(r) Notwithstanding any other provision of this code, the funding for a campus operated by the achievement school district must be not less than the funding of the other campuses in the prior system on a per student basis so that the achievement

school district receives at least the same funding the campus would otherwise have received, provided that the prior system receives the same amount per student in a given year.

(s) A campus operated by the achievement school district may change its name only on agreement of the prior system and the achievement school district.

(t) The commissioner may adopt rules necessary to implement this section.

SECTION _____. Section 39.108, Education Code, is amended to read as follows:

Sec. 39.108. ANNUAL REVIEW. (a) The commissioner shall review annually the performance of a district or campus subject to this subchapter to determine the appropriate actions to be implemented under this subchapter. The commissioner must review at least annually the performance of a district for which the accreditation status or rating has been lowered due to insufficient student performance and may not raise the accreditation status or rating until the district has demonstrated improved student performance. If the review reveals a lack of improvement, the commissioner shall increase the level of state intervention and sanction unless the commissioner finds good cause for maintaining the current status.

(b) The review required by Subsection (a) shall form the basis of the reporting required by Section 39.332(b)(24).

SECTION _____. Subsection (b), Section 39.332, Education Code, is amended by adding Subdivision (24) to read as follows:

(24) The report must contain a listing and description of the status of each campus under the jurisdiction of the achievement school district and a summary of the reforms implemented and progress of the campus.

SECTION _____. This Act applies beginning with the 2014-2015 school year.

SECTION _____. 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, 2013.

The amendment to **CSHB 2836** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Nays: Birdwell, Campbell, Nichols.

Senator Huffman offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 2836** (Senate Committee Printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ___. Section 39.055, Education Code, is amended to read as follows:

Sec. 39.055. STUDENT ORDERED BY A JUVENILE COURT OR STUDENT IN RESIDENTIAL FACILITY NOT CONSIDERED FOR ACCOUNTABILITY PURPOSES. Notwithstanding any other provision of this code except to the extent otherwise provided under Section 39.054(f), for purposes of determining the performance of a school district, ~~or~~ campus, or open-enrollment

charter school under this chapter, a student ordered by a juvenile court into a residential program or facility operated by or under contract with the Texas Juvenile Justice Department [~~Youth Commission, the Texas Juvenile Probation Commission~~], a juvenile board, or any other governmental entity or any student who is receiving treatment in a residential facility is not considered to be a student of the school district in which the program or facility is physically located or of an open-enrollment charter school, as applicable. The performance of such a student on an assessment instrument or other student achievement indicator adopted under Section 39.053 or reporting indicator adopted under Section 39.301 shall be determined, reported, and considered separately from the performance of students attending a school of the district in which the program or facility is physically located or an open-enrollment charter school, as applicable.

The amendment to **CSHB 2836** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

On motion of Senator Patrick and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 2836 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell.

COMMITTEE SUBSTITUTE HOUSE BILL 2836 ON THIRD READING

Senator Patrick moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2836** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Birdwell.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 1160

Senator Nelson submitted the following Conference Committee Report:

Austin, Texas
May 21, 2013

Honorable David Dewhurst
President of the Senate

Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 1160** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

NELSON

ELTIFE

WATSON

DEUELL

NICHOLS

On the part of the Senate

GEREN

FRULLO

KUEMPEL

PADDIE

SCHAEFER

On the part of the House

The Conference Committee Report on **HB 1160** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 176

Senator Carona submitted the following Conference Committee Report:

Austin, Texas

May 20, 2013

Honorable David Dewhurst
President of the Senate

Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 176** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

CARONA

DAVIS

ELLIS

NELSON

WILLIAMS

On the part of the Senate

FLYNN

ELKINS

GUILLEN

PICKETT

ZEDLER

On the part of the House

A BILL TO BE ENTITLED AN ACT

relating to the distribution of certain consultants' reports.

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

SECTION 1. Subchapter B, Chapter 2254, Government Code, is amended by adding Section 2254.041 to read as follows:

Sec. 2254.041. DISTRIBUTION OF CONSULTANT REPORTS. (a) A consulting services contract must include provisions that allow the state agency contracting with the consultant and any other state agency and the legislature, at the contracting state agency's discretion, to distribute the consultant report, if any, and to post the report on the agency's Internet website or the website of a standing committee of the legislature.

(b) This section does not affect the application of Chapter 552 to a consultant's report.

SECTION 2. (a) Except as provided by Subsection (b) of this section, Section 2254.041, Government Code, as added by this Act, applies only to a consulting services contract entered into on or after the effective date of this Act. A consulting services contract entered into before the effective date of this Act is governed by the law in effect on the date the contract is entered into, and that law is continued in effect for that purpose.

(b) Section 2254.041, Government Code, as added by this Act, does not apply to a consulting services contract entered into on or after the effective date of this Act if:

(1) the state agency entered into negotiations for the consulting services contract before the effective date of this Act; and

(2) the contract is executed before December 31, 2013.

SECTION 3. 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, 2013.

The Conference Committee Report on **SB 176** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 901

Senator Fraser submitted the following Conference Committee Report:

Austin, Texas
May 21, 2013

Honorable David Dewhurst
President of the Senate

Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 901** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

FRASER
DEUELL
ELTIFE

PADDIE
CRADDICK
CROWNOVER

ESTES
HINOJOSA
On the part of the Senate

GEREN
THOMPSON, SENFRONIA
On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to standards and practices applicable to the transportation and storage of certain substances.

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

SECTION 1. Subdivision (1), Section 91.251, Natural Resources Code, is amended to read as follows:

(1) "Intrastate gas pipeline facility" has the meaning assigned by the United States Department of Transportation under [~~Chapter 601, Title 49, United States Code~~ (49 U.S.C. Section 60101 et seq.)~~;~~] and its subsequent amendments or a succeeding law.

SECTION 2. Subsection (b), Section 91.252, Natural Resources Code, is amended to read as follows:

(b) This subchapter does not apply to a storage facility that is:

(1) part of an interstate gas pipeline facility as defined by the United States Department of Transportation; and

(2) subject to federal minimum standards adopted under [~~Chapter 601, Title 49, United States Code~~ (49 U.S.C. Section 60101 et seq.)~~;~~] and its subsequent amendments or a succeeding law.

SECTION 3. Subdivision (2), Section 117.001, Natural Resources Code, is amended to read as follows:

(2) "Hazardous liquid" means:

(A) petroleum or any petroleum product; [~~and~~]

(B) nonpetroleum fuel, including biofuel, that is flammable, toxic, or corrosive or would be harmful to the environment if released in significant quantities; and

(C) a [~~any~~] substance or material, other than liquefied natural gas, [which is in liquid state, excluding liquefied natural gas, when transported by pipeline facilities and which has been] determined by the United States secretary of transportation to pose an unreasonable risk to life or property when transported by a hazardous liquid pipeline facility in a liquid state [pipeline facilities].

SECTION 4. Subsection (a), Section 117.011, Natural Resources Code, is amended to read as follows:

(a) The commission has jurisdiction over all pipeline transportation of hazardous liquids or carbon dioxide and over all hazardous liquid or carbon dioxide pipeline facilities as provided by 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law.

SECTION 5. Subsection (c), Section 117.012, Natural Resources Code, is amended to read as follows:

(c) The safety standards adopted by the commission in its rules must be compatible with those standards established by the United States secretary of transportation under 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law [the Hazardous Liquid Pipeline Safety Act of 1979 (Pub.L.No. 96-129)].

SECTION 6. Subsection (a), Section 117.013, Natural Resources Code, is amended to read as follows:

(a) Each owner or operator of a pipeline engaged in the transportation of hazardous liquids or carbon dioxide within this state shall maintain records, make reports, and provide any information the commission may require under the jurisdiction granted by [the Hazardous Liquid Pipeline Safety Act of 1979 (Pub.L.No. 96-129) and] this chapter and 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law.

SECTION 7. Section 117.015, Natural Resources Code, is amended to read as follows:

Sec. 117.015. COMPLIANCE WITH FEDERAL LAW. The commission shall make reports and certifications to the United States Department of Transportation and shall take any other actions necessary to comply with 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law [the Hazardous Liquid Pipeline Safety Act of 1979 (Pub.L. No. 96-129)].

SECTION 8. Subdivision (3), Section 211.001, Natural Resources Code, is amended to read as follows:

(3) "Salt dome storage of hazardous liquids" means the storage of a hazardous liquid in any salt formation or bedded salt formation storage facility, but does not include a facility that has been defined by the federal Department of Transportation as part of an interstate pipeline facility and that is subject to federal minimum standards adopted under 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law [the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. Section 2001 et seq.)].

SECTION 9. Subsection (c), Section 211.002, Natural Resources Code, is amended to read as follows:

(c) "Safety standards or practices" means any regulation of an activity or facility covered by this chapter or that is incompatible with the safety standards or practices enacted or adopted by federal or state government pursuant to 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law [the Hazardous Liquid Pipeline Safety Act of 1979, as amended].

SECTION 10. Subsection (a), Section 211.012, Natural Resources Code, is amended to read as follows:

(a) The commission by rule shall adopt safety standards and practices for the salt dome storage of hazardous liquids and the facilities used for that purpose. Safety standards and practices adopted by the commission for a storage facility that is part of an intrastate pipeline facility, as defined by the federal Department of Transportation under 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law [the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. Section 2001 et seq.)], must be compatible with federal minimum standards. The rules shall require:

(1) the installation and periodic testing of safety devices at a salt dome storage facility;

(2) the establishment of emergency notification procedures for the operator of a facility in the event of a release of a hazardous substance that poses a substantial risk to the public;

(3) fire prevention and response procedures;

(4) employee and third-party contractor safety training with respect to the operation of the facility; and

(5) other requirements that the commission finds necessary and reasonable for the safe construction, operation, and maintenance of salt dome storage facilities.

SECTION 11. Subsections (a), (b), and (c), Section 121.201, Utilities Code, are amended to read as follows:

(a) The railroad commission may:

(1) by rule prescribe or adopt safety standards for the transportation of gas and for gas pipeline facilities, including safety standards related to the prevention of damage to such a facility resulting from the movement of earth by a person in the vicinity of the facility, other than movement by tillage that does not exceed a depth of 16 inches;

(2) by rule require an operator that does not file operator organization information under Section 91.142, Natural Resources Code, to provide the information to the commission in the form of an application;

(3) by rule require record maintenance and reports;

(4) inspect records and facilities to determine compliance with safety standards prescribed or adopted under Subdivision (1);

(5) make certifications and reports from time to time;

(6) seek designation by the United States secretary of transportation as an agent to conduct safety inspections of interstate gas pipeline facilities located in this state; and

(7) by rule take any other requisite action in accordance with 49 U.S.C. Section 60101 et seq. and its subsequent amendments[;] or a succeeding law.

(b) The power granted by Subsection (a):

(1) does not apply to the transportation of gas or to gas facilities subject to the exclusive control of the United States but applies to the transportation of gas and gas pipeline facilities in this state to the maximum degree permissible under 49 U.S.C. Section 60101 et seq. and its subsequent amendments[;] or a succeeding law; and

(2) is granted to provide exclusive state control over safety standards and practices applicable to the transportation of gas and gas pipeline facilities within the borders of this state to the maximum degree permissible under that law.

(c) A term that is used in this section and defined by [~~Chapter 601, Title 49, United States Code~~]49 U.S.C. Section 60101 et seq. and its subsequent amendments[;] or a succeeding law has the meaning assigned by that [~~chapter or the succeeding~~] law.

SECTION 12. Section 121.452, Utilities Code, is amended to read as follows:

Sec. 121.452. APPLICABILITY. This subchapter does not apply to:

(1) an extension of an existing sour gas pipeline facility that is in compliance with the railroad commission's rules for oil, gas, or geothermal resource operation in a hydrogen sulfide area if:

(A) the extension is not longer than five miles;

(B) the nominal pipe size is not larger than six inches in diameter; and

(C) the railroad commission is given notice of the construction of the extension not later than 24 hours before the start of construction;

(2) a new or an extension of a low-pressure gathering system; or

(3) an interstate gas pipeline facility, as defined by 49 U.S.C. Section 60101 and its subsequent amendments or a succeeding law, that is used for the transportation of sour gas.

SECTION 13. Subsection (c), Section 26.344, Water Code, is amended to read as follows:

(c) An interstate pipeline facility, including gathering lines, or an aboveground storage tank connected to such a facility is exempt from regulation under this subchapter if the pipeline facility is regulated under 49 U.S.C. Section 60101 et seq. and its subsequent amendments or a succeeding law[:

~~[(1) the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. Section 1671 et seq.); or~~

~~[(2) the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. Section 2001 et seq.)].~~

SECTION 14. Section 26.360, Water Code, is amended to read as follows:

Sec. 26.360. PRIVATIZATION OF PROGRAM. Notwithstanding other provisions of this subchapter, the commission by rule may authorize the privatization of any part of the program established under this subchapter. An entity that satisfies the commission's requirements under this subchapter is not subject to additional penalties.

SECTION 15. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 901** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 200

Senator Patrick submitted the following Conference Committee Report:

Austin, Texas

May 21, 2013

Honorable David Dewhurst
President of the Senate

Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 200** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

PATRICK
NICHOLS
WEITMIRE
HUFFMAN

ANCHIA
COOK
MARTINEZ, "MANDO"
EILAND
CALLEGARI

On the part of the Senate

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to the continuation and functions of the State Pension Review Board.

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

SECTION 1. Subsection (a), Section 801.102, Government Code, is amended to read as follows:

(a) The board is composed of seven ~~nine~~ members.

SECTION 2. Section 801.102~~1~~, Government Code, is amended to read as follows:

Sec. 801.1021. CONFLICT PROVISIONS. (a) In this section, "Texas trade association" means a cooperative and voluntarily joined statewide association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

(b) A person is not eligible for appointment as a member of the board if the person or the person's spouse:

(1) is employed by or participates in the management of a business entity or other organization receiving funds from the board;

(2) owns or controls, directly or indirectly, more than a 10 percent interest in a business entity or other organization receiving funds from the board; or

(3) uses or receives a substantial amount of tangible goods, services, or funds from the board, other than compensation or reimbursement authorized by law for board membership, attendance, or expenses.

(c) ~~(b)~~ A person may not serve as a member of the board or act as the general counsel to the board if the person is required to register as a lobbyist under Chapter 305 because of the person's activities for compensation on behalf of a profession related to the operation of the board.

(d) A person may not be a member of the board and may not be a board employee employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.), if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of pensions; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of pensions.

SECTION 3. Section 801.106, Government Code, is amended to read as follows:

Sec. 801.106. TERMS OF OFFICE. Members of the board hold office for staggered terms of six years, with the terms of two or three members, as appropriate, expiring on January 31 of each odd-numbered year.

SECTION 4. Subsection (a), Section 801.1061, Government Code, is amended to read as follows:

(a) It is a ground for removal from the board that a member:

(1) does not have at the time of taking office the qualifications required by Section 801.103 [~~or 801.104~~];

(2) does not maintain during service on the board the qualifications required by Section 801.103 [~~or 801.104~~];

(3) is ineligible for membership under Section 801.1021;

(4) cannot, because of illness or disability, discharge the member's duties for a substantial part of the member's term; or

(5) is absent from more than half of the regularly scheduled board meetings that the member is eligible to attend during a calendar year without an excuse approved by a majority vote of the board.

SECTION 5. Section 801.107, Government Code, is amended to read as follows:

Sec. 801.107. SUNSET PROVISION. The State Pension Review Board is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and this chapter expires September 1, 2025 [~~2013~~].

SECTION 6. Subchapter C, Chapter 801, Government Code, is amended by adding Section 801.2012 to read as follows:

Sec. 801.2012. NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE RESOLUTION PROCEDURES. (a) The board shall develop and implement a policy to encourage the use of:

(1) negotiated rulemaking procedures under Chapter 2008 for the adoption of board rules; and

(2) appropriate alternative dispute resolution procedures under Chapter 2009 to assist in the resolution of internal and external disputes under the board's jurisdiction.

(b) The board's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) The board shall:

(1) coordinate the implementation of the policy adopted under Subsection (a);

(2) provide training as needed to implement the procedures for negotiated rulemaking or alternative dispute resolution; and

(3) collect data concerning the effectiveness of those procedures.

SECTION 7. Subchapter C, Chapter 801, Government Code, is amended by adding Section 801.208 to read as follows:

Sec. 801.208. EDUCATION AND TRAINING. As authorized by Section 801.113(e), the board may develop and conduct training sessions and other educational activities for trustees and administrators of public retirement systems. In exercising the board's authority under this section, the board may:

(1) conduct live training seminars on an Internet website at intervals the board considers necessary to keep trustees and administrators reasonably informed;

(2) maintain archives of previous seminars reasonably accessible to trustees and administrators on the Internet website; and

(3) use technologies and innovations the board considers appropriate to educate the greatest practicable number of trustees and administrators.

SECTION 8. Section 802.001, Government Code, is amended by adding Subdivision (1-a) to read as follows:

(1-a) "Defined contribution plan" means a plan provided by the governing body of a public retirement system that provides for an individual account for each participant and for benefits based solely on the amount contributed to the participant's account, and any income, expenses, gains and losses, and any forfeitures of accounts of other participants that may be allocated to the participant's account.

SECTION 9. Section 802.002, Government Code, is amended by amending Subsection (b) and adding Subsections (c) and (d) to read as follows:

(b) If a public ~~[an exempt]~~ retirement system or program that is exempt under Subsection (a) is required by law to make an actuarial valuation of the assets of the system or program and publish actuarial information about the system or program, the actuary making the valuation and the governing body publishing the information must include the information required by Section 802.101(b).

(c) Notwithstanding any other law, a defined contribution plan is exempt from Sections 802.101, 802.1012, 802.1014, 802.103, 802.104, and 802.202(d). This subsection may not be construed to exempt any plan from Section 802.105 or 802.106(h).

(d) Notwithstanding any other law, a retirement system that is organized under the Texas Local Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil Statutes) for a fire department consisting exclusively of volunteers as defined by that Act is exempt from Sections 802.101, 802.1012, 802.1014, 802.102, 802.103, 802.104, and 802.202(d). This subsection may not be construed to exempt any plan from Section 802.105 or 802.106(h).

SECTION 10. Subchapter B, Chapter 802, Government Code, is amended by adding Section 802.1014 to read as follows:

Sec. 802.1014. ACTUARIAL EXPERIENCE STUDY. (a) In this section, "actuarial experience study" means a study in which actuarial assumptions are reviewed in light of relevant experience factors, important trends, and economic projections with the purpose of determining whether actuarial assumptions require adjustment.

(b) Except as provided by Subsection (c), a public retirement system that conducts an actuarial experience study shall submit to the board a copy of the actuarial experience study before the 31st day after the date of the study's adoption.

(c) This section does not apply to the Employees Retirement System of Texas, the Teacher Retirement System of Texas, the Texas County and District Retirement System, the Texas Municipal Retirement System, or the Judicial Retirement System of Texas Plan Two.

SECTION 11. Section 802.102, Government Code, is amended to read as follows:

Sec. 802.102. AUDIT. The governing body of a public retirement system shall have the accounts of the system audited at least annually by a certified public accountant in accordance with generally accepted auditing standards. A general audit of a governmental entity, as defined by Section 802.1012, does not satisfy the requirement of this section.

SECTION 12. Section 802.103, Government Code, is amended by adding Subsection (d) to read as follows:

(d) A general audit of a governmental entity, as defined by Section 802.1012, does not satisfy the requirement of this section.

SECTION 13. Subsection (h), Section 802.106, Government Code, is amended to read as follows:

(h) A public retirement system shall submit to the board [~~State Pension Review Board~~] copies of the summarized information required by Subsections (a) and (b)[~~—A system shall submit a copy of the information required by Subsection (a)~~] before the 31st day after the date of publication or [~~and a copy of the information required by Subsection (b) before the 271st day after~~] the date a change is adopted, as appropriate.

SECTION 14. (a) Subtitle A, Title 8, Government Code, is amended by adding Chapter 807 to read as follows:

CHAPTER 807. PROHIBITION ON INVESTMENT IN IRAN

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 807.001. DEFINITIONS. In this chapter:

(1) "Active business operations" means all business operations that are not inactive business operations.

(2) "Board" means the State Pension Review Board.

(3) "Business operations" means engaging in commerce in any form in Iran, including by acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.

(4) "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association whose securities are publicly traded, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit.

(5) "Direct holdings" means, with respect to a company, all securities of that company held directly by a state governmental entity in an account or fund in which a state governmental entity owns all shares or interests.

(6) "Inactive business operations" means the mere continued holding or renewal of rights to property previously operated to generate revenue but not presently deployed to generate revenue.

(7) "Indirect holdings" means, with respect to a company, all securities of that company held in an account or fund, such as a mutual fund, managed by one or more persons not employed by a state governmental entity, in which the state governmental entity owns shares or interests together with other investors not subject to the provisions of this chapter. The term does not include money invested under a plan described by Section 401(k) or 457 of the Internal Revenue Code of 1986.

(8) "Listed company" means a company listed by the board under Section 807.051.

(9) "Military equipment" means weapons, arms, military supplies, and equipment that readily may be used for military purposes, including radar systems and military-grade transport vehicles.

(10) "Scrutinized company" means a company that engages in scrutinized business operations described by Section 807.002.

(11) "State governmental entity" means:

(A) the Employees Retirement System of Texas, including a retirement system administered by that system;

(B) the Teacher Retirement System of Texas;

(C) the Texas Municipal Retirement System;

(D) the Texas County and District Retirement System; and

(E) the Texas Emergency Services Retirement System.

Sec. 807.002. SCRUTINIZED BUSINESS OPERATIONS. A company engages in scrutinized business operations if:

(1) the company has business operations that involve contracts with or providing supplies or services to the government of Iran, a company in which the government of Iran has any direct or indirect equity share, a consortium or project commissioned by the government of Iran, or a company involved in a consortium or project commissioned by the government of Iran; or

(2) the company supplies military equipment to Iran.

Sec. 807.003. EXCEPTION. Notwithstanding any provision of this chapter, a company that the United States government affirmatively declares to be excluded from its federal sanctions regime relating to Iran is not subject to divestment or the investment prohibition under this chapter.

Sec. 807.004. OTHER LEGAL OBLIGATIONS. With respect to actions taken in compliance with this chapter, including all good faith determinations regarding companies as required by this chapter, a state governmental entity is exempt from any conflicting statutory or common law obligations, including any obligations with respect to making investments, divesting from any investment, preparing or maintaining any list of companies, or choosing asset managers, investment funds, or investments for the state governmental entity's securities portfolios.

Sec. 807.005. INDEMNIFICATION OF STATE GOVERNMENTAL ENTITIES, EMPLOYEES, AND OTHERS. In a cause of action based on an action, inaction, decision, divestment, investment, company communication, report, or other determination made or taken in connection with this chapter, the state shall, without

regard to whether the person performed services for compensation, indemnify and hold harmless for actual damages, court costs, and attorney's fees adjudged against, and defend:

(1) an employee, a member of the governing body, or any other officer of a state governmental entity;

(2) a contractor of a state governmental entity;

(3) a former employee, a former member of the governing body, or any other former officer of a state governmental entity who was an employee or officer when the act or omission on which the damages are based occurred;

(4) a former contractor of a state governmental entity who was a contractor when the act or omission on which the damages are based occurred; and

(5) a state governmental entity.

Sec. 807.006. NO PRIVATE CAUSE OF ACTION. (a) A person, including a member, retiree, or beneficiary of a retirement system to which this chapter applies, an association, a research firm, a company, or any other person may not sue or pursue a private cause of action against the state, a state governmental entity, an employee, a member of the governing body, or any other officer of a state governmental entity, or a contractor of a state governmental entity, for any claim or cause of action, including breach of fiduciary duty, or for violation of any constitutional, statutory, or regulatory requirement in connection with any action, inaction, decision, divestment, investment, company communication, report, or other determination made or taken in connection with this chapter.

(b) A person who files suit against the state, a state governmental entity, an employee, a member of the governing body, or any other officer of a state governmental entity, or a contractor of a state governmental entity, is liable for paying the costs and attorney's fees of a person sued in violation of this section.

Sec. 807.007. INAPPLICABILITY OF REQUIREMENTS INCONSISTENT WITH FIDUCIARY RESPONSIBILITIES AND RELATED DUTIES. A state governmental entity is not subject to a requirement of this chapter if the state governmental entity determines that the requirement would be inconsistent with its fiduciary responsibility with respect to the investment of entity assets or other duties imposed by law relating to the investment of entity assets, including the duty of care established under Section 67, Article XVI, Texas Constitution.

Sec. 807.008. RELIANCE ON COMPANY RESPONSE. The board and a state governmental entity may rely on a company's response to a notice or communication made under this chapter without conducting any further investigation, research, or inquiry.

SUBCHAPTER B. DUTIES REGARDING INVESTMENTS

Sec. 807.051. LISTED COMPANIES. (a) The board shall prepare and maintain, and provide to each state governmental entity, a list of all scrutinized companies. In maintaining the list, the board may review and rely, as appropriate in the board's judgment, on publicly available information regarding companies with business operations in Iran, including information provided by the state, nonprofit organizations, research firms, international organizations, and governmental entities.

(b) The board shall update the list annually or more often as the board considers necessary, but not more often than quarterly, based on information from, among other sources, those listed in Subsection (a).

(c) Not later than the 30th day after the date the list of scrutinized companies is first provided or updated, the board shall file the list with the presiding officer of each house of the legislature and the attorney general.

Sec. 807.052. IDENTIFICATION OF INVESTMENT IN LISTED COMPANIES. Not later than the 14th day after the date a state governmental entity receives the list provided under Section 807.051, the state governmental entity shall notify the board of the listed companies in which the state governmental entity owns direct holdings or indirect holdings.

Sec. 807.053. NOTICE TO LISTED COMPANY ENGAGED IN INACTIVE BUSINESS OPERATIONS. For each listed company identified under Section 807.052 that is engaged in only scrutinized inactive business operations, the state governmental entity shall send a written notice informing the company of this chapter and encouraging the company to continue to refrain from initiating active business operations in Iran until it is able to avoid being considered a listed company. The state governmental entity shall continue the correspondence as the entity, in its sole discretion, considers necessary, but is not required to initiate correspondence more often than semiannually.

Sec. 807.054. ACTIONS RELATING TO LISTED COMPANY ENGAGED IN ACTIVE BUSINESS OPERATIONS. (a) For each listed company identified under Section 807.052 that is engaged in scrutinized active business operations, the state governmental entity shall send a written notice informing the company of its listed company status and warning the company that it may become subject to divestment by state governmental entities.

(b) The notice must offer the company the opportunity to clarify its Iran-related activities and must encourage the company, not later than the 90th day after the date the company receives notice under this section, to either cease its scrutinized business operations or convert the operations to inactive business operations in order to avoid qualifying for divestment by state governmental entities.

(c) If, during the time provided by Subsection (b), the company ceases scrutinized business operations, the board shall remove the company from the list maintained under Section 807.051 and this chapter will no longer apply to the company unless it resumes scrutinized business operations.

(d) If, during the time provided by Subsection (b), the company converts its scrutinized active business operations to inactive business operations, the company is subject to all provisions of this chapter relating to inactive business operations.

(e) If, after the time provided by Subsection (b) expires, the company continues to have scrutinized active business operations, the state governmental entity shall sell, redeem, divest, or withdraw all publicly traded securities of the company, except securities described by Section 807.056, according to the schedule provided by Section 807.055.

Sec. 807.055. DIVESTMENT OF ASSETS. (a) A state governmental entity required to sell, redeem, divest, or withdraw all publicly traded securities of a listed company shall comply with the following schedule:

(1) at least 50 percent of those assets must be removed from the state governmental entity's assets under management not later than the 270th day after the date the company receives notice under Section 807.054 or Subsection (b) unless the state governmental entity determines, based on a good faith exercise of its fiduciary discretion and subject to Subdivision (2), that a later date is more prudent; and

(2) 100 percent of those assets must be removed from the state governmental entity's assets under management not later than the 450th day after the date the company receives notice under Section 807.054 or Subsection (b).

(b) If a company that ceased scrutinized active business operations after receiving notice under Section 807.054 resumes scrutinized active business operations, the state governmental entity shall send a written notice to the company informing it that the state governmental entity will sell, redeem, divest, or withdraw all publicly traded securities of the scrutinized company according to the schedule in Subsection (a).

(c) Except as provided by Subsection (a), a state governmental entity may delay the schedule for divestment under that subsection only to the extent that the state governmental entity determines, in the state governmental entity's good faith judgment, that divestment from listed companies will likely result in a loss in value or a benchmark deviation described by Section 807.057(a). If a state governmental entity delays the schedule for divestment, the state governmental entity shall submit a report to the presiding officer of each house of the legislature and the attorney general stating the reasons and justification for the state governmental entity's delay in divestment from listed companies. The report must include documentation supporting its determination that the divestment would result in a loss in value or benchmark deviation described by Section 807.057(a), including objective numerical estimates. The state governmental entity shall update the report every six months.

Sec. 807.056. INVESTMENTS EXEMPTED FROM DIVESTMENT. A state governmental entity is not required to divest from any indirect holdings in actively or passively managed investment funds or private equity funds. The state governmental entity shall submit letters to the managers of investment funds containing listed companies requesting that they consider removing those companies from the fund or create a similar actively or passively managed fund with indirect holdings devoid of listed companies. If the manager creates a similar fund with substantially the same management fees and same level of investment risk and anticipated return, the state governmental entity may replace all applicable investments with investments in the similar fund in a time frame consistent with prudent fiduciary standards.

Sec. 807.057. AUTHORIZED INVESTMENT IN LISTED COMPANIES. (a) A state governmental entity may cease divesting from or may reinvest in one or more listed companies if clear and convincing evidence shows that:

(1) the state governmental entity has suffered or will suffer a loss in the hypothetical value of all assets under management by the state governmental entity as a result of having to divest from listed companies under this chapter; or

(2) an individual portfolio that uses a benchmark-aware strategy would be subject to an aggregate expected deviation from its benchmark as a result of having to divest from listed companies under this chapter.

(b) A state governmental entity may cease divesting from or may reinvest in a listed company as provided by this section only to the extent necessary to ensure that the state governmental entity does not suffer a loss in value or deviate from its benchmark as described by Subsection (a).

(c) Before a state governmental entity may cease divesting from or may reinvest in a listed company under this section, the state governmental entity must provide a written report to the presiding officer of each house of the legislature and the attorney general setting forth the reason and justification, supported by clear and convincing evidence, for its decisions to cease divestment, to reinvest, or to remain invested in a listed company.

(d) The state governmental entity shall update the report required by Subsection (c) semiannually, as applicable.

(e) This section does not apply to reinvestment in a company that is no longer a listed company.

Sec. 807.058. PROHIBITED INVESTMENTS. Except as provided by Sections 807.003 and 807.057, a state governmental entity may not acquire securities of a listed company.

SUBCHAPTER C. EXPIRATION; REPORT; ENFORCEMENT

Sec. 807.101. EXPIRATION OF CHAPTER. This chapter expires on the earlier of:

(1) the date the United States revokes its sanctions against the government of Iran; or

(2) the date the United States Congress or the president of the United States, through legislation or executive order, declares that mandatory divestment of the type provided for in this chapter interferes with the conduct of United States foreign policy.

Sec. 807.102. REPORT. Not later than December 31 of each year, each state governmental entity shall file a publicly available report with the presiding officer of each house of the legislature and the attorney general that:

(1) identifies all securities sold, redeemed, divested, or withdrawn in compliance with Section 807.055;

(2) identifies all prohibited investments under Section 807.058; and

(3) summarizes any changes made under Section 807.056.

Sec. 807.103. ENFORCEMENT. The attorney general may bring any action necessary to enforce this chapter.

(b) Not later than January 1, 2014, the State Pension Review Board shall prepare and provide to each state governmental entity, as defined by Section 807.001, Government Code, as added by this Act, the list of scrutinized companies required by Section 807.051, Government Code, as added by this Act.

(c) Notwithstanding any other provision of this Act, this section takes effect January 1, 2014.

SECTION 15. (a) Sections 22 and 22A, Texas Local Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil Statutes), are amended to read as follows:

Sec. 22. APPEALS FROM LOCAL BOARD DECISIONS. (a) A person aggrieved by a decision of a board of trustees relating to eligibility for or amount of benefits payable by a retirement system may appeal the decision to the State Office of Administrative Hearings [~~fire fighters' pension commissioner~~].

(b) An appeal under this section is begun by delivering a notice of appeal with the chairman, secretary, or secretary-treasurer of the board of trustees that made the decision. The notice must be delivered not later than the 20th day after the date of the decision and contain a brief description of the reasons or grounds for appeal. The aggrieved person must file a copy of the notice with the State Pension Review Board [~~fire fighters' pension commissioner~~].

(b-1) As soon as practicable after receiving a notice of appeal under Subsection (b) of this section the State Pension Review Board shall refer the matter to the State Office of Administrative Hearings by submitting notice of the appeal to that office.

(c) An appeal under this section [~~to the fire fighters' pension commissioner~~] is held in Austin and is a contested case under Chapter 2001, Government Code, [~~the Administrative Procedure and Texas Register Act (Article 6252-13a, Vernon's Texas Civil Statutes)~~] conducted as a de novo hearing by the State Office of Administrative Hearings.

Sec. 22A. ATTORNEY. A board of trustees may employ an attorney to represent the board in one or all legal matters, including a hearing on appeal to the State Office of Administrative Hearings [~~fire fighters' pension commissioner~~]. At the request of a board of trustees, the city attorney of the municipality of which the board is a part shall, without additional compensation, represent the board in one or all legal matters.

(b) Subsection (a) of this section takes effect only on the failure of legislation by the 83rd Legislature, Regular Session, 2013, providing for the abolition of the office of the fire fighters' pension commissioner and the transfer and disposition of its functions relating to the Texas Emergency Services Retirement System and the Texas local firefighters retirement systems to become law.

SECTION 16. Section 28(h), Texas Local Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil Statutes), is amended to read as follows:

(h) A retirement system established under this Act is exempt from Subchapter C, Chapter 802, Government Code, except Sections 802.202, 802.205, and 802.207.

SECTION 17. Section 801.104 and Subsection (c), Section 802.103, Government Code, are repealed.

SECTION 18. (a) The change in law made by this Act to Section 801.1021, Government Code, regarding prohibitions on members of the State Pension Review Board does not affect the entitlement of a member serving on the board immediately before September 1, 2013, to continue to serve and function as a member of the board for the remainder of the member's term. The change in law made to that section applies only to a member appointed on or after September 1, 2013.

(b) Section 802.1014, Government Code, as added by this Act, applies only to an actuarial experience study conducted on or after the effective date of this Act. An actuarial experience study conducted before the effective date of this Act is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

(c) Section 802.102, Government Code, as amended by this Act, is intended to clarify existing law with respect to the audit required by that section.

(d) Subsection (d), Section 802.103, Government Code, as added by this Act, is intended to clarify existing law with respect to the annual financial report required by Section 802.103, Government Code.

(e) Subsection (h), Section 802.106, Government Code, as amended by this Act, applies only to a change in statutes or ordinances governing a retirement system described by Subsection (b), Section 802.106, Government Code, that is adopted on or after the effective date of this Act. A change in statutes or ordinances that is adopted before the effective date of this Act is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

SECTION 19. (a) A person who is serving as a member of the State Pension Review Board appointed under Section 801.103, Government Code, on the effective date of this Act continues to serve until the person's term expires.

(b) The governor shall make appointments to fill vacancies on the State Pension Review Board so that board members' terms of office expire in compliance with Section 801.106, Government Code, as amended by this Act, and, if necessary for compliance with that section, a person may be appointed to a term of office that expires in less than six years.

(c) The term of a person who is serving as a member of the State Pension Review Board appointed under Section 801.104, Government Code, expires on the effective date of this Act.

SECTION 20. Contingent on the failure of legislation by the 83rd Legislature, Regular Session, 2013, providing for the abolition of the office of the fire fighters' pension commissioner and the transfer and disposition of its functions relating to the Texas Emergency Services Retirement System and the Texas local firefighters retirement systems to become law, the State Pension Review Board shall provide any necessary assistance, including educational training, technical assistance, and other information to retirement systems organized under the Texas Local Fire Fighters' Retirement Act (Article 6243e, Vernon's Texas Civil Statutes).

SECTION 21. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 200** was filed with the Secretary of the Senate.

CO-AUTHOR OF SENATE BILL 1086

On motion of Senator Campbell, Senator Zaffirini will be shown as Co-author of **SB 1086**.

CO-AUTHOR OF SENATE BILL 1578

On motion of Senator Duncan, Senator Davis will be shown as Co-author of **SB 1578**.

CO-SPONSORS OF HOUSE BILL 8

On motion of Senator Van de Putte, Senators Hinojosa and Rodríguez will be shown as Co-sponsors of **HB 8**.

CO-SPONSOR OF HOUSE BILL 48

On motion of Senator Patrick, Senator Campbell will be shown as Co-sponsor of **HB 48**.

CO-SPONSOR OF HOUSE BILL 97

On motion of Senator Van de Putte, Senator Hinojosa will be shown as Co-sponsor of **HB 97**.

CO-SPONSOR OF HOUSE BILL 148

On motion of Senator Paxton, Senator Patrick will be shown as Co-sponsor of **HB 148**.

CO-SPONSOR OF HOUSE BILL 217

On motion of Senator Uresti, Senator Garcia will be shown as Co-sponsor of **HB 217**.

CO-SPONSORS OF HOUSE BILL 500

On motion of Senator Hegar, Senators Campbell and Patrick will be shown as Co-sponsors of **HB 500**.

CO-SPONSOR OF HOUSE BILL 508

On motion of Senator Patrick, Senator Campbell will be shown as Co-sponsor of **HB 508**.

CO-SPONSOR OF HOUSE BILL 581

On motion of Senator Lucio, Senator Hinojosa will be shown as Co-sponsor of **HB 581**.

CO-SPONSOR OF HOUSE BILL 724

On motion of Senator Zaffirini, Senator Hinojosa will be shown as Co-sponsor of **HB 724**.

CO-SPONSORS OF HOUSE BILL 742

On motion of Senator Watson, Senators Hinojosa and West will be shown as Co-sponsors of **HB 742**.

CO-SPONSOR OF HOUSE BILL 800

On motion of Senator Deuell, Senator Campbell will be shown as Co-sponsor of **HB 800**.

CO-SPONSOR OF HOUSE BILL 870

On motion of Senator Hegar, Senator West will be shown as Co-sponsor of **HB 870**.

CO-SPONSORS OF HOUSE BILL 950

On motion of Senator Davis, Senators Ellis, Garcia, West, and Zaffirini will be shown as Co-sponsors of **HB 950**.

CO-SPONSOR OF HOUSE BILL 1009

On motion of Senator Hancock, Senator Patrick will be shown as Co-sponsor of **HB 1009**.

CO-SPONSOR OF HOUSE BILL 1076

On motion of Senator Paxton, Senator Campbell will be shown as Co-sponsor of **HB 1076**.

CO-SPONSOR OF HOUSE BILL 1086

On motion of Senator Eltife, Senator Garcia will be shown as Co-sponsor of **HB 1086**.

CO-SPONSOR OF HOUSE BILL 1120

On motion of Senator Davis, Senator Hinojosa will be shown as Co-sponsor of **HB 1120**.

CO-SPONSOR OF HOUSE BILL 1129

On motion of Senator Van de Putte, Senator Hinojosa will be shown as Co-sponsor of **HB 1129**.

CO-SPONSORS OF HOUSE BILL 1228

On motion of Senator Davis, Senators Hinojosa and Zaffirini will be shown as Co-sponsors of **HB 1228**.

CO-SPONSOR OF HOUSE BILL 1318

On motion of Senator Whitmire, Senator Ellis will be shown as Co-sponsor of **HB 1318**.

CO-SPONSOR OF HOUSE BILL 2029

On motion of Senator Davis, Senator Hinojosa will be shown as Co-sponsor of **HB 2029**.

CO-SPONSORS OF HOUSE BILL 2448

On motion of Senator Whitmire, Senators Garcia and Hinojosa will be shown as Co-sponsors of **HB 2448**.

CO-SPONSOR OF HOUSE BILL 2766

On motion of Senator Whitmire, Senator Hinojosa will be shown as Co-sponsor of **HB 2766**.

CO-SPONSOR OF HOUSE BILL 3142

On motion of Senator Estes, Senator Campbell will be shown as Co-sponsor of **HB 3142**.

CO-SPONSOR OF HOUSE BILL 3153

On motion of Senator West, Senator Lucio will be shown as Co-sponsor of **HB 3153**.

CO-SPONSORS OF HOUSE BILL 3276

On motion of Senator Deuell, Senators Davis, Hinojosa, and Lucio will be shown as Co-sponsors of **HB 3276**.

CO-SPONSOR OF HOUSE CONCURRENT RESOLUTION 111

On motion of Senator Van de Putte, Senator Zaffirini will be shown as Co-sponsor of **HCR 111**.

CO-SPONSOR OF HOUSE JOINT RESOLUTION 62

On motion of Senator Van de Putte, Senator Hinojosa will be shown as Co-sponsor of **HJR 62**.

CO-SPONSOR OF HOUSE JOINT RESOLUTION 133

On motion of Senator Deuell, Senator Campbell will be shown as Co-sponsor of **HJR 133**.

RESOLUTIONS OF RECOGNITION

The following resolutions were adopted by the Senate:

Memorial Resolutions

SR 1025 by Hinojosa, In memory of Elizabeth M. "Lisa" Garcia.

SR 1027 by Schwertner, In memory of Thomas J. "Jiggs" Singley.

HCR 126 (Van de Putte), Paying tribute to the life of World War II veteran Juan C. Marquez of El Paso and commemorating the posthumous presentation of his military awards.

HCR 129 (Van de Putte), In memory of U.S. Army Sergeant Joshua C. Michael of Converse.

HCR 130 (Van de Putte), In memory of United States Navy Seaman Benjamin D. Rast.

HCR 131 (Van de Putte), In memory of Robert Mitchell Wilson of Arlington.

HCR 132 (Van de Putte), In memory of U.S. Army Private First Class Genaro Bedoy of Amarillo.

HCR 133 (Van de Putte), In memory of U.S. Marine Corps Major Nathan W. Anderson of Amarillo.

HCR 134 (Van de Putte), In memory of U.S. Navy Petty Officer Third Class Clayton R. Beauchamp of Weatherford.

HCR 135 (Van de Putte), In memory of U.S. Army Staff Sergeant Nicholas P. Bellard of El Paso.

HCR 136 (Van de Putte), In memory of U.S. Army Sergeant Robert John Billings of Amarillo.

HCR 137 (Van de Putte), In memory of U.S. Army Staff Sergeant Scott H. Burgess of Franklin.

HCR 138 (Van de Putte), In memory of U.S. Army Sergeant John P. Castro of Andrews.

HCR 139 (Van de Putte), In memory of U.S. Marine Corps Lance Corporal John F. Farias of New Braunfels.

- HCR 140** (Van de Putte), In memory of U.S. Army Chief Warrant Officer Bradley J. Gaudet of Gladewater.
- HCR 141** (Van de Putte), In memory of U.S. Marine Corps Lance Corporal Mark R. Goyet of Sinton.
- HCR 142** (Van de Putte), In memory of U.S. Army Specialist Alex Hernandez III of Round Rock.
- HCR 143** (Van de Putte), In memory of U.S. Marine Corps Private First Class Josue Ibarra of Midland.
- HCR 144** (Van de Putte), In memory of U.S. Army Sergeant Adam Huckstep-La Porte of Round Rock.
- HCR 145** (Van de Putte), In memory of U.S. Army Sergeant Tanner S. Higgins of Yantis.
- HCR 146** (Van de Putte), In memory of U.S. Army Specialist Kurt W. Kern of McAllen.
- HCR 147** (Van de Putte), In memory of U.S. Army Private Andrew M. Krippner of Garland.
- HCR 148** (Van de Putte), In memory of U.S. Army Staff Sergeant Roberto Loeza of El Paso.
- HCR 149** (Van de Putte), In memory of U.S. Army Staff Sergeant Mecolus C. McDaniel of Fort Hood.
- HCR 150** (Van de Putte), In memory of U.S. Army Sergeant Enrique Mondragon of The Colony.
- HCR 151** (Van de Putte), In memory of U.S. Army Sergeant James M. Darrough of Austin.
- HCR 152** (Van de Putte), In memory of U.S. Air Force Captain Nathan J. Nylander of Hockley.
- HCR 153** (Van de Putte), In memory of U.S. Army Lieutenant Colonel David E. Cabrera of Abilene.
- HCR 154** (Van de Putte), In memory of U.S. Army Sergeant Joshua D. Powell of Quitman.
- HCR 155** (Van de Putte), In memory of U.S. Army Master Sergeant Charles L. Price III of Milam.
- HCR 156** (Van de Putte), In memory of U.S. Army Private First Class Joel A. Ramirez of Waxahachie.
- HCR 157** (Van de Putte), In memory of U.S. Army Chief Warrant Officer 2 Thalia S. Ramirez of San Antonio.
- HCR 158** (Van de Putte), In memory of U.S. Army Second Lieutenant Clovis T. Ray of San Antonio.

- HCR 159** (Van de Putte), In memory of U.S. Army Sergeant Paul A. Rivera of Round Rock.
- HCR 160** (Van de Putte), In memory of U.S. Army Sergeant Rodolfo Rodriguez, Jr., of Pharr.
- HCR 161** (Van de Putte), In memory of U.S. Marine Corps Lance Corporal Benjamin W. Schmidt of San Antonio.
- HCR 162** (Van de Putte), In memory of U.S. Marine Corps Staff Sergeant Jeremy D. Smith of Arlington.
- HCR 163** (Van de Putte), In memory of U.S. Army Master Sergeant Benjamin A. Stevenson of Canyon Lake.
- HCR 164** (Van de Putte), In memory of U.S. Army Sergeant Steven L. Talamantez of Laredo.
- HCR 165** (Van de Putte), In memory of U.S. Army First Lieutenant Robert F. Welch III of Denton.
- HCR 166** (Van de Putte), In memory of U.S. Marine Corps Sergeant Wade D. Wilson of Normangee.
- HCR 167** (Van de Putte), In memory of U.S. Army First Lieutenant Andres Zermeno of San Antonio.
- HCR 168** (Van de Putte), In memory of U.S. Army Staff Sergeant Estevan Altamirano of Edcouch.
- HCR 169** (Van de Putte), In memory of U.S. Army First Sergeant Russell R. Bell of Tyler.
- HCR 170** (Van de Putte), In memory of U.S. Army Staff Sergeant Jeremie S. Border of Mesquite.
- HCR 171** (Van de Putte), In memory of U.S. Navy Culinary Specialist Second Class Milton W. Brown of Dallas.
- HCR 172** (Van de Putte), In memory of U.S. Army Specialist Charles J. Wren of Beeville.
- HCR 173** (Van de Putte), In memory of U.S. Army First Lieutenant Dustin D. Vincent of Mesquite.
- HCR 174** (Van de Putte), In memory of U.S. Navy Petty Officer Second Class Jorge Luis Velasquez of Houston.
- HCR 175** (Van de Putte), In memory of U.S. Army Staff Sergeant Houston M. Taylor of Hurst.
- HCR 176** (Van de Putte), In memory of U.S. Army Sergeant First Class Riley G. Stephens of Tolar.
- HCR 177** (Van de Putte), In memory of U.S. Army Specialist Riley S. Spaulding of Sheridan.

- HCR 178** (Van de Putte), In memory of U.S. Army Sergeant Glenn M. Sewell of Live Oak.
- HCR 179** (Van de Putte), In memory of U.S. Army Specialist Philip C. S. Schiller of The Colony.
- HCR 180** (Van de Putte), In memory of U.S. Army Specialist Michael C. Roberts of Watauga.
- HCR 181** (Van de Putte), In memory of U.S. Army Corporal Juan Pantoja Navarro of Austin.
- HCR 182** (Van de Putte), In memory of U.S. Army Private First Class Anthony M. Nunn of Burnet.
- HCR 183** (Van de Putte), In memory of U.S. Army Private First Class Cody R. Norris of Houston.
- HCR 184** (Van de Putte), In memory of U.S. Army Staff Sergeant Nelson D. Trent of Austin.
- HCR 185** (Van de Putte), In memory of U.S. Army Chief Warrant Officer 2 Jose L. Montenegro, Jr., of Houston.
- HCR 186** (Van de Putte), In memory of U.S. Army Sergeant Jacob Molina of Houston.
- HCR 187** (Van de Putte), In memory of U.S. Navy Special Warfare Operator Chief Petty Officer Stephen Matthew Mills of Fort Worth.
- HCR 188** (Van de Putte), In memory of U.S. Army Staff Sergeant Kashif M. Memon of Houston.
- HCR 189** (Van de Putte), In memory of U.S. Navy Petty Officer Brian K. Lundy of Austin.
- HCR 190** (Van de Putte), In memory of U.S. Marine Corps Corporal Joseph D. Logan of Willis.
- HCR 191** (Van de Putte), In memory of U.S. Army Private First Class Payton A. Jones of Marble Falls.
- HCR 192** (Van de Putte), In memory of U.S. Army Sergeant John E. Hansen of Austin.
- HCR 193** (Van de Putte), In memory of U.S. Marine Corps Staff Sergeant Joseph H. Fankhauser of Mason.
- HCR 194** (Van de Putte), In memory of U.S. Army Specialist Krystal M. Fitts of Houston.
- HCR 195** (Van de Putte), In memory of U.S. Army Private First Class Jesse W. Dietrich of Venus.
- HCR 196** (Van de Putte), In memory of U.S. Army Private First Class David A. Drake of Lumberton.

Congratulatory Resolutions

SR 1023 by Hinojosa, Commending Aaron M. Garcia for achieving the rank of Eagle Scout.

SR 1024 by Hinojosa, Commending Vito G. Recio for achieving the rank of Eagle Scout.

SR 1026 by Hinojosa, Recognizing Debora Melvin for being named the 2013 General Aviation Airport Manager of the Year.

SR 1028 by Watson, Recognizing Ella Cook on the occasion of her retirement.

HCR 116 (Ellis), Honoring Ambassador Ron Kirk for his service as United States Trade Representative.

HCR 120 (Seliger), Honoring Conquer Chiari for its efforts in behalf of those with Chiari Malformation.

HCR 125 (Van de Putte), Congratulating the Honorable Charlie Gonzalez on his retirement from the United States House of Representatives.

Official Designation Resolution

HCR 112 (Schwertner), Designating April 2013 as Civitan International Awareness Month.

RECESS

On motion of Senator Whitmire, the Senate at 11:11 p.m. recessed until 10:30 a.m. tomorrow.

APPENDIX

COMMITTEE REPORTS

The following committee reports were received by the Secretary of the Senate in the order listed:

May 21, 2013

FINANCE — **HB 2972**

CRIMINAL JUSTICE — **HCR 57, HB 3952**

BUSINESS AND COMMERCE — **HCR 80, HB 1951**

INTERGOVERNMENTAL RELATIONS — **HB 3350**

BILLS AND RESOLUTIONS ENROLLED

May 20, 2013

SB 128, SB 164, SB 172, SB 193, SB 362, SB 382, SB 390, SB 409, SB 428, SB 430, SB 502, SB 531, SB 546, SB 552, SB 563, SB 569, SB 603, SB 604, SB 607, SB 706, SB 717, SB 769, SB 771, SB 793, SB 845, SB 848, SB 874,

SB 886, SB 889, SB 890, SB 916, SB 951, SB 967, SB 1006, SB 1010, SB 1012, SB 1071, SB 1072, SB 1073, SB 1075, SB 1099, SB 1125, SB 1415, SB 1481, SB 1662, SB 1822, SB 1824, SB 1829, SB 1830, SB 1840, SB 1843, SB 1857, SB 1876, SB 1892, SB 1903, SCR 1, SCR 12, SCR 17, SCR 18, SCR 30, SJR 54, SR 1012, SR 1013, SR 1014, SR 1015, SR 1016, SR 1018, SR 1019, SR 1020, SR 1021

SENT TO SECRETARY OF STATE

May 21, 2013

SJR 18, SJR 42

SENATE JOURNAL

EIGHTY-THIRD LEGISLATURE — REGULAR SESSION

AUSTIN, TEXAS

PROCEEDINGS

SIXTY-THIRD DAY

(Continued)

(Wednesday, May 22, 2013)

AFTER RECESS

The Senate met at 10:55 a.m. and was called to order by Senator Eltife.

Pastor Don Duncan, Tree of Life Church, New Braunfels, offered the invocation as follows:

Dear heavenly Father, I come to You today asking for Your hand and Your blessing on the men and women of the Senate of the great State of Texas. I thank You for their commitment and sacrifice in serving the people. I'm reminded of the example You set, Lord, in scriptures when You said, I did not come to be served but to serve. May that same heart be in them, the heart of a servant. As they give themselves to the great responsibility of leading this state, I pray that You are with them every step of the way. I pray that they feel Your presence and allow Your spirit to lead them and guide them through the many difficult decisions that need to be made. I pray that You give them the ability to see beyond personal wants and desires and see the path that is best for all, and I pray they all can work together to fulfill their calling. Heavenly Father, they have such a great responsibility in what they are called to do. So, I ask You to come alongside them and equip them and empower them to perform it. Help them realize that they are not alone but that You are just a prayer away. Let them know that when they seek You they will find You, and when they knock, You will answer. May they tap into the grace that You provide to perform their sacred duties and responsibilities, and may they always ask, What would You have us do, Lord? Father, Your word says in Proverbs 24:3-4, By wisdom a house is built, and through understanding it is established; through knowledge its rooms are filled. I thank You that through wisdom these men and women are building this house, this great State of Texas, on all of our behalf. Your word says that when we lack wisdom, all we need is to ask for it and it is given liberally. So, I ask You for wisdom for these Senators to build this house. I pray for understanding that it may be established. May they have a greater understanding of the needs of the people of the State of Texas. I pray that they have a greater understanding of You and Your ways so they may lead us in line with Your

plans and Your purposes. I ask that You give them the courage and the boldness to carry out what they understand to be best for Texas. Through understanding, they will continue to establish this state in a position of strength and blessing. And, Father, give them knowledge. Give them the knowledge that is needed to make good decisions and right choices. Help them not to be led by personal wants and desires but by that which is of the greater good for all. Give them the knowledge they need to make difficult decisions. Your word says that through knowledge, its rooms are filled. I pray that the decisions they make with the knowledge they have will fill this house, this State of Texas, with blessing, prosperity, safety, and protection. May it be filled with all that is needed to keep this state blessed. I pray that You bless each and every Senator. I pray You bless them in what they do here and the sacrifices they make. I pray You bless them with health, wisdom, peace, strength, joy, and prosperity. I pray that You bless their marriages, their families, and their relationships. I pray that You protect them and keep them safe. No harm shall befall them and no plague shall come near their dwelling. I pray You help them guard their heart, mind, and emotions, and no weapon formed against them shall prosper. I pray this prayer in faith, with great expectation, and in the name of Jesus. Amen.

PHYSICIAN OF THE DAY

Senator Huffman was recognized and presented Dr. Elise Sadoun of Sugar Land as the Physician of the Day.

The Senate welcomed Dr. Sadoun and thanked her for her participation in the Physician of the Day program sponsored by the Texas Academy of Family Physicians.

(Senator Seliger in Chair)

HOUSE BILL 1511 ON SECOND READING

Senator Eltife moved to suspend the regular order of business to take up for consideration **HB 1511** at this time on its second reading:

HB 1511, Relating to the rates of sales and use taxes imposed by municipalities; authorizing an increase or decrease in the rate of those taxes.

The motion prevailed.

Senators Duncan and Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Duncan, Patrick.

HOUSE BILL 1511 ON THIRD READING

Senator Eltife moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1511** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodriguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Duncan, Patrick.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 826 ON SECOND READING**

Senator Eltife moved to suspend the regular order of business to take up for consideration **CSHB 826** at this time on its second reading:

CSHB 826, Relating to the definitions of certain terms for purposes of the ad valorem taxation of certain dealer's heavy equipment inventory.

The motion prevailed.

Senator Zaffirini asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Zaffirini.

**COMMITTEE SUBSTITUTE
HOUSE BILL 826 ON THIRD READING**

Senator Eltife moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 826** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

REPORT OF COMMITTEE ON NOMINATIONS

Senator Hegar submitted the following report from the Committee on Nominations:

We, your Committee on Nominations, to which were referred the following appointments, have had same under consideration and report them back to the Senate with a recommendation that they be confirmed:

Member, Commission on Human Rights: Sharon Breckenridge Thomas, Bexar County.

Members, Commission on Jail Standards: Donna Sue Klaeger, Burnet County; Jerry Wayne Lowry, Montgomery County; Larry S. May, Nolan County; Dennis Darwin Wilson, Limestone County.

Members, Governing Board, Texas Indigent Defense Commission: Jon H. Burrows, Bell County; Don Taylor Hase, Tarrant County; Anthony C. Odiorne, Williamson County; Olen U. Underwood, Montgomery County; B. Glen Whitley, Tarrant County.

Members, Board of Directors, Guadalupe-Blanco River Authority: William R. Carbonara, DeWitt County; Darrell Gene McLain, Gonzales County; Don B. Meador, Hays County; Kenneth Alan Motl, Calhoun County.

Members, Judicial Compensation Commission: William Buck Brod, Harris County; Conrith Warren Davis, Fort Bend County; Patrick W. Mizell, Harris County; Linda B. Russell, Galveston County.

Members, Board of Directors, Lavaca-Navidad River Authority: Glenn Terrell Martin, Jackson County; Scott Herin Sachtleben, Jackson County; Leonard A. Steffek, Jackson County; Charles David Taylor, Jackson County.

Member, Board of Directors, Lower Colorado River Authority: Raymond Alexander Gill, Llano County.

Members, Board of Directors, Nueces River Authority: Rebecca Bradford, Nueces County; Dane Charles Bruun, Nueces County; Lynn Elizabeth Haueter, Nueces County; Joe Curtis McMillian, Frio County; David E. Purser, Karnes County; Armandina Garcia Ramirez, Karnes County; Emily Gayle Kinney Stroup, Bexar County.

Members, Product Development and Small Business Incubator Board: Brett Lawrence Cornwell, Brazos County; John-Patrick Allison Lane, Tarrant County; David Russell Margrave, Bexar County; David L. Miller, Lubbock County; Barry Neal Williams, Comal County.

Members, Real Estate Research Advisory Committee: Walter Frederick Nelson, Montgomery County; Stephen Douglas Roberts, Travis County; Christopher Clark Welder, Bee County.

Member, Board of Directors, San Jacinto River Authority: Michael Gerard Bleier, Montgomery County.

Members, Texas Board of Occupational Therapy Examiners: Jennifer Bowlin Clark, Grimes County; Amanda Jean Ellis, Travis County; Todd Matthew Novosad, Travis County.

Members, Texas Commission of Licensing and Regulation: Thomas Felton Butler, Harris County; Deborah Ann Yurco, Travis County.

Member, Texas Lottery Commission: James Winston Krause, Travis County.

Members, Texas Medical Board: Michael Ray Arambula, Bexar County; Devinder Singh Bhatia, Harris County; Frank S. Denton, Montgomery County; Carlos L. Gallardo, Denton County; James Scott Holliday, Dallas County; Margaret Carter McNeese, Harris County; Robert Barkley Simonson, Dallas County; Tessa Paulette Southard, Jim Wells County; Karl Winston Swann, Bexar County; Timothy Webb, Harris County.

Members, Texas Physician Assistant Board: Reginald C. Baptiste, Travis County; Linda Lou Contreras, Collin County; Teralea Davis Jones, Bee County; Michael David Reis, McLennan County; Raymond Blayne Rush, Denton County.

Members, Texas State Board of Public Accountancy: Susan Hayes Fletcher, Collin County; Donna J. Hugly Franks, Dallas County; William Clarence Lawrence, Denton County; Stephen Daniel Pena, Williamson County.

Members, Texas State Board of Social Worker Examiners: Timothy Martel Brown, Dallas County; Carol M. Rainey, Tarrant County; Mark Mitchell Talbot, Hidalgo County.

Members, Texas Water Development Board: Lewis Hill McMahan, Dallas County; Fredrick A. Rylander, Pecos County.

Members, Board of Directors, Trinity River Authority: Henry Borbolla, Tarrant County; Amanda Boswell Davis, Leon County; Valerie E. Ertz, Dallas County; Tommy G. Fordyce, Walker County; Jess Alton Laird, Henderson County; David Blake Leonard, Liberty County; James W. Neale, Dallas County; Amirali Rupani, Dallas County; Ana Laura Saucedo, Dallas County; Dudley Knox Skyrme, Anderson County; Carl Dwayne Somerville, Freestone County.

Members, Board of Regents, The University of Texas System: Ernest Aliseda, Hidalgo County; Paul Lewis Foster, El Paso County; Jeffery Dee Hildebrand, Harris County.

NOTICE OF CONSIDERATION OF NOMINATIONS

Senator Hegar gave notice that he would tomorrow submit to the Senate for consideration nominations to agencies, boards, and commissions of the state.

(Senator Eltife in Chair)

HOUSE BILL 315 ON SECOND READING

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 315** at this time on its second reading:

HB 315, Relating to the applicability of the law governing the ad valorem taxation of a dealer's motor vehicle inventory.

The bill was read second time.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 315** (senate committee printing) as follows:

(1) In SECTION 1 of the bill, in added Section 23.121(a)(3)(D)(iii), Tax Code, between "chief appraiser" and "a" (page 2, line 3), insert "and the collector".

(2) Add the following appropriately numbered SECTION to the bill and renumber the subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 23.121, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) A dealer who has elected to file the declaration described by Subsection (a)(3)(D)(iii) and to render the dealer's motor vehicle inventory as provided by Subsection (a)(3)(D)(iv) must continue to file the declaration and render the dealer's motor vehicle inventory so long as the dealer meets the requirements of Subsection (a)(3)(D)(ii)(a) or (b).

The amendment to **HB 315** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Estes and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 315 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 315 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 315** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 1009 ON SECOND READING

Senator Hancock moved to suspend the regular order of business to take up for consideration **HB 1009** at this time on its second reading:

HB 1009, Relating to the creation of a new category of law enforcement officer who shall be designated a school marshal, the training and appointment of certain employees of a school district or open-enrollment charter school as school marshals, and the rights, restrictions, limitations, and responsibilities of school marshals; authorizing the imposition of a fee.

The motion prevailed.

Senators Ellis, Garcia, Rodríguez, and Uresti asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Ellis, Garcia, Rodriguez, Uresti.

HOUSE BILL 1009 ON THIRD READING

Senator Hancock moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1009** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Ellis, Garcia, Rodriguez, Uresti.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 213 ON SECOND READING

On motion of Senator Hegar and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 213** at this time on its second reading:

CSHB 213, Relating to the \$1 million total revenue exemption for the franchise tax.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

COMMITTEE SUBSTITUTE HOUSE BILL 213 ON THIRD READING

Senator Hegar moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 213** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

GUESTS PRESENTED

Senator Hinojosa was recognized and introduced to the Senate members and representatives of the Ben Bolt-Palito Blanco ISD Mariachi Band.

The Senate welcomed its guests.

**COMMITTEE SUBSTITUTE
HOUSE BILL 984 ON SECOND READING**

On motion of Senator Huffman and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 984** at this time on its second reading:

CSHB 984, Relating to certain information required to be provided to an applicant for a marriage license.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 984 ON THIRD READING**

Senator Huffman moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 984** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 489 ON SECOND READING**

Senator Uresti moved to suspend the regular order of business to take up for consideration **CSHB 489** at this time on its second reading:

CSHB 489, Relating to rights and responsibilities of persons with disabilities, including with respect to the use of service animals that provide assistance to those persons; providing penalties.

The motion prevailed.

Senator Hancock asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Patrick offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 489** (senate committee printing) in SECTION 1 of the bill, in added Section 437.023, Health and Safety Code (page 1, line 45), between "disability" and ":", insert "and is clearly marked as a service animal".

The amendment to **CSHB 489** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Uresti offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 489** (senate committee printing) as follows:

(1) In SECTION 2 of the bill, strike amended Section 121.002(1), Human Resources Code (page 2, lines 3-12), and substitute the following:

(1) "Assistance animal" and "service animal" mean a canine ~~[means an animal]~~ that is specially trained or equipped to help a person with a disability and that:

(A) is used by a person with a disability ~~[who has satisfactorily completed a specific course of training in the use of the animal]~~; and

(B) has been trained by an organization generally recognized by agencies involved in the rehabilitation of persons with disabilities as reputable and competent to provide animals with training of this type.

(2) In SECTION 3 of the bill, strike amended Section 121.003(i), Human Resources Code (page 2, line 65, through page 3, line 1), and substitute the following:

(i) A service ~~[An assistance]~~ animal in training shall not be denied admittance to any public facility when accompanied by an approved trainer who is an agent of an organization generally recognized by agencies involved in the rehabilitation of persons who are disabled as reputable and competent to provide training for assistance animals, or the animal's handler ~~[and/or their handlers]~~.

(3) In SECTION 5 of the bill, in amended Section 121.006(a), Human Resources Code (page 3, lines 48 and 49), strike "~~[of the type described in Section 121.002(1)(B) of this chapter]~~" and substitute "of the type described in Section 121.002(1)(B) ~~[of this chapter]~~".

The amendment to **CSHB 489** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

On motion of Senator Uresti and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 489 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hancock, Hegar.

**COMMITTEE SUBSTITUTE
HOUSE BILL 489 ON THIRD READING**

Senator Uresti moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 489** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Hancock.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Hancock, Hegar.

HOUSE BILL 1755 ON SECOND READING

Senator Hancock moved to suspend the regular order of business to take up for consideration **HB 1755** at this time on its second reading:

HB 1755, Relating to authorizing the appointment of a public probate administrator; authorizing fees.

The motion prevailed.

Senators Campbell, Patrick, and Paxton asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Campbell, Patrick, Paxton.

HOUSE BILL 1755 ON THIRD READING

Senator Hancock moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1755** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Patrick, Paxton.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 1847 ON SECOND READING

On motion of Senator Huffman and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 1847** at this time on its second reading:

CSHB 1847, Relating to continuing legal education in ethics or professional responsibility for prosecutors.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1847 ON THIRD READING**

Senator Huffman moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1847** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 97 ON SECOND READING

On motion of Senator Van de Putte and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 97** at this time on its second reading:

HB 97, Relating to the exemption from ad valorem taxation of part of the appraised value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization and to the eligibility of the surviving spouse of a person who is disabled to receive a limitation on school district ad valorem taxes on the person's residence homestead.

The bill was read second time.

Senator Van de Putte offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 97** (senate committee printing) as follows:

(1) Strike the heading to Article 1 of the bill (page 1, line 33) and renumber the SECTIONS of Article 1 of the bill accordingly.

(2) In SECTION 1.08 of the bill relating to the applicability of Article 1 (page 3, line 46) strike "article" and substitute "Act".

(3) In SECTION 1.08 of the bill relating to the applicability of Article 1 (page 3, line 48) strike "article" and substitute "Act".

(4) In SECTION 1.09 of the bill providing the effective date for Article 1 (page 3, line 49) strike "article" and substitute "Act".

(5) In SECTION 1.09 of the bill providing the effective date for Article 1 (page 3, line 57) strike "article" and substitute "Act".

(6) Strike Article 2 of the bill (page 3, line 58, through page 4, line 13).

The amendment to **HB 97** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Van de Putte and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 97 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 97 ON THIRD READING

Senator Van de Putte moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 97** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

SENATE BILL 357 WITH HOUSE AMENDMENTS

Senator Hinojosa called **SB 357** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 357** (house committee report) on page 1, line 19, as follows:

- (1) Strike "previously issued".
- (2) Strike "with respect to" and substitute "involving".

Floor Amendment No. 1 on Third Reading

Amend **SB 357** (house committee report) as follows:

(1) In SECTION 3 of the bill, in the transition provision (page 2, line 10), strike "Article 7A.03" and substitute "Chapter 7A".

(2) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. The heading to Chapter 7A, Code of Criminal Procedure, is amended to read as follows:

CHAPTER 7A. PROTECTIVE ORDER FOR [~~CERTAIN~~] VICTIMS OF
[~~TRAFFICKING OR~~] SEXUAL ASSAULT OR ABUSE, STALKING, OR
TRAFFICKING

SECTION _____. Article 7A.05(a), Code of Criminal Procedure, is amended to read as follows:

(a) In a protective order issued under this chapter, the court may:

(1) order the alleged offender to take action as specified by the court that the court determines is necessary or appropriate to prevent or reduce the likelihood of future harm to the applicant or a member of the applicant's family or household; or

(2) prohibit the alleged offender from:

(A) communicating:

(i) directly or indirectly with the applicant or any member of the applicant's family or household in a threatening or harassing manner; or

(ii) in any manner with the applicant or any member of the applicant's family or household except through the applicant's attorney or a person appointed by the court, if the court finds good cause for the prohibition;

(B) going to or near the residence, place of employment or business, or child-care facility or school of the applicant or any member of the applicant's family or household;

(C) engaging in conduct directed specifically toward the applicant or any member of the applicant's family or household, including following the person, that is reasonably likely to harass, annoy, alarm, abuse, torment, or embarrass the person; and

(D) possessing a firearm, unless the alleged offender is a peace officer, as defined by Section 1.07, Penal Code, actively engaged in employment as a sworn, full-time paid employee of a state agency or political subdivision.

The amendments were read.

Senator Hinojosa moved to concur in the House amendments to **SB 357**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 1451 WITH HOUSE AMENDMENT

Senator Hinojosa called **SB 1451** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 1451** (house committee printing) as follows:

(1) On page 11, strike line 1 and substitute the following:

SECTION 5. Subdivisions (2) and (4), Section 34.01, Penal Code, are

(2) On page 11, between lines 2 and 3, insert the following:

(2) "Funds" includes:

(A) coin or paper money of the United States or any other country that is designated as legal tender and that circulates and is customarily used and accepted as a medium of exchange in the country of issue;

(B) United States silver certificates, United States Treasury notes, and Federal Reserve System notes;

(C) an official foreign bank note that is customarily used and accepted as a medium of exchange in a foreign country and a foreign bank draft; and

(D) currency or its equivalent, including an electronic fund, a personal check, a bank check, a traveler's check, a money order, a bearer negotiable instrument, a bearer investment security, a bearer security, a ~~or~~ certificate of stock in a form that allows title to pass on delivery, or a stored value card as defined by Section 604.001, Business & Commerce Code.

The amendment was read.

Senator Hinojosa moved to concur in the House amendment to **SB 1451**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2021 ON SECOND READING

Senator Hinojosa moved to suspend the regular order of business to take up for consideration **HB 2021** at this time on its second reading:

HB 2021, Relating to the authority of a municipality or county to contract for the collection of certain amounts; authorizing a fee.

The motion prevailed.

Senators Schwertner and Williams asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Schwertner, Williams.

HOUSE BILL 2021 ON THIRD READING

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2021** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodriguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Schwertner, Williams.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2. (Same as previous roll call)

HOUSE BILL 2233 ON SECOND READING

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2233** at this time on its second reading:

HB 2233, Relating to signature verification on an early voting ballot voted by mail.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2233 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2233** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 586 ON SECOND READING**

Senator Deuell moved to suspend the regular order of business to take up for consideration **CSHB 586** at this time on its second reading:

CSHB 586, Relating to the waiver of sovereign immunity for certain design and construction claims arising under written contracts with state agencies.

The motion prevailed.

Senators Campbell and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Duncan offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 586** (senate committee printing) as follows:

(1) In SECTION 1 of the bill, in added Section 114.002, Civil Practice and Remedies Code (page 1, line 49), between "contract" and the period, insert ", in which the amount in controversy is not less than \$250,000, excluding penalties, costs, expenses, pre-judgment interest, and attorney fees".

(2) In SECTION 1 of the bill (page 2, lines 55-60), strike added Section 114.012, Civil Practice and Remedies Code, and substitute the following:

Sec. 114.012. EXCLUSIVE REMEDY. A claim to which this chapter applies may not be brought under Chapter 2260, Government Code, against the state or a unit of state government as defined by Section 2260.001, Government Code.

The amendment to **CSHB 586** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Duncan offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 586** (senate committee printing) in SECTION 1 of the bill, in added Section 114.004(a)(2), Civil Practice and Remedies Code (page 2, lines 6-7), by striking "or additional work required to carry out the contract".

The amendment to **CSHB 586** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

Senator Duncan offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 586** (senate committee printing) in SECTION 1 of the bill, in added Section 114.004(a)(3), Civil Practice and Remedies Code (page 2, line 10), by striking "or that recovery" and substituting "that recovery of attorney's fees is available to all parties to the contract".

The amendment to **CSHB 586** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 3.

On motion of Senator Deuell and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 586 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Campbell, Schwertner.

COMMITTEE SUBSTITUTE HOUSE BILL 586 ON THIRD READING

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 586** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Schwertner.

The bill was read third time.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 1 on Third Reading

Amend **CSHB 586** on third reading by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Section 2001.052, Government Code, is amended to read as follows:

Sec. 2001.052. CONTENTS OF NOTICE. (a) Notice of a hearing in a contested case must include:

- (1) a statement of the time, place, and nature of the hearing;
 - (2) a statement of the legal authority and jurisdiction under which the hearing is to be held;
 - (3) a reference to the particular sections of the statutes and rules involved;
- and
- (4) a short, plain statement of the factual matters asserted.

(b) If a state agency or other party is unable to state factual matters in detail at the time notice under this section is served, an initial notice may be limited to a statement of the issues involved. On timely written application, a more definite and detailed statement of the facts shall be furnished not less than seven [~~three~~] days before the date set for the hearing. In a proceeding in which the state agency has the

burden of proof, a state agency that intends to rely on a section of a statute or rule not previously referenced in the notice of hearing must amend the notice to refer to the section of the statute or rule not later than the seventh day before the date set for the hearing. This subsection does not prohibit the state agency from filing an amendment during the hearing of a contested case provided the opposing party is granted a continuance of at least seven days to prepare its case on request of the opposing party.

(c) In a suit for judicial review of a final decision or order of a state agency in a contested case, the state agency's failure to comply with Subsection (a)(3) or (b) shall constitute prejudice to the substantial rights of the appellant under Section 2001.174(2) unless the court finds that the failure did not unfairly surprise and prejudice the appellant.

SECTION _____. Section 2001.054, Government Code, is amended by adding Subsections (c-1) and (e) to read as follows:

(c-1) If a state agency that has been granted the power to summarily suspend a license under another statute determines that an imminent peril to the public health, safety, or welfare requires emergency action and incorporates a factual and legal basis establishing that imminent peril in an order, the agency may issue an order to summarily suspend the license holder's license pending proceedings for revocation or other action. Unless expressly provided otherwise by another statute, the agency shall initiate the proceedings for revocation or other action not later than the 30th day after the date the summary suspension order is signed. The proceedings must be promptly determined, and if the proceedings are not initiated before the 30th day after the date the order is signed, the license holder may appeal the summary suspension order to a Travis County district court. This subsection does not grant any state agency the power to suspend a license without notice or a hearing.

(e) In a suit for judicial review of a final decision or order of a state agency brought by a license holder, the agency's failure to comply with Subsection (c) shall constitute prejudice to the substantial rights of the license holder under Section 2001.174(2) unless the court determines that the failure did not unfairly surprise and prejudice the license holder.

SECTION _____. Subsections (a) and (e), Section 2001.141, Government Code, are amended to read as follows:

(a) A decision or order of a state agency that may become final under Section 2001.144 that is adverse to any [a] party in a contested case must be in writing and signed by a person authorized by the agency to sign the agency decision or order [stated in the record].

(e) If a party submits under a state agency rule proposed findings of fact or conclusions of law, the decision shall include a ruling on each proposed finding or conclusion.

SECTION _____. Section 2001.142, Government Code, is amended to read as follows:

Sec. 2001.142. NOTIFICATION OF DECISIONS AND ORDERS. (a) A state agency shall notify each party to [in] a contested case [shall be notified either personally or by first class mail] of any decision or order of the agency in the following manner:

(1) personally;

(2) if requested or agreed to by the party to be notified, by electronic means sent on the same day the decision or order is signed to the current e-mail address or telecopier number of the party's attorney of record or of the party if the party is not represented by counsel; or

(3) by first class, certified, or registered mail sent to the last known address of the party's attorney of record or of the party if the party is not represented by counsel.

(b) When a decision or order [~~On issuance~~] in a contested case [~~of a decision~~] that may become final under Section 2001.144 is signed or when an order ruling on a motion for rehearing is signed, a state agency shall deliver or send a copy of the decision or order to each party in accordance with Subsection (a). The state agency shall keep a record documenting the provision of the notice provided to each party in accordance with Subsection (a) [~~by first class mail to the attorneys of record and shall keep an appropriate record of the mailing. If a party is not represented by an attorney of record, the state agency shall send a copy of the decision or order by first class mail to the party and shall keep an appropriate record of the mailing.~~].

(c) If an adversely affected party or the party's attorney of record does not receive the notice required by Subsections (a) and (b) or acquire actual knowledge of a signed decision or order before the 20th day after the date the decision or order is signed, a period specified by or agreed to under Section 2001.144(a), 2001.146, 2001.147, or 2001.176(a) relating to a decision or order or motion for rehearing begins, with respect to that party, on the date the party receives the notice or acquires actual knowledge of the signed decision or order, whichever occurs first. The period may not begin earlier than the 20th day or later than the 90th day after the date the decision or order was signed [~~A party or attorney of record notified by mail under Subsection (b) is presumed to have been notified on the third day after the date on which the notice is mailed.~~].

(d) To establish a revised period under Subsection (c), the adversely affected party must prove, on sworn motion and notice, that the date the party received notice from the state agency or acquired actual knowledge of the signing of the decision or order was after the 19th day but not later than the 90th day after the date the decision or order was signed.

(e) The state agency must grant or deny the sworn motion not later than the agency's governing board's next meeting or, for a state agency without a governing board with decision-making authority in contested cases, not later than the 10th day after the date the agency receives the sworn motion.

(f) If the state agency fails to grant or deny the motion at the next meeting or before the 10th day after the date the agency receives the motion, as appropriate, the motion is considered granted.

(g) If the sworn motion filed under Subsection (d) is granted with respect to the party filing that motion, all the periods specified by or agreed to under Section 2001.144(a), 2001.146, 2001.147, or 2001.176(a) relating to a decision or order, or motion for rehearing, shall begin on the date specified in the sworn motion that the party first received the notice required by Subsections (a) and (b) or acquired actual knowledge of the signed decision or order. The date specified in the sworn motion shall be considered the date the decision or order was signed.

SECTION _____. The heading to Section 2001.143, Government Code, is amended to read as follows:

Sec. 2001.143. TIME OF ~~RENDERING~~ DECISION.

SECTION _____. Subsections (a) and (b), Section 2001.143, Government Code, are amended to read as follows:

(a) A decision or order that may become final under Section 2001.144 in a contested case must be signed ~~rendered~~ not later than the 60th day after the date on which the hearing is finally closed.

(b) In a contested case heard by other than a majority of the officials of a state agency, the agency or the person who conducts the contested case hearing may extend the period in which the decision or order may be signed ~~issued~~.

SECTION _____. Section 2001.144, Government Code, is amended to read as follows:

Sec. 2001.144. DECISIONS OR ORDERS; WHEN FINAL. (a) A decision or order in a contested case is final:

(1) if a motion for rehearing is not filed on time, on the expiration of the period for filing a motion for rehearing;

(2) if a motion for rehearing is filed on time, on the date:

(A) the order overruling the motion for rehearing is signed ~~rendered~~;

or

(B) the motion is overruled by operation of law;

(3) if a state agency finds that an imminent peril to the public health, safety, or welfare requires immediate effect of a decision or order, on the date the decision or order is signed and incorporates in the decision or order a factual and legal basis establishing an imminent peril to the public health, safety, or welfare ~~rendered~~; or

(4) on the date specified in the decision or order for a case in which all parties agree to the specified date in writing or on the record, provided that if the agreed specified date is ~~not~~ before the date the decision or order is signed, the date the decision or order is signed is the date the decision or order is final for purposes of this section ~~or later than the 20th day after the date the order was rendered~~.

(b) If a decision or order is final under Subsection (a)(3), a state agency must recite in the decision or order the finding made under Subsection (a)(3) and the fact that the decision or order is final and effective on the date signed ~~rendered~~.

SECTION _____. Subsection (b), Section 2001.145, Government Code, is amended to read as follows:

(b) A decision or order that is final under Section 2001.144(a)(2), (3), or (4) is appealable.

SECTION _____. Section 2001.146, Government Code, is amended by amending Subsections (a), (b), (c), (e), and (f) and adding Subsections (g), (h), and (i) to read as follows:

(a) A motion for rehearing in a contested case must be filed by a party not later than the 25th ~~20th~~ day after the date ~~on which~~ the decision or order that is the subject of the motion is signed, unless the time for filing the motion for rehearing has been extended by an agreement under Section 2001.147 or by a written state agency order issued under Subsection (e). On filing of the motion for rehearing, copies of the motion shall be sent to all other parties using the notification procedures specified by

~~Section 2001.142(a) [party or the party's attorney of record is notified as required by Section 2001.142 of a decision or order that may become final under Section 2001.144].~~

~~(b) A party must file with the state agency a reply, if any, to a motion for rehearing [must be filed with the state agency] not later than the 40th [30th] day after the date [on which the party or the party's attorney of record is notified as required by Section 2001.142 of] the decision or order that is the subject of the motion is signed, or not later than the 15th day after the date a motion for rehearing is filed if the time for filing the motion for rehearing has been extended by an agreement under Section 2001.147 or by a written state agency order under Subsection (e). On filing of the reply, copies of the reply shall be sent to all other parties using the notification procedures specified by Section 2001.142(a) [or order that may become final under Section 2001.144].~~

~~(c) A state agency shall act on a motion for rehearing not later than the 55th [45th] day after the date [on which the party or the party's attorney of record is notified as required by Section 2001.142 of] the decision or order that is the subject of the motion is signed [that may become final under Section 2001.144] or the motion for rehearing is overruled by operation of law.~~

~~(e) A state agency may, on its own initiative or on the motion of any party for cause shown, by written order extend the time for filing a motion or reply or taking agency action under this section if the agency extends the time or takes the action not later than the 10th day after the date the period for filing a motion or reply or taking agency action expires. An [except that an] extension may not extend the period for agency action beyond the 100th [90th] day after the date [on which the party or the party's attorney of record is notified as required by Section 2001.142 of] the decision or order that is the subject of the motion is signed [that may become final under Section 2001.144].~~

~~(f) In the event of an extension, a motion for rehearing is overruled by operation of law on the date fixed by the order or, in the absence of a fixed date, the 100th day [90 days] after the date [on which the party or the party's attorney of record is notified as required by Section 2001.142 of] the decision or order that is the subject of the motion is signed [that may become final under Section 2001.144].~~

~~(g) A motion for rehearing must identify with particularity findings of fact or conclusions of law that are the subject of the complaint and any evidentiary or legal ruling claimed to be erroneous. The motion must also state the legal and factual basis for the claimed error.~~

~~(h) A subsequent motion for rehearing is not required after a state agency rules on a motion for rehearing unless the order disposing of the original motion for rehearing:~~

~~(1) modifies, corrects, or reforms in any respect the decision or order that is the subject of the complaint, other than a typographical, grammatical, or other clerical change identified as such by the agency in the order, including any modification, correction, or reformation that does not change the outcome of the contested case; or~~

~~(2) vacates the decision or order that is the subject of the motion and provides for a new decision or order.~~

(i) The time limits and other requirements for filing a subsequent motion for a rehearing, for a reply to the motion, and for ruling on the motion are governed by this section and Sections 2001.142, 2001.144, 2001.145, and 2001.147.

SECTION _____. Subsection (a), Section 2001.176, Government Code, is amended to read as follows:

(a) A person initiates judicial review in a contested case by filing a petition not later than the 30th day after the date ~~[on which]~~ the decision or order that is the subject of complaint is final and appealable. In a contested case in which a motion for rehearing is a prerequisite for seeking judicial review, a prematurely filed petition is effective to initiate judicial review and is considered to be filed:

- (1) on the date the last timely motion for rehearing is overruled; and
- (2) after the motion is overruled.

SECTION _____. The changes in law made by this Act to Chapter 2001, Government Code, apply only to an administrative hearing that is set by the State Office of Administrative Hearings, or another state agency conducting an administrative hearing, on or after the effective date of this Act. A hearing set before the effective date of this Act, or any decision issued or appeal from the hearing, is governed by the law in effect when the hearing was set, and the former law is continued in effect for that purpose.

The amendment to **CSHB 586** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 on Third Reading except as follows:

Nays: Nelson.

On motion of Senator Deuell and by unanimous consent, the caption was again amended to conform to the body of the bill as amended.

CSHB 586 as again amended was finally passed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Schwertner.

COMMITTEE SUBSTITUTE HOUSE BILL 2036 ON SECOND READING

Senator Watson moved to suspend the regular order of business to take up for consideration **CSHB 2036** at this time on its second reading:

CSHB 2036, Relating to the creation of a commission to identify future higher education and workforce needs of this state and make related recommendations to address those needs by the state's bicentennial.

The motion prevailed.

Senator Paxton asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Paxton.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2036 ON THIRD READING**

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2036** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Paxton.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 2012 ON SECOND READING**

Senator Patrick moved to suspend the regular order of business to take up for consideration **CSHB 2012** at this time on its second reading:

CSHB 2012, Relating to collection, distribution, and use of information relating to salaries of and job openings for certain professional employees of school districts and to teaching and learning conditions in public schools.

The motion prevailed.

Senators Campbell, Deuell, Hancock, Huffman, and Paxton asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Patrick offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2012** (senate committee printing) as follows:

(1) In SECTION 1 of the bill, in added Section 7.038, Education Code (page 1, lines 28-45), strike the section heading and Subsections (a), (b), and (c) and substitute the following:

PROFESSIONAL EMPLOYEE SALARY INFORMATION. (a) The agency, in collaboration with the Teacher Retirement System of Texas, shall collect information from school districts regarding salaries paid to employees entitled to the minimum monthly salary under Section 21.402.

(2) In SECTION 1 of the bill, in added Section 7.038(d), Education Code (page 1, line 46), strike "(d)" and substitute "(b)".

(3) In SECTION 1 of the bill, in added Section 7.038(d), Education Code (page 1, line 47), strike "(c)" and substitute "(a)".

(4) In SECTION 1 of the bill, in added Section 7.038(d), Education Code (page 1, line 49), strike "(c)" and substitute "(a)".

(5) In SECTION 1 of the bill, in added Section 7.038(e), Education Code (page 1, line 52), strike "(e)" and substitute "(c)".

(6) In SECTION 1 of the bill, in added Section 7.038(e), Education Code (page 1, line 53), strike "(c)" and substitute "(a)".

(7) In SECTION 1 of the bill, in added Section 7.038(f), Education Code (page 2, line 7), strike "(f) The agency shall" and substitute "(d) The agency shall collect data and".

(8) In SECTION 1 of the bill, in added Section 7.038(g), Education Code (page 2, line 10), strike "(g) Subsections (e) and (f) and this subsection expire" and substitute "(e) This section expires".

The amendment to **CSHB 2012** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Patrick offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 2012** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 21.044, Education Code, as amended by Chapters 635 (S.B. 866) and 926 (S.B. 1620), Acts of the 82nd Legislature, Regular Session, 2011, is reenacted and amended to read as follows:

Sec. 21.044. EDUCATOR PREPARATION. (a) The board shall propose rules establishing the training requirements a person must accomplish to obtain a certificate, enter an internship, or enter an induction-year program. The board shall specify the minimum academic qualifications required for a certificate.

(b) Any minimum academic qualifications for a certificate specified under Subsection (a) that require a person to possess a bachelor's degree must also require that the person receive, as part of the curriculum for that degree, instruction in detection and education of students with dyslexia. This subsection does not apply to a person who obtains a certificate through an educator certification program adopted under Section 21.049.

(c) The instruction under Subsection (b) must:

(1) be developed by a panel of experts in the diagnosis and treatment of dyslexia who are:

- (A) employed by institutions of higher education; and
- (B) approved by the board; and

(2) include information on:

- (A) characteristics of dyslexia;
- (B) identification of dyslexia; and
- (C) effective, multisensory strategies for teaching students with

dyslexia.

(d) [(b)] In proposing rules under this section, the board shall specify that to obtain a certificate to teach an "applied STEM course," as that term is defined by Section 28.027, at a secondary school, a person must:

(1) pass the certification test administered by the recognized national or international business and industry group that created the curriculum the applied STEM course is based on; and

(2) have at a minimum:

(A) an associate degree from an accredited institution of higher education; and

(B) three years of work experience in an occupation for which the applied STEM course is intended to prepare the student.

(e) Each educator preparation program must provide information regarding:

(1) the skills that educators are required to possess, the responsibilities that educators are required to accept, and the high expectations for students in this state;

(2) the effect of supply and demand forces on the educator workforce in this state;

(3) the performance over time of the educator preparation program;

(4) the importance of building strong classroom management skills; and

(5) the framework in this state for teacher and principal evaluation, including the procedures followed in accordance with Subchapter H.

SECTION ____ . Subchapter B, Chapter 21, Education Code, is amended by adding Section 21.0441 to read as follows:

Sec. 21.0441. ADMISSION REQUIREMENTS FOR EDUCATOR PREPARATION PROGRAMS. (a) Rules of the board proposed under this subchapter must provide that a person, other than a person seeking career and technology education certification, is not eligible for admission to an educator preparation program, including an educator preparation program, unless the person:

(1) except as provided by Subsection (b), satisfies minimum grade point average requirements prescribed by the board, provided that the board must require:

(A) an overall grade point average of at least 2.75 on a four-point scale or the equivalent on any course work previously attempted at a public or private institution of higher education; or

(B) a grade point average of at least 2.75 on a four-point scale or the equivalent for the last 60 semester credit hours attempted at a public or private institution of higher education; and

(2) if the person is seeking initial certification:

(A) has successfully completed at least:

(i) 15 semester credit hours in the subject-specific content area in which the person is seeking certification, if the person is seeking certification to teach mathematics or science at or above grade level seven; or

(ii) 12 semester credit hours in the subject-specific content area in which the person is seeking certification, if the person is not seeking certification to teach mathematics or science at or above grade level seven; or

(B) has achieved a satisfactory level of performance on a content certification examination, which may be a content certification examination administered by a vendor approved by the commissioner for purposes of administering such an examination for the year for which the person is applying for admission to the program.

(b) The board's rules must permit an educator preparation program to admit in extraordinary circumstances a person who fails to satisfy a grade point average requirement prescribed by Subsection (a)(1)(A) or (B), provided that:

(1) not more than 10 percent of the total number of persons admitted to the program in a year fail to satisfy the requirement under Subsection (a)(1)(A) or (B); and

(2) for each person admitted as described by this subsection, the director of the program determines and certifies, based on documentation provided by the person, that the person's work, business, or career experience demonstrates achievement comparable to the academic achievement represented by the grade point average requirement.

SECTION _____. Section 21.048, Education Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The board shall propose rules prescribing comprehensive examinations for each class of certificate issued by the board. The board shall determine the satisfactory level of performance required for each certification examination. For the issuance of a generalist certificate, the board shall require a satisfactory level of examination performance in each core subject covered by the examination.

(a-1) The board may not require that more than 45 days elapse before a person may retake an examination.

SECTION _____. Section 21.352, Education Code, is amended by amending Subsection (c) and adding Subsections (c-1), (e), and (f) to read as follows:

(c) Except as otherwise provided by this subsection, appraisal must be done at least once during each school year. A teacher may be appraised less frequently if the teacher agrees in writing and the teacher's most recent evaluation rated the teacher as at least proficient, or the equivalent, and did not identify any area of deficiency. A teacher who is appraised less frequently than annually must be appraised at least once during each period of five school years. The district shall maintain a written copy of the evaluation of each teacher's performance in the teacher's personnel file. Each teacher is entitled to receive a written copy of the evaluation promptly on its completion. After receiving a written copy of the evaluation, a teacher is entitled to a second appraisal by a different appraiser or to submit a written rebuttal to the evaluation to be attached to the evaluation in the teacher's personnel file. The evaluation and any rebuttal may be given to another school district at which the teacher has applied for employment at the request of that district.

(c-1) In addition to conducting a complete appraisal as frequently as required by Subsection (c), a school district shall require that appropriate components of the appraisal process, such as classroom observations and walk-throughs, occur more frequently as necessary to ensure that a teacher receives adequate evaluation and

guidance. A school district shall give priority to conducting appropriate components more frequently for inexperienced teachers or experienced teachers with identified areas of deficiency.

(e) A district shall use a teacher's consecutive appraisals from more than one year, if available, in making the district's employment decisions and developing career recommendations for the teacher.

(f) The district shall notify a teacher of the results of any appraisal of the teacher in a timely manner so that the appraisal may be used as a developmental tool by the district and the teacher to improve the overall performance of the teacher.

SECTION ____. Subchapter J, Chapter 21, Education Code, is amended by adding Section 21.4513 to read as follows:

Sec. 21.4513. PROFESSIONAL DEVELOPMENT REQUIREMENTS AUDIT.

(a) Using only available funds and resources from public or private sources, the agency shall periodically conduct an audit of the professional development requirements applicable to educators in this state, including state and federal requirements and requirements imposed by school districts.

(b) Based on audit results, the agency shall seek to eliminate conflicting requirements and consolidate duplicative requirements through the following methods, as appropriate:

(1) taking administrative action;

(2) encouraging school districts to make appropriate changes to district policies; or

(3) recommending statutory changes to the legislature.

(b-1) The agency shall complete the initial audit required by Subsection (a) not later than August 1, 2014. This subsection expires September 1, 2014.

(c) The agency shall provide guidance to school districts regarding high-quality professional development and the outcomes expected to result from providing that caliber of professional development.

SECTION ____. Section 21.458, Education Code, is amended by amending Subsection (c) and adding Subsections (e) and (e-1) to read as follows:

(c) From the funds appropriated to the agency for purposes of this section, the commissioner shall adopt rules and provide funding to school districts that assign mentor teachers under this section. Funding provided to districts under this section may be used only for providing:

(1) mentor teacher stipends;

(2) scheduled release time for mentor teachers and the classroom teachers to whom they are assigned for meeting and engaging in ~~[to provide]~~ mentoring activities ~~[to assigned classroom teachers]~~; and

(3) mentoring support through providers of mentor training.

(e) Each year the commissioner shall report to the legislature regarding the effectiveness of school district mentoring programs.

(e-1) Not later than November 1, 2013, the governor, lieutenant governor and speaker of the house of representatives shall form an advisory committee to evaluate the implementation of this section and make recommendations for improvement. The committee shall develop recommended guidelines that align teacher induction and mentoring activities with expectations for new teachers based on teaching practice

standards. The agency shall provide administrative support for the committee. The committee shall submit a report of its recommendations to the governor and legislature not later than January 1, 2015. This subsection expires January 31, 2015.

SECTION _____. Not later than September 1, 2014, the Texas Education Agency, the State Board for Educator Certification, and the Texas Higher Education Coordinating Board shall jointly review existing standards for preparation and admission that are applicable to educator preparation programs, including stakeholder input in the review and development of those standards, and develop and implement modifications necessary to reflect updated standards for the teaching profession.

SECTION _____. To the extent of any conflict, this Act prevails over another Act of the 83rd Legislature, Regular Session, 2013, relating to nonsubstantive additions to and corrections in enacted codes.

The amendment to **CSHB 2012** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

On motion of Senator Patrick and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 2012 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Campbell, Deuell, Hancock, Hegar, Huffman, Paxton.

COMMITTEE SUBSTITUTE HOUSE BILL 2012 ON THIRD READING

Senator Patrick moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2012** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Birdwell, Carona, Davis, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Lucio, Nelson, Nichols, Patrick, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Deuell, Hancock, Huffman, Paxton.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 6.

Yeas: Birdwell, Carona, Davis, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hinojosa, Lucio, Nelson, Nichols, Patrick, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Deuell, Hancock, Hegar, Huffman, Paxton.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3509 ON SECOND READING**

Senator Seliger moved to suspend the regular order of business to take up for consideration **CSHB 3509** at this time on its second reading:

CSHB 3509, Relating to endangered species habitat conservation and to the creation of a board to oversee and guide the state's coordinated response to federal actions regarding endangered species.

The motion prevailed.

Senators Hancock, Hegar, Nichols, and Paxton asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Seliger offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3509** (senate committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. Subtitle F, Title 4, Government Code, is amended by adding Chapter 490F to read as follows:

CHAPTER 490F. HABITAT CONSERVATION BY A STATE AGENCY

Sec. 490F.001. DEFINITIONS. Notwithstanding the definitions contained in Subchapter B, Chapter 83, Parks and Wildlife Code, the following words and terms, when used in this subchapter, shall have the following meanings:

(1) "Habitat conservation plan" means a plan or program to protect a candidate species or endangered species by habitat preserves or other protection strategies developed in order to prevent listing a species or if necessary to obtain a federal permit."

(2) "State agency" means state officer, board, commission, or department with statewide jurisdiction, excluding an institution of higher education.

(3) "Federal permit" means a permit issued under Section 10(a) of the federal act.

Sec. 490F.002. STATE AGENCY AUTHORITY. (a) Under the provisions of 490E.004(c), Government Code, a state agency may apply for or hold a federal permit issued in connection with a habitat conservation plan, candidate conservation plan, or similar plan authorized or required by federal law in connection with a candidate, threatened, or endangered species. A state agency that takes an action under this section must notify other members of the task force described in section 490E.003(a).

(b) An agency that takes an action described by Subsection (a) must:

(1) cooperate with all appropriate member agencies of the task force; and

(2) enter into an interagency contract that may provide for the payment of funds held by the comptroller inside the treasury, at the direction of the task force established in section 490E, Government Code, for the purposes of carrying out this chapter.

Sec. 490F.003. PUBLIC NOTICE AND INPUT. (a) Before engaging in an activity authorized by Section 490F.002(a), a state agency shall:

- (1) provide public notice; and
- (2) solicit and consider comments from:

(A) the task force on economic growth and endangered species created under Section 490E.003, Government Code;

(B) affected landowners;

(C) conservation interests; and

(D) business interests affected by the activity; and

(E) mineral owners.

Sec. 490F.004. HABITAT PROTECTION AND RESEARCH FUND. (a) The habitat protection and research fund is held by the comptroller inside the treasury and consists of money appropriated to the fund, interest earned on the investment of money in the fund, and gifts and grants made to the fund. This fund does not apply to activities related to species proposed for listing under the Endangered Species Act prior to September 1, 2013.

(b) Money in the habitat protection and research fund may be used only to:

(1) provide grants to institutions for research into candidate, threatened, and endangered species;

(2) employ research personnel dedicated to research described by Subdivision (1); and

(3) fund capital expenditures necessary to conduct research described by Subdivision (1).

(c) Private money contributed to the habitat protection fund under Government Code Section 403.452 is held by the comptroller outside the treasury.

(d) Private funds collected pursuant to a mitigation plan shall be held only by the comptroller outside the treasury for the use prescribed by the plan.

(e) The comptroller may identify funds to reimburse state institutions of higher education from the habitat protection and research fund for science and biology research and work related to threatened or endangered species.

Sec. 490F.005. CONFIDENTIAL INFORMATION. Information collected under this subchapter by an agency, or an entity acting on the agency's behalf, from a private landowner or other participant or potential participant in a habitat conservation plan, proposed habitat conservation plan, candidate conservation plan, or proposed candidate conservation plan is confidential and exempt from disclosure under Chapter 552, if the information relates to the specific location, property owner identification, species identification, or quantity of any animal or plant life at a specific location for which a plan is under consideration or development or has been established under this subchapter. Information may be disclosed to a state agency or state officer upon signature of a confidentiality agreement, but may not be disclosed to a federal agency.

SECTION 2. Section 490E.000, Government Code, is added as follows:

490E.000. DUTIES. The task force on economic growth and endangered species:

(a) shall select the holder of a federal permit issued in connection with a habitat conservation plan, candidate conservation plan, or similar plan, authorized or required by federal law in connection with a candidate species or endangered species that is to be held by a state agency; and

(b) may coordinate the comments, positions and response to listings and potential listings of endangered species for state agencies.

SECTION 3. Sections 490E.003(a) and (b), Government Code, are amended to read as follows:

(a) The task force on economic growth and endangered species is created and composed of the following or their designee:

- (1) the comptroller;
- (2) the commissioner of agriculture;
- (3) the commissioner of the General Land Office;
- (4) the chair of the Railroad Commission;
- (5) the executive director of the State Soil and Water Conservation Board;
- (6) the executive director of the Parks and Wildlife Department;
- (7) the executive director of the Texas Department of Transportation;
- (8) the director of the Texas A&M AgriLife Extension Service; and
- (9) the executive director of the Texas Commission on Environmental

Quality.

(b) ~~The comptroller is the presiding officer of the task force. The position of presiding officer rotates among the statewide elected members specified in Subsection (a) regardless of who occupies the named office at the time of the rotation. The position of chair rotates every two years in the order listed in Subsection (a), beginning with the comptroller.~~

SECTION 4. Section 490E.004, Government Code, is amended by amending subsection (b) and adding subsections (c) and (d) as follows:

(b) If requested by a landowner, other person in this state, or a local government or state official, the task force may review state and local governmental efforts to address endangered species issues and provide recommendations to make those efforts more cost effective.

(c) If determined by the task force, a state agency that is represented on the task force may hold a permit issued under the federal Endangered Species Act.

(d) The permit holder shall inform members of the task force of any mitigation plan, including costs, at least 10 days prior to the plan being submitted to the U.S. Fish and Wildlife Service for approval.

SECTION 5. Section 490E.005, Government Code, is amended by amending subsections (a) and (c) and adding subsections (f) and (g) to read as follows:

(a) With the advice of the task force, the ~~presiding officer shall~~ ~~comptroller may~~ create at least one advisory committee for each species to assist the task force with its work. Of the members of an advisory committee:

- (1) ~~one-fourth one-third~~ must be representatives of affected landowners;
- (2) ~~one-fourth one-third~~ must be representatives of conservation interests;

and

(3) ~~one-fourth one-third~~ must be representatives of municipalities or other affected jurisdictions; and

- (4) ~~one-fourth~~ must be representatives of affected business interests.

(c) The ~~presiding officer~~ ~~comptroller~~ shall designate one member of an advisory committee as interim presiding officer for the purpose of calling and conducting the initial meeting of the committee.

(f) The task force may create a Science and Biology Advisory Committee for a specific species composed of the following members:

(1) the State Geologist of Texas, director of the Bureau of Economic Geology at the University of Texas at Austin;

(2) a designee of the director of the Texas A&M AgriLife Extension Service with species expertise;

(3) a designee from the Parks & Wildlife Department with science and biology expertise; and

(4) any other persons the task force deems appropriate who have science and biology expertise.

SECTION 6. Section 490E.008, Government Code, is amended to read as follows:

ADMINISTRATIVE SUPPORT. The presiding officer's ~~comptroller's~~ office shall provide administrative support and maintain a public website for ~~to~~ the task force.

SECTION 7. Section 490E.009, Government Code, is added as follows:

490E.009. ATTORNEY GENERAL. Notwithstanding Section 402.045, Government Code, the attorney general, at the request of the task force, shall provide legal advice to the task force.

SECTION 8. Section 403.452, Chapter 403, Government Code, is amended by adding Subsection (e) to read:

(e) Except as provided under Section 490E.004(c), the authority of the comptroller to enter into an agreement for any species other than the dunes sagebrush lizard, under this section, with the United States Fish and Wildlife Service for the implementation of a candidate conservation plan or a habitat conservation plan, expires September 1, 2013.

SECTION 9. Section 490E.006, Government Code, is repealed.

SECTION 10. The Task Force on Economic Growth and Endangered Species, in collaboration with three members of the House State Affairs Committee appointed by the Speaker and three members of the Senate Natural Resources Committee appointed by the Lieutenant Governor, and one stakeholder representing landowner interests appointed by the Governor, shall conduct a study to determine state policies to defend against the overreaching inclusion of species on the Endangered Species List by the United States Fish and Wildlife Service. The study shall be submitted to the Governor, Lieutenant Governor, Speaker, and members of the legislature not later than December 1, 2014.

SECTION 11. Nothing in this Act precludes a person or group of persons from working together and with the United States Fish and Wildlife Service to address threatened or endangered species issues.

SECTION 12. An approved conservation plan, federal permit issued, an application for a federal permit submitted, or a conservation agreement entered into prior to the effective date of this bill is governed by the law in effect at the time the permit was acquired or the plan was approved and the former law continues in effect for the purpose of full implementation of the conservation plan, including the authority to apply for a federal permit in the event of a listing decision for the species covered by the conservation plan.

SECTION 13. This Act takes effect September 1, 2013.

The amendment to **CSHB 3509** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Seliger and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 3509 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hancock, Hegar, Nichols, Paxton.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3509 ON THIRD READING**

Senator Seliger moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3509** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hinojosa, Huffman, Lucio, Nelson, Patrick, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Hancock, Hegar, Nichols, Paxton.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

HOUSE BILL 3761 ON SECOND READING

On motion of Senator Hinojosa and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3761** at this time on its second reading:

HB 3761, Relating to a feasibility report on the creation of a border agricultural inspection training program.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3761 ON THIRD READING

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3761** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2621 ON SECOND READING

On motion of Senator Williams and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2621** at this time on its second reading:

HB 2621, Relating to disclaimers of estate property by certain beneficiaries.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2621 ON THIRD READING

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2621** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3259 ON SECOND READING**

On motion of Senator Huffman and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 3259** at this time on its second reading:

CSHB 3259, Relating to the ownership of and access to certain investigation records in child abuse and neglect cases.

The bill was read second time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3259** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Section 162.006, Family Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The department, licensed child-placing agency, or other person [~~or entity~~] placing a child for adoption shall inform the prospective adoptive parents of their right to examine the records and other information relating to the history of the child. The department, licensed child-placing agency, or other person [~~or entity~~] placing the child for adoption shall edit the records and information to protect the identity of the biological parents and any other person whose identity is confidential.

(a-1) The records described by Subsection (a) must include any records relating to an investigation of abuse in which the child was an alleged or confirmed victim of sexual abuse while residing in a foster home or other residential child-care facility. If the licensed child-placing agency or other person placing the child for adoption does

not have the information required by this subsection, the department, at the request of the licensed child-placing agency or other person placing the child for adoption, shall provide the information to the prospective adoptive parents of the child.

The amendment to **CSHB 3259** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Huffman and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 3259 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

COMMITTEE SUBSTITUTE HOUSE BILL 3259 ON THIRD READING

Senator Huffman moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3259** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE CONCURRENT RESOLUTION 57 ON SECOND READING

On motion of Senator Van de Putte and by unanimous consent, the regular order of business was suspended to take up for consideration **HCR 57** at this time on its second reading:

HCR 57, Requesting the lieutenant governor and the speaker of the house of representatives to create a joint interim committee to study human trafficking in Texas.

The resolution was read second time and was adopted by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2080 ON SECOND READING

Senator Rodríguez moved to suspend the regular order of business to take up for consideration **HB 2080** at this time on its second reading:

HB 2080, Relating to guardianships, including the assessment and payment of attorney's fees and other court costs in guardianships, and to court-created management trusts for persons who have physical disabilities or who are incapacitated; changing the amount of a fee and requiring the collection of a fee.

The motion prevailed.

Senator Campbell asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Rodríguez offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **HB 2080** (house engrossment) as follows:

(1) Add the following appropriately numbered SECTION to the bill:

SECTION _____. Section 1102.003, Estates Code, as effective January 1, 2014, is amended to read as follows:

Sec. 1102.003. INFORMATION LETTER. (a) An interested person who submits an information letter under Section 1102.002(1) about a person believed to be incapacitated must, to the best of the interested person's knowledge [may]:

(1) state [include] the person's name, address, telephone number, county of residence, and date of birth;

(2) state whether the person's residence is a private residence, health care facility, or other type of residence;

(3) describe the relationship between the person and the interested person submitting the letter;

(4) state [contain] the names and telephone numbers of any known friends and relatives of the person;

(5) state whether a guardian of the person or estate has been appointed in this state for the person;

(6) state whether the person has executed a power of attorney and, if so, the designee's name, address, and telephone number;

(7) describe any property of the person, including the estimated value of that property;

(8) list the amount and source of any monthly income of the person;

(9) describe the nature and degree of the person's alleged incapacity; and

(10) state whether the person is in imminent danger of serious impairment to the person's physical health, safety, or estate.

(b) In addition to the requirements of Subsection (a), if an information letter under that subsection is submitted by an interested person who is a family member of the person believed to be incapacitated, the information letter must:

(1) be signed and sworn to before a notary public by the interested person;

or

(2) include a written declaration signed by the interested person under penalty of perjury that the information contained in the information letter is true to the best of the person's knowledge.

(2) On page 27, between lines 24 and 25, insert the following:

(d) The changes in law made by this Act to Section 1102.003, Estates Code, apply to a guardianship proceeding that is commenced on or after the effective date of this Act. A guardianship proceeding commenced before that date is governed by the law in effect on the date the proceeding was commenced, and the former law is continued in effect for that purpose.

(3) Renumber SECTIONS of the bill appropriately.

The amendment to **HB 2080** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Committee Amendment No. 1.

On motion of Senator Rodríguez and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 2080 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Campbell.

HOUSE BILL 2080 ON THIRD READING

Senator Rodríguez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2080** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Campbell.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 3566 ON SECOND READING

On motion of Senator Hegar and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3566** at this time on its second reading:

HB 3566, Relating to the regulation of advertising by structural pest control businesses.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3566 ON THIRD READING

Senator Hegar moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3566** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3952 ON SECOND READING

On motion of Senator Uresti and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3952** at this time on its second reading:

HB 3952, Relating to the composition of the juvenile board of Val Verde County.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3952 ON THIRD READING

Senator Uresti moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3952** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2781 ON SECOND READING

Senator Campbell moved to suspend the regular order of business to take up for consideration **HB 2781** at this time on its second reading:

HB 2781, Relating to rainwater harvesting and other water conservation initiatives.

The motion prevailed.

Senators Hancock and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hancock, Schwertner.

HOUSE BILL 2781 ON THIRD READING

Senator Campbell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2781** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Hancock, Schwertner.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2. (Same as previous roll call)

HOUSE BILL 3314 ON SECOND READING

On motion of Senator Taylor and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3314** at this time on its second reading:

HB 3314, Relating to instruction and continuing education requirements for certain court clerks.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3314 ON THIRD READING

Senator Taylor moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3314** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE HOUSE BILL 2978 ON SECOND READING

On motion of Senator Paxton and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2978** at this time on its second reading:

CSHB 2978, Relating to service of citation in connection with an expedited judicial foreclosure proceeding.

The bill was read second time.

Senator West offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2978** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter A, Chapter 22, Government Code, is amended by adding Section 22.018 to read as follows:

Sec. 22.018. PROMULGATION OF FORMS FOR CERTAIN EXPEDITED FORECLOSURE PROCEEDINGS. (a) The supreme court shall promulgate the following forms for use in expedited foreclosure proceedings described by Section 50(r), Article XVI, Texas Constitution:

- (1) a form for application for an expedited foreclosure proceeding;
- (2) a form for a supporting affidavit; and
- (3) a form for any court-required citation.

SECTION _____. Not later than March 1, 2014, The Texas Supreme Court shall promulgate the form required by section 22.018, Government Code, as added by this Act.

SECTION _____. Subchapter B, Chapter 154, Civil Practice and Remedies Code, is amended by adding Section 154.028 to read as follows:

Sec. 154.028. MEDIATION FOLLOWING APPLICATION FOR EXPEDITED FORECLOSURE. (a) A citation for expedited foreclosure may be served in the manner provided by Rule 106 or 736, Texas Rules of Civil Procedure. Following the filing of a response to an application for an expedited foreclosure proceeding under Rule 736.5, Texas Rules of Civil Procedure, a court may, in the court's discretion,

conduct a hearing to determine whether to order mediation. A court may not order mediation without conducting a hearing. The petitioner or respondent may request a hearing to determine whether mediation is necessary or whether an application is defective.

(b) A hearing under Subsection (a) may not be conducted before the expiration of the respondent's deadline to file a response.

(c) Subject to Subsection (d), a hearing under Subsection (a) may be conducted by telephone.

(d) Not later than the 10th day before the date of a hearing under Subsection (a), the court shall send notice of the hearing to the parties concerning whether the hearing will be conducted by telephone and, if applicable, instructions for contacting the court and attending the hearing by telephone.

(e) At a hearing under Subsection (a), the court must consider any objections to the referral of the case to mediation.

(f) If the court orders the case to mediation, the mediation must be conducted before the expiration of any deadline imposed by Rule 736, Texas Rules of Civil Procedure.

(g) If the parties to a case that has been ordered to mediation are unable to agree on the appointment of a mediator, the court may appoint a mediator. If a mediator is appointed by the court, the court shall provide all parties with the name of the chosen mediator at the mediation hearing if the parties are unable to agree to a mediator at that hearing.

(h) A mediator's fee shall be divided equally between the parties.

(i) The parties may agree to waive the mediation process.

(j) The court may not conduct a hearing under this section if the applicant has served the citation in compliance with Rule 106, Texas Rules of Civil Procedure, and a response to the application has not been filed before the deadline provided by Rule 736, Texas Rules of Civil Procedure.

(k) If a respondent fails to attend a mediation hearing after notice in accordance with Subsection (d), the court:

(1) may not order mediation; and

(2) shall grant or deny the petitioner's motion for default order under Rule 736.7, Texas Rules of Civil Procedure.

(l) If a respondent attends a hearing and mediation is ordered, any mediation must take place not later than the 29th day after the date the petitioner filed a motion for default order.

(m) Notwithstanding Section 22.004, Government Code, the supreme court may not amend or adopt rules in conflict with this section.

The amendment to **CSHB 2978** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Paxton and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 2978 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2978 ON THIRD READING**

Senator Paxton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2978** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 709 ON SECOND READING

On motion of Senator Deuell and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 709** at this time on its second reading:

HB 709, Relating to ad valorem tax payments and refunds.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 709 ON THIRD READING

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 709** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2422 ON SECOND READING

On motion of Senator Schwertner and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2422** at this time on its second reading:

HB 2422, Relating to consideration of cloud computing services when a state agency purchases services for a major information resources project.

The bill was read second time.

Senator Schwertner offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2422** (Senate Committee printing) as follows:

(1) In SECTION 1 of the bill strike "cloud" (page 1, line 23) and insert "advanced internet-based".

(2) In SECTION 1 of the bill strike "cloud" (page 1, line 24) and insert "advanced internet-based".

(3) In SECTION 1 of the bill strike "must" (page 1, line 32) and insert "may".

(4) In SECTION 1 of the bill strike "cloud" (page 1, line 32) and insert "advanced internet-based".

(5) In SECTION 1, add subsection (c), (page 1, between lines 34 and 35) accordingly: (c) A state agency shall ensure that information resources projects that use advanced internet-based computing service options meet or exceed required state standards for cybersecurity.

The amendment to **HB 2422** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Lucio offered the following amendment to the bill:

Floor Amendment No. 2

Amend **HB 2422** (senate committee printing) as follows:

(1) In SECTION 1, subsection (b), (page 1, line 34) insert after "option" and before "," including any cost associated with purchasing those service options.

(2) In SECTION 1 add subsection (d), (page 1, between line 34 and 35) accordingly: (d) Using existing resources, the department may review the process for the coordinated development, hosting, and management of computer software for state agencies that use advanced internet-based computing services.

The amendment to **HB 2422** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

On motion of Senator Schwertner and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 2422 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2422 ON THIRD READING

Senator Schwertner moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2422** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE HOUSE BILL 2859 ON SECOND READING

Senator Patrick moved to suspend the regular order of business to take up for consideration **CSHB 2859** at this time on its second reading:

CSHB 2859, Relating to the amount of money authorized to be used for Clean Air Act local initiative projects related to vehicles.

The motion prevailed.

Senators Hancock, Paxton, and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hancock, Paxton, Schwertner.

COMMITTEE SUBSTITUTE HOUSE BILL 2859 ON THIRD READING

Senator Patrick moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2859** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Hancock, Paxton, Schwertner.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

ACKNOWLEDGMENT

The Presiding Officer, Senator Eltife in Chair, acknowledged the presence of the Honorable Rick Perry.

The Senate welcomed its guest.

HOUSE BILL 1245 ON SECOND READING

Senator Duncan moved to suspend the regular order of business to take up for consideration **HB 1245** at this time on its second reading:

HB 1245, Relating to the allocation of money in the judicial and court personnel training fund.

The motion prevailed.

Senators Nelson, Patrick, and Paxton asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Nelson, Patrick, Paxton.

HOUSE BILL 1245 ON THIRD READING

Senator Duncan moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1245** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nichols, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Nelson, Patrick, Paxton.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

HOUSE BILL 1382 ON SECOND READING

Senator Deuell moved to suspend the regular order of business to take up for consideration **HB 1382** at this time on its second reading:

HB 1382, Relating to the regulation of food prepared, stored, distributed, or sold at farms and farmers' markets; limiting the applicability of a fee.

The motion prevailed.

Senator Huffman asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Deuell offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1382** (Senate Committee Printing) in SECTION 2 of the bill, after added Section 437.020(d), Health and Safety Code (page 2, between lines 24 and 25), by inserting the following:

(e) This section does not authorize the sale of or provision of samples of raw milk or raw milk products at a farmers' market.

The amendment to **HB 1382** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Deuell and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 1382 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Huffman.

HOUSE BILL 1382 ON THIRD READING

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1382** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Huffman.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

RECESS

On motion of Senator Whitmire, the Senate at 2:02 p.m. recessed until 3:00 p.m. today.

AFTER RECESS

The Senate met at 3:29 p.m. and was called to order by Senator Eltife.

CONFERENCE COMMITTEE ON HOUSE BILL 630

(Motion In Writing)

Senator Huffman called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 630** and submitted a Motion In Writing that the request be granted.

The Motion In Writing prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 630** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Huffman, Chair; Deuell, Fraser, Whitmire, and Van de Putte.

CONFERENCE COMMITTEE ON HOUSE BILL 1534

(Motion In Writing)

Senator Paxton called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 1534** and submitted a Motion In Writing that the request be granted.

The Motion In Writing prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 1534** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Paxton, Chair; Deuell, Hancock, Estes, and Nelson.

SENATE BILL 7 WITH HOUSE AMENDMENTS

(Motion In Writing)

Senator Nelson submitted a Motion In Writing to call **SB 7** from the President's table for consideration of the House amendments to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 7** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to improving the delivery and quality of certain health and human services, including the delivery and quality of Medicaid acute care services and long-term services and supports.

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

ARTICLE 1. DELIVERY SYSTEM REDESIGN FOR THE PROVISION OF ACUTE CARE SERVICES AND LONG-TERM SERVICES AND SUPPORTS TO INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES

SECTION 1.01. Subtitle I, Title 4, Government Code, is amended by adding Chapter 534 to read as follows:

CHAPTER 534. SYSTEM REDESIGN FOR DELIVERY OF MEDICAID ACUTE CARE SERVICES AND LONG-TERM SERVICES AND SUPPORTS TO PERSONS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 534.001. DEFINITIONS. In this chapter:

(1) "Advisory committee" means the Intellectual and Developmental Disability System Redesign Advisory Committee established under Section 534.053.

(2) "Basic attendant services" means assistance with the activities of daily living, including instrumental activities of daily living, provided to an individual because of a physical, cognitive, or behavioral limitation related to the individual's disability or chronic health condition.

(3) "Department" means the Department of Aging and Disability Services.

(4) "Functional need" means the measurement of an individual's services and supports needs, including the individual's intellectual, psychiatric, medical, and physical support needs.

(5) "Habilitation services" includes assistance provided to an individual with acquiring, retaining, or improving:

(A) skills related to the activities of daily living; and

(B) the social and adaptive skills necessary to enable the individual to live and fully participate in the community.

(6) "ICF-IID" means the Medicaid program serving individuals with intellectual and developmental disabilities who receive care in intermediate care facilities other than a state supported living center.

(7) "ICF-IID program" means a program under the Medicaid program serving individuals with intellectual and developmental disabilities who reside in and receive care from:

(A) intermediate care facilities licensed under Chapter 252, Health and Safety Code; or

(B) community-based intermediate care facilities operated by local intellectual and developmental disability authorities.

(8) "Local intellectual and developmental disability authority" means an authority defined by Section 531.002(11), Health and Safety Code.

(9) "Managed care organization," "managed care plan," and "potentially preventable event" have the meanings assigned under Section 536.001.

(10) "Medicaid program" means the medical assistance program established under Chapter 32, Human Resources Code.

(11) "Medicaid waiver program" means only the following programs that are authorized under Section 1915(c) of the federal Social Security Act (42 U.S.C. Section 1396n(c)) for the provision of services to persons with intellectual and developmental disabilities:

(A) the community living assistance and support services (CLASS) waiver program;

(B) the home and community-based services (HCS) waiver program;

(C) the deaf-blind with multiple disabilities (DBMD) waiver program;

and

(D) the Texas home living (TxHmL) waiver program.

(12) "State supported living center" has the meaning assigned by Section 531.002, Health and Safety Code.

Sec. 534.002. CONFLICT WITH OTHER LAW. To the extent of a conflict between a provision of this chapter and another state law, the provision of this chapter controls.

SUBCHAPTER B. ACUTE CARE SERVICES AND LONG-TERM SERVICES AND SUPPORTS SYSTEM

Sec. 534.051. ACUTE CARE SERVICES AND LONG-TERM SERVICES AND SUPPORTS SYSTEM FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES. In accordance with this chapter, the commission and the department shall jointly design and implement an acute care services and long-term services and supports system for individuals with intellectual and developmental disabilities that supports the following goals:

(1) provide Medicaid services to more individuals in a cost-efficient manner by providing the type and amount of services most appropriate to the individuals' needs;

(2) improve individuals' access to services and supports by ensuring that the individuals receive information about all available programs and services, including employment and least restrictive housing assistance, and how to apply for the programs and services;

(3) improve the assessment of individuals' needs and available supports, including the assessment of individuals' functional needs;

(4) promote person-centered planning, self-direction, self-determination, community inclusion, and customized, integrated, competitive employment;

(5) promote individualized budgeting based on an assessment of an individual's needs and person-centered planning;

(6) promote integrated service coordination of acute care services and long-term services and supports;

(7) improve acute care and long-term services and supports outcomes, including reducing unnecessary institutionalization and potentially preventable events;

(8) promote high-quality care;

(9) provide fair hearing and appeals processes in accordance with applicable federal law;

(10) ensure the availability of a local safety net provider and local safety net services;

(11) promote independent service coordination and independent ombudsmen services; and

(12) ensure that individuals with the most significant needs are appropriately served in the community and that processes are in place to prevent inappropriate institutionalization of individuals.

Sec. 534.052. IMPLEMENTATION OF SYSTEM REDESIGN. The commission and department shall, in consultation with the advisory committee, jointly implement the acute care services and long-term services and supports system for individuals with intellectual and developmental disabilities in the manner and in the stages described in this chapter.

Sec. 534.053. INTELLECTUAL AND DEVELOPMENTAL DISABILITY SYSTEM REDESIGN ADVISORY COMMITTEE. (a) The Intellectual and Developmental Disability System Redesign Advisory Committee is established to advise the commission and the department on the implementation of the acute care services and long-term services and supports system redesign under this chapter. Subject to Subsection (b), the executive commissioner and the commissioner of the department shall jointly appoint members of the advisory committee who are stakeholders from the intellectual and developmental disabilities community, including:

(1) individuals with intellectual and developmental disabilities who are recipients of services under the Medicaid waiver programs or the Medicaid ICF-IID program and individuals who are advocates of those recipients, including at least three representatives from intellectual and developmental disability advocacy organizations;

(2) representatives of Medicaid managed care and nonmanaged care health care providers, including:

(A) physicians who are primary care providers and physicians who are specialty care providers;

(B) nonphysician mental health professionals; and

(C) providers of long-term services and supports, including direct service workers;

(3) representatives of entities with responsibilities for the delivery of Medicaid long-term services and supports or other Medicaid program service delivery, including:

(A) representatives of aging and disability resource centers established under the Aging and Disability Resource Center initiative funded in part by the federal Administration on Aging and the Centers for Medicare and Medicaid Services;

(B) representatives of community mental health and intellectual disability centers;

(C) representatives of and service coordinators or case managers from private and public home and community-based services providers that serve individuals with intellectual and developmental disabilities; and

(D) representatives of private and public ICF-IID providers; and

(4) representatives of managed care organizations contracting with the state to provide services to individuals with intellectual and developmental disabilities.

(b) To the greatest extent possible, the executive commissioner and the commissioner of the department shall appoint members of the advisory committee who reflect the geographic diversity of the state and include members who represent rural Medicaid program recipients.

(c) The executive commissioner shall appoint the presiding officer of the advisory committee.

(d) The advisory committee must meet at least quarterly or more frequently if the presiding officer determines that it is necessary to address planning and development needs related to implementation of the acute care services and long-term services and supports system.

(e) A member of the advisory committee serves without compensation. A member of the advisory committee who is a Medicaid program recipient or the relative of a Medicaid program recipient is entitled to a per diem allowance and reimbursement at rates established in the General Appropriations Act.

(f) The advisory committee is subject to the requirements of Chapter 551.

(g) On January 1, 2024:

(1) the advisory committee is abolished; and

(2) this section expires.

Sec. 534.054. ANNUAL REPORT ON IMPLEMENTATION. (a) Not later than September 30 of each year, the commission shall submit a report to the legislature regarding:

(1) the implementation of the system required by this chapter, including appropriate information regarding the provision of acute care services and long-term services and supports to individuals with intellectual and developmental disabilities under the Medicaid program; and

(2) recommendations, including recommendations regarding appropriate statutory changes to facilitate the implementation.

(b) This section expires January 1, 2024.

SUBCHAPTER C. STAGE ONE: PROGRAMS TO IMPROVE SERVICE DELIVERY MODELS

Sec. 534.101. DEFINITIONS. In this subchapter:

(1) "Capitation" means a method of compensating a provider on a monthly basis for providing or coordinating the provision of a defined set of services and supports that is based on a predetermined payment per services recipient.

(2) "Provider" means a person with whom the commission contracts for the provision of long-term services and supports under the Medicaid program to a specific population based on capitation.

Sec. 534.102. PILOT PROGRAMS TO TEST MANAGED CARE STRATEGIES BASED ON CAPITATION. The commission and the department may develop and implement pilot programs in accordance with this subchapter to test one or more service delivery models involving a managed care strategy based on capitation to deliver long-term services and supports under the Medicaid program to individuals with intellectual and developmental disabilities.

Sec. 534.103. STAKEHOLDER INPUT. As part of developing and implementing a pilot program under this subchapter, the department shall develop a process to receive and evaluate input from statewide stakeholders and stakeholders from the region of the state in which the pilot program will be implemented.

Sec. 534.104. MANAGED CARE STRATEGY PROPOSALS; PILOT PROGRAM SERVICE PROVIDERS. (a) The department shall identify private services providers that are good candidates to develop a service delivery model involving a managed care strategy based on capitation and to test the model in the provision of long-term services and supports under the Medicaid program to individuals with intellectual and developmental disabilities through a pilot program established under this subchapter.

(b) The department shall solicit managed care strategy proposals from the private services providers identified under Subsection (a).

(c) A managed care strategy based on capitation developed for implementation through a pilot program under this subchapter must be designed to:

(1) increase access to long-term services and supports;

(2) improve quality of acute care services and long-term services and supports;

(3) promote meaningful outcomes by using person-centered planning, individualized budgeting, and self-determination, and promote community inclusion and customized, integrated, competitive employment;

(4) promote integrated service coordination of acute care services and long-term services and supports;

(5) promote efficiency and the best use of funding;

(6) promote the placement of an individual in housing that is the least restrictive setting appropriate to the individual's needs;

(7) promote employment assistance and supported employment;

(8) provide fair hearing and appeals processes in accordance with applicable federal law; and

(9) promote sufficient flexibility to achieve the goals listed in this section through the pilot program.

(d) The department, in consultation with the advisory committee, shall evaluate each submitted managed care strategy proposal and determine whether:

(1) the proposed strategy satisfies the requirements of this section; and

(2) the private services provider that submitted the proposal has a demonstrated ability to provide the long-term services and supports appropriate to the individuals who will receive services through the pilot program based on the proposed strategy, if implemented.

(e) Based on the evaluation performed under Subsection (d), the department may select as pilot program service providers one or more private services providers.

(f) For each pilot program service provider, the department shall develop and implement a pilot program. Under a pilot program, the pilot program service provider shall provide long-term services and supports under the Medicaid program to persons with intellectual and developmental disabilities to test its managed care strategy based on capitation.

(g) The department shall analyze information provided by the pilot program service providers and any information collected by the department during the operation of the pilot programs for purposes of making a recommendation about a system of programs and services for implementation through future state legislation or rules.

Sec. 534.105. PILOT PROGRAM: MEASURABLE GOALS. (a) The department, in consultation with the advisory committee, shall identify measurable goals to be achieved by each pilot program implemented under this subchapter. The identified goals must:

(1) align with information that will be collected under Section 534.108(a);
and

(2) be designed to improve the quality of outcomes for individuals receiving services through the pilot program.

(b) The department, in consultation with the advisory committee, shall propose specific strategies for achieving the identified goals. A proposed strategy may be evidence-based if there is an evidence-based strategy available for meeting the pilot program's goals.

Sec. 534.106. IMPLEMENTATION, LOCATION, AND DURATION. (a) The commission and the department shall implement any pilot programs established under this subchapter not later than September 1, 2017.

(b) A pilot program established under this subchapter must operate for not less than 24 months, except that a pilot program may cease operation before the expiration of 24 months if the pilot program service provider terminates the contract with the commission before the agreed-to termination date.

(c) A pilot program established under this subchapter shall be conducted in one or more regions selected by the department.

Sec. 534.1065. RECIPIENT PARTICIPATION IN PROGRAM VOLUNTARY. Participation in a pilot program established under this subchapter by an individual with an intellectual or developmental disability is voluntary, and the decision whether to participate in a program and receive long-term services and supports from a provider through that program may be made only by the individual or the individual's legally authorized representative.

Sec. 534.107. COORDINATING SERVICES. In providing long-term services and supports under the Medicaid program to individuals with intellectual and developmental disabilities, a pilot program service provider shall:

(1) coordinate through the pilot program institutional and community-based services available to the individuals, including services provided through:

(A) a facility licensed under Chapter 252, Health and Safety Code;

(B) a Medicaid waiver program; or

(C) a community-based ICF-IID operated by local authorities;

(2) collaborate with managed care organizations to provide integrated coordination of acute care services and long-term services and supports, including discharge planning from acute care services to community-based long-term services and supports;

(3) have a process for preventing inappropriate institutionalizations of individuals; and

(4) accept the risk of inappropriate institutionalizations of individuals previously residing in community settings.

Sec. 534.108. PILOT PROGRAM INFORMATION. (a) The commission and the department shall collect and compute the following information with respect to each pilot program implemented under this subchapter to the extent it is available:

(1) the difference between the average monthly cost per person for all acute care services and long-term services and supports received by individuals participating in the pilot program while the program is operating, including services provided through the pilot program and other services with which pilot program services are coordinated as described by Section 534.107, and the average monthly cost per person for all services received by the individuals before the operation of the pilot program;

(2) the percentage of individuals receiving services through the pilot program who begin receiving services in a nonresidential setting instead of from a facility licensed under Chapter 252, Health and Safety Code, or any other residential setting;

(3) the difference between the percentage of individuals receiving services through the pilot program who live in non-provider-owned housing during the operation of the pilot program and the percentage of individuals receiving services through the pilot program who lived in non-provider-owned housing before the operation of the pilot program;

(4) the difference between the average total Medicaid cost, by level of need, for individuals in various residential settings receiving services through the pilot program during the operation of the program and the average total Medicaid cost, by level of need, for those individuals before the operation of the program;

(5) the difference between the percentage of individuals receiving services through the pilot program who obtain and maintain employment in meaningful, integrated settings during the operation of the program and the percentage of individuals receiving services through the program who obtained and maintained employment in meaningful, integrated settings before the operation of the program;

(6) the difference between the percentage of individuals receiving services through the pilot program whose behavioral, medical, life-activity, and other personal outcomes have improved since the beginning of the program and the percentage of individuals receiving services through the program whose behavioral, medical, life-activity, and other personal outcomes improved before the operation of the program, as measured over a comparable period; and

(7) a comparison of the overall client satisfaction with services received through the pilot program, including for individuals who leave the program after a determination is made in the individuals' cases at hearings or on appeal, and the overall client satisfaction with services received before the individuals entered the pilot program.

(b) The pilot program service provider shall collect any information described by Subsection (a) that is available to the provider and provide the information to the department and the commission not later than the 30th day before the date the program's operation concludes.

(c) In addition to the information described by Subsection (a), the pilot program service provider shall collect any information specified by the department for use by the department in making an evaluation under Section 534.104(g).

(d) On or before December 1, 2017, and December 1, 2018, the commission and the department, in consultation with the advisory committee, shall review and evaluate the progress and outcomes of each pilot program implemented under this subchapter and submit a report to the legislature during the operation of the pilot programs. Each report must include recommendations for program improvement and continued implementation.

Sec. 534.109. PERSON-CENTERED PLANNING. The commission, in cooperation with the department, shall ensure that each individual with an intellectual or developmental disability who receives services and supports under the Medicaid program through a pilot program established under this subchapter, or the individual's legally authorized representative, has access to a facilitated, person-centered plan that identifies outcomes for the individual and drives the development of the individualized budget. The consumer direction model, as defined by Section 531.051, may be an outcome of the plan.

Sec. 534.110. TRANSITION BETWEEN PROGRAMS. The commission shall ensure that there is a comprehensive plan for transitioning the provision of Medicaid program benefits between a Medicaid waiver program and a pilot program under this subchapter to protect continuity of care.

Sec. 534.111. CONCLUSION OF PILOT PROGRAMS; EXPIRATION. On September 1, 2019:

(1) each pilot program established under this subchapter that is still in operation must conclude; and

(2) this subchapter expires.

SUBCHAPTER D. STAGE ONE: PROVISION OF ACUTE CARE AND CERTAIN OTHER SERVICES

Sec. 534.151. DELIVERY OF ACUTE CARE SERVICES FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES. (a) Subject to Section 533.0025, the commission shall provide acute care Medicaid program benefits to individuals with intellectual and developmental disabilities through the STAR + PLUS Medicaid managed care program or the most appropriate integrated capitated managed care program delivery model and monitor the provision of those benefits.

(b) A managed care organization that contracts with the commission to provide acute care services in accordance with this section shall provide an acute care services coordinator to each individual with an intellectual or developmental disability during the individual's transition to the STAR + PLUS Medicaid managed care program or the most appropriate integrated capitated managed care program delivery model.

Sec. 534.152. DELIVERY OF CERTAIN OTHER SERVICES UNDER STAR + PLUS MEDICAID MANAGED CARE PROGRAM. (a) The commission shall:

(1) implement the most cost-effective option for the delivery of basic attendant and habilitation services for individuals with intellectual and developmental disabilities under the STAR + PLUS Medicaid managed care program that maximizes federal funding for the delivery of services for that program and other similar programs; and

(2) provide voluntary training to individuals receiving services under the STAR + PLUS Medicaid managed care program or their legally authorized representatives regarding how to select, manage, and dismiss personal attendants providing basic attendant and habilitation services under the program.

(b) The commission shall require that each managed care organization that contracts with the commission for the provision of basic attendant and habilitation services under the STAR + PLUS Medicaid managed care program in accordance with this section:

(1) include in the organization's provider network for the provision of those services:

(A) home and community support services agencies licensed under Chapter 142, Health and Safety Code, with which the department has a contract to provide services under the community living assistance and support services (CLASS) waiver program; and

(B) persons exempted from licensing under Section 142.003(a)(19), Health and Safety Code, with which the department has a contract to provide services under:

(i) the home and community-based services (HCS) waiver program; or

(ii) the Texas home living (TxHmL) waiver program;

(2) review and consider any assessment conducted by a local intellectual and developmental disability authority providing intellectual and developmental disability service coordination under Subsection (c); and

(3) enter into a written agreement with each local intellectual and developmental disability authority in the service area regarding the processes the organization and the authority will use to coordinate the services of individuals with intellectual and developmental disabilities.

(c) The department shall contract with and make contract payments to local intellectual and developmental disability authorities to conduct the following activities under this section:

(1) provide intellectual and developmental disability service coordination to individuals with intellectual and developmental disabilities under the STAR + PLUS Medicaid managed care program by assisting those individuals who are eligible to receive services in a community-based setting, including individuals transitioning to a community-based setting;

(2) provide an assessment to the appropriate managed care organization regarding whether an individual with an intellectual or developmental disability needs attendant or habilitation services, based on the individual's functional need, risk factors, and desired outcomes;

(3) assist individuals with intellectual and developmental disabilities with developing the individuals' plans of care under the STAR + PLUS Medicaid managed care program, including with making any changes resulting from periodic reassessments of the plans;

(4) provide to the appropriate managed care organization and the department information regarding the recommended plans of care with which the authorities provide assistance as provided by Subdivision (3), including documentation necessary to demonstrate the need for care described by a plan; and

(5) on an annual basis, provide to the appropriate managed care organization and the department a description of outcomes based on an individual's plan of care.

(d) Local intellectual and developmental disability authorities providing service coordination under this section may not also provide attendant and habilitation services under this section.

(e) During the first three years basic attendant and habilitation services are provided to individuals with intellectual and developmental disabilities under the STAR + PLUS Medicaid managed care program in accordance with this section, providers eligible to participate in the home and community-based services (HCS) waiver program, the Texas home living (TxHmL) waiver program, or the community living assistance and support services (CLASS) waiver program on September 1, 2013, are considered significant traditional providers.

(f) A local intellectual and developmental disability authority with which the department contracts under Subsection (c) may subcontract with an eligible person, including a nonprofit entity, to coordinate the services of individuals with intellectual and developmental disabilities under this section. The executive commissioner by rule shall establish minimum qualifications a person must meet to be considered an "eligible person" under this subsection.

SUBCHAPTER E. STAGE TWO: TRANSITION OF LONG-TERM CARE MEDICAID WAIVER PROGRAM RECIPIENTS TO INTEGRATED MANAGED CARE SYSTEM

Sec. 534.201. TRANSITION OF RECIPIENTS UNDER TEXAS HOME LIVING (TxHmL) WAIVER PROGRAM TO MANAGED CARE PROGRAM.

(a) This section applies to individuals with intellectual and developmental disabilities who are receiving long-term services and supports under the Texas home living (TxHmL) waiver program on the date the commission implements the transition described by Subsection (b).

(b) Not later than September 1, 2018, the commission shall transition the provision of Medicaid program benefits to individuals to whom this section applies to the STAR + PLUS Medicaid managed care program delivery model or the most appropriate integrated capitated managed care program delivery model, as determined by the commission based on cost-effectiveness and the experience of the STAR + PLUS Medicaid managed care program in providing basic attendant and habilitation services and of the pilot programs established under Subchapter C, subject to Subsection (c)(1).

(c) At the time of the transition described by Subsection (b), the commission shall determine whether to:

(1) continue operation of the Texas home living (TxHmL) waiver program for purposes of providing supplemental long-term services and supports not available under the managed care program delivery model selected by the commission; or

(2) provide all or a portion of the long-term services and supports previously available under the Texas home living (TxHmL) waiver program through the managed care program delivery model selected by the commission.

(d) In implementing the transition described by Subsection (b), the commission shall develop a process to receive and evaluate input from interested statewide stakeholders that is in addition to the input provided by the advisory committee.

(e) The commission shall ensure that there is a comprehensive plan for transitioning the provision of Medicaid program benefits under this section that protects the continuity of care provided to individuals to whom this section applies.

(f) In addition to the requirements of Section 533.005, a contract between a managed care organization and the commission for the organization to provide Medicaid program benefits under this section must contain a requirement that the organization implement a process for individuals with intellectual and developmental disabilities that:

(1) ensures that the individuals have a choice among providers; and

(2) to the greatest extent possible, protects those individuals' continuity of care with respect to access to primary care providers, including the use of single-case agreements with out-of-network providers.

Sec. 534.202. TRANSITION OF ICF-IID PROGRAM RECIPIENTS AND CERTAIN OTHER MEDICAID WAIVER PROGRAM RECIPIENTS TO MANAGED CARE PROGRAM. (a) This section applies to individuals with intellectual and developmental disabilities who, on the date the commission implements the transition described by Subsection (b), are receiving long-term services and supports under:

(1) a Medicaid waiver program other than the Texas home living (TxHmL) waiver program; or

(2) an ICF-IID program.

(b) After implementing the transition required by Section 534.201 but not later than September 1, 2021, the commission shall transition the provision of Medicaid program benefits to individuals to whom this section applies to the STAR + PLUS Medicaid managed care program delivery model or the most appropriate integrated capitated managed care program delivery model, as determined by the commission based on cost-effectiveness and the experience of the transition of Texas home living (TxHmL) waiver program recipients to a managed care program delivery model under Section 534.201, subject to Subsections (c)(1) and (g).

(c) At the time of the transition described by Subsection (b), the commission shall determine whether to:

(1) continue operation of the Medicaid waiver programs or ICF-IID program only for purposes of providing, if applicable:

(A) supplemental long-term services and supports not available under the managed care program delivery model selected by the commission; or

(B) long-term services and supports to Medicaid waiver program recipients who choose to continue receiving benefits under the waiver program as provided by Subsection (g); or

(2) subject to Subsection (g), provide all or a portion of the long-term services and supports previously available only under the Medicaid waiver programs or ICF-IID program through the managed care program delivery model selected by the commission.

(d) In implementing the transition described by Subsection (b), the commission shall develop a process to receive and evaluate input from interested statewide stakeholders that is in addition to the input provided by the advisory committee.

(e) The commission shall ensure that there is a comprehensive plan for transitioning the provision of Medicaid program benefits under this section that protects the continuity of care provided to individuals to whom this section applies.

(f) Before transitioning the provision of Medicaid program benefits for children under this section, a managed care organization providing services under the managed care program delivery model selected by the commission must demonstrate to the satisfaction of the commission that the organization's network of providers has experience and expertise in the provision of services to children with intellectual and developmental disabilities. Before transitioning the provision of Medicaid program benefits for adults with intellectual and developmental disabilities under this section, a managed care organization providing services under the managed care program delivery model selected by the commission must demonstrate to the satisfaction of the commission that the organization's network of providers has experience and expertise in the provision of services to adults with intellectual and developmental disabilities.

(g) If the commission determines that all or a portion of the long-term services and supports previously available only under the Medicaid waiver programs should be provided through a managed care program delivery model under Subsection (c)(2), the commission shall, at the time of the transition, allow each recipient receiving long-term services and supports under a Medicaid waiver program the option of:

(1) continuing to receive the services and supports under the Medicaid waiver program; or

(2) receiving the services and supports through the managed care program delivery model selected by the commission.

(h) A recipient who chooses to receive long-term services and supports through a managed care program delivery model under Subsection (g) may not, at a later time, choose to receive the services and supports under a Medicaid waiver program.

(i) In addition to the requirements of Section 533.005, a contract between a managed care organization and the commission for the organization to provide Medicaid program benefits under this section must contain a requirement that the organization implement a process for individuals with intellectual and developmental disabilities that:

(1) ensures that the individuals have a choice among providers; and

(2) to the greatest extent possible, protects those individuals' continuity of care with respect to access to primary care providers, including the use of single-case agreements with out-of-network providers.

SECTION 1.02. Subsection (a), Section 142.003, Health and Safety Code, is amended to read as follows:

(a) The following persons need not be licensed under this chapter:

(1) a physician, dentist, registered nurse, occupational therapist, or physical therapist licensed under the laws of this state who provides home health services to a client only as a part of and incidental to that person's private office practice;

(2) a registered nurse, licensed vocational nurse, physical therapist, occupational therapist, speech therapist, medical social worker, or any other health care professional as determined by the department who provides home health services as a sole practitioner;

(3) a registry that operates solely as a clearinghouse to put consumers in contact with persons who provide home health, hospice, or personal assistance services and that does not maintain official client records, direct client services, or compensate the person who is providing the service;

(4) an individual whose permanent residence is in the client's residence;

(5) an employee of a person licensed under this chapter who provides home health, hospice, or personal assistance services only as an employee of the license holder and who receives no benefit for providing the services, other than wages from the license holder;

(6) a home, nursing home, convalescent home, assisted living facility, special care facility, or other institution for individuals who are elderly or who have disabilities that provides home health or personal assistance services only to residents of the home or institution;

(7) a person who provides one health service through a contract with a person licensed under this chapter;

(8) a durable medical equipment supply company;

(9) a pharmacy or wholesale medical supply company that does not furnish services, other than supplies, to a person at the person's house;

(10) a hospital or other licensed health care facility that provides home health or personal assistance services only to inpatient residents of the hospital or facility;

(11) a person providing home health or personal assistance services to an injured employee under Title 5, Labor Code;

(12) a visiting nurse service that:

(A) is conducted by and for the adherents of a well-recognized church or religious denomination; and

(B) provides nursing services by a person exempt from licensing by Section 301.004, Occupations Code, because the person furnishes nursing care in which treatment is only by prayer or spiritual means;

(13) an individual hired and paid directly by the client or the client's family or legal guardian to provide home health or personal assistance services;

(14) a business, school, camp, or other organization that provides home health or personal assistance services, incidental to the organization's primary purpose, to individuals employed by or participating in programs offered by the business, school, or camp that enable the individual to participate fully in the business's, school's, or camp's programs;

(15) a person or organization providing sitter-companion services or chore or household services that do not involve personal care, health, or health-related services;

(16) a licensed health care facility that provides hospice services under a contract with a hospice;

(17) a person delivering residential acquired immune deficiency syndrome hospice care who is licensed and designated as a residential AIDS hospice under Chapter 248;

(18) the Texas Department of Criminal Justice;

(19) a person that provides home health, hospice, or personal assistance services only to persons receiving benefits under:

(A) the home and community-based services (HCS) waiver program;

(B) the Texas home living (TxHmL) waiver program; or

(C) Section 534.152, Government Code [enrolled in a program funded wholly or partly by the Texas Department of Mental Health and Mental Retardation and monitored by the Texas Department of Mental Health and Mental Retardation or its designated local authority in accordance with standards set by the Texas Department of Mental Health and Mental Retardation]; or

(20) an individual who provides home health or personal assistance services as the employee of a consumer or an entity or employee of an entity acting as a consumer's fiscal agent under Section 531.051, Government Code.

SECTION 1.03. Not later than October 1, 2013, the executive commissioner of the Health and Human Services Commission and the commissioner of the Department of Aging and Disability Services shall appoint the members of the Intellectual and Developmental Disability System Redesign Advisory Committee as required by Section 534.053, Government Code, as added by this article.

SECTION 1.04. (a) In this section, "health and human services agencies" has the meaning assigned by Section 531.001, Government Code.

(b) The Health and Human Services Commission and any other health and human services agency implementing a provision of this Act that affects individuals with intellectual and developmental disabilities shall consult with the Intellectual and Developmental Disability System Redesign Advisory Committee established under Section 534.053, Government Code, as added by this article, regarding implementation of the provision.

SECTION 1.05. The Health and Human Services Commission shall submit:

(1) the initial report on the implementation of the Medicaid acute care services and long-term services and supports delivery system for individuals with intellectual and developmental disabilities as required by Section 534.054, Government Code, as added by this article, not later than September 30, 2014; and

(2) the final report under that section not later than September 30, 2023.

SECTION 1.06. Not later than June 1, 2016, the Health and Human Services Commission shall submit a report to the legislature regarding the commission's experience in, including the cost-effectiveness of, delivering basic attendant and habilitation services for individuals with intellectual and developmental disabilities under the STAR + PLUS Medicaid managed care program under Section 534.152, Government Code, as added by this article.

SECTION 1.07. The Health and Human Services Commission and the Department of Aging and Disability Services shall implement any pilot program to be established under Subchapter C, Chapter 534, Government Code, as added by this article, as soon as practicable after the effective date of this Act.

SECTION 1.08. (a) The Health and Human Services Commission and the Department of Aging and Disability Services shall:

(1) in consultation with the Intellectual and Developmental Disability System Redesign Advisory Committee established under Section 534.053, Government Code, as added by this article, review and evaluate the outcomes of:

(A) the transition of the provision of benefits to individuals under the Texas home living (TxHmL) waiver program to a managed care program delivery model under Section 534.201, Government Code, as added by this article; and

(B) the transition of the provision of benefits to individuals under the Medicaid waiver programs, other than the Texas home living (TxHmL) waiver program, and the ICF-IID program to a managed care program delivery model under Section 534.202, Government Code, as added by this article; and

(2) submit as part of an annual report required by Section 534.054, Government Code, as added by this article, due on or before September 30 of 2019, 2020, and 2021, a report on the review and evaluation conducted under Paragraphs (A) and (B), Subdivision (1), of this subsection that includes recommendations for continued implementation of and improvements to the acute care and long-term services and supports system under Chapter 534, Government Code, as added by this article.

(b) This section expires September 1, 2024.

ARTICLE 2. MEDICAID MANAGED CARE EXPANSION

SECTION 2.01. Section 533.0025, Government Code, is amended by amending Subsection (a) and adding Subsections (f), (g), and (h) to read as follows:

(a) In this section and Sections 533.00251, 533.002515, 533.00252, 533.00253, and 533.00254, "medical assistance" has the meaning assigned by Section 32.003, Human Resources Code.

(f) The commission shall:

(1) conduct a study to evaluate the feasibility of automatically enrolling applicants determined eligible for benefits under the medical assistance program in a Medicaid managed care plan; and

(2) report the results of the study to the legislature not later than December 1, 2014.

(g) Subsection (f) and this subsection expire September 1, 2015.

(h) If the commission determines that it is feasible, the commission may, notwithstanding any other law, implement an automatic enrollment process under which applicants determined eligible for medical assistance benefits are automatically enrolled in a Medicaid managed care plan. The commission may elect to implement the automatic enrollment process as to certain populations of recipients under the medical assistance program.

SECTION 2.02. Subchapter A, Chapter 533, Government Code, is amended by adding Sections 533.00251, 533.002515, 533.00252, 533.00253, and 533.00254 to read as follows:

Sec. 533.00251. DELIVERY OF CERTAIN BENEFITS, INCLUDING NURSING FACILITY BENEFITS, THROUGH STAR + PLUS MEDICAID MANAGED CARE PROGRAM. (a) In this section and Sections 533.002515 and 533.00252:

(1) "Advisory committee" means the STAR + PLUS Nursing Facility Advisory Committee established under Section 533.00252.

(2) "Clean claim" means a claim that meets the same criteria for a clean claim used by the Department of Aging and Disability Services for the reimbursement of nursing facility claims.

(3) "Nursing facility" means a convalescent or nursing home or related institution licensed under Chapter 242, Health and Safety Code, that provides long-term services and supports to Medicaid recipients.

(4) "Potentially preventable event" has the meaning assigned by Section 536.001.

(b) Subject to Section 533.0025, the commission shall expand the STAR + PLUS Medicaid managed care program to all areas of this state to serve individuals eligible for acute care services and long-term services and supports under the medical assistance program.

(c) Subject to Section 533.0025 and notwithstanding any other law, the commission, in consultation with the advisory committee, shall provide benefits under the medical assistance program to recipients who reside in nursing facilities through the STAR + PLUS Medicaid managed care program. In implementing this subsection, the commission shall ensure:

(1) that the commission is responsible for setting the minimum reimbursement rate paid to a nursing facility under the managed care program, including the staff rate enhancement paid to a nursing facility that qualifies for the enhancement;

(2) that a nursing facility is paid not later than the 10th day after the date the facility submits a clean claim;

(3) the appropriate utilization of services consistent with criteria adopted by the commission;

(4) a reduction in the incidence of potentially preventable events and unnecessary institutionalizations;

(5) that a managed care organization providing services under the managed care program provides discharge planning, transitional care, and other education programs to physicians and hospitals regarding all available long-term care settings;

(6) that a managed care organization providing services under the managed care program:

(A) assists in collecting applied income from recipients; and

(B) provides payment incentives to nursing facility providers that reward reductions in preventable acute care costs and encourage transformative efforts in the delivery of nursing facility services, including efforts to promote a resident-centered care culture through facility design and services provided;

(7) the establishment of a portal through which nursing facility providers participating in the STAR + PLUS Medicaid managed care program may submit claims to any participating managed care organization; and

(8) that rules and procedures relating to the certification and decertification of nursing facility beds under the medical assistance program are not affected.

(d) Subject to Subsection (e), the commission shall ensure that a nursing facility provider authorized to provide services under the medical assistance program on September 1, 2013, is allowed to participate in the STAR + PLUS Medicaid managed care program through August 31, 2017. This subsection expires September 1, 2018.

(e) The commission shall establish credentialing and minimum performance standards for nursing facility providers seeking to participate in the STAR + PLUS Medicaid managed care program that are consistent with adopted federal and state standards. A managed care organization may refuse to contract with a nursing facility provider if the nursing facility does not meet the minimum performance standards established by the commission under this section.

(f) This section expires September 1, 2019.

Sec. 533.002515. PLANNED PREPARATION FOR DELIVERY OF NURSING FACILITY BENEFITS THROUGH STAR + PLUS MEDICAID MANAGED CARE PROGRAM. (a) The commission shall develop a plan in preparation for implementing the requirement under Section 533.00251(c) that the commission provide benefits under the medical assistance program to recipients who reside in nursing facilities through the STAR + PLUS Medicaid managed care program. The plan required by this section must be completed in two phases as follows:

(1) phase one: contract planning phase; and

(2) phase two: initial testing phase.

(b) In phase one, the commission shall develop a contract template to be used by the commission when the commission contracts with a managed care organization to provide nursing facility services under the STAR + PLUS Medicaid managed care program. In addition to the requirements of Section 533.005 and any other applicable law, the template must include:

(1) nursing home credentialing requirements;

(2) appeals processes;

(3) termination provisions;

(4) prompt payment requirements and a liquidated damages provision that contains financial penalties for failure to meet prompt payment requirements;

(5) a description of medical necessity criteria;

(6) a requirement that the managed care organization provide recipients and recipients' families freedom of choice in selecting a nursing facility; and

(7) a description of the managed care organization's role in discharge planning and imposing prior authorization requirements.

(c) In phase two, the commission shall:

(1) design and test the portal required under Section 533.00251(c)(7);

(2) establish and inform managed care organizations of the minimum technological or system requirements needed to use the portal required under Section 533.00251(c)(7);

(3) establish operating policies that require that managed care organizations maintain a portal through which providers may confirm recipient eligibility on a monthly basis; and

(4) establish the manner in which managed care organizations are to assist the commission in collecting from recipients applied income or cost-sharing payments, including copayments, as applicable.

(d) This section expires September 1, 2015.

Sec. 533.00252. STAR + PLUS NURSING FACILITY ADVISORY COMMITTEE. (a) The STAR + PLUS Nursing Facility Advisory Committee is established to advise the commission on the implementation of and other activities related to the provision of medical assistance benefits to recipients who reside in nursing facilities through the STAR + PLUS Medicaid managed care program under Section 533.00251, including advising the commission regarding its duties with respect to:

(1) developing quality-based outcomes and process measures for long-term services and supports provided in nursing facilities;

(2) developing quality-based long-term care payment systems and quality initiatives for nursing facilities;

(3) transparency of information received from managed care organizations;

(4) the reporting of outcome and process measures;

(5) the sharing of data among health and human services agencies; and

(6) patient care coordination, quality of care improvement, and cost savings.

(b) The governor, lieutenant governor, and speaker of the house of representatives shall each appoint five members of the advisory committee as follows:

(1) one member who is a physician and medical director of a nursing facility provider with experience providing the long-term continuum of care, including home care and hospice;

(2) one member who is a nonprofit nursing facility provider;

(3) one member who is a for-profit nursing facility provider;

(4) one member who is a consumer representative; and

(5) one member who is from a managed care organization providing services as provided by Section 533.00251.

(c) The executive commissioner shall appoint the presiding officer of the advisory committee.

(d) A member of the advisory committee serves without compensation.

(e) The advisory committee is subject to the requirements of Chapter 551.

(f) On September 1, 2017:

(1) the advisory committee is abolished; and

(2) this section expires.

Sec. 533.00253. STAR KIDS MEDICAID MANAGED CARE PROGRAM.

(a) In this section:

(1) "Advisory committee" means the STAR Kids Managed Care Advisory Committee established under Section 533.00254.

(2) "Health home" means a primary care provider practice, or, if appropriate, a specialty care provider practice, incorporating several features, including comprehensive care coordination, family-centered care, and data management, that are focused on improving outcome-based quality of care and increasing patient and provider satisfaction under the medical assistance program.

(3) "Potentially preventable event" has the meaning assigned by Section 536.001.

(b) Subject to Section 533.0025, the commission shall, in consultation with the advisory committee and the Children's Policy Council established under Section 22.035, Human Resources Code, establish a mandatory STAR Kids capitated managed care program tailored to provide medical assistance benefits to children with disabilities. The managed care program developed under this section must:

(1) provide medical assistance benefits that are customized to meet the health care needs of recipients under the program through a defined system of care;

(2) better coordinate care of recipients under the program;

(3) improve the health outcomes of recipients;

(4) improve recipients' access to health care services;

(5) achieve cost containment and cost efficiency;

(6) reduce the administrative complexity of delivering medical assistance

benefits;

(7) reduce the incidence of unnecessary institutionalizations and potentially preventable events by ensuring the availability of appropriate services and care management;

(8) require a health home; and

(9) coordinate and collaborate with long-term care service providers and long-term care management providers, if recipients are receiving long-term services and supports outside of the managed care organization.

(c) The commission shall provide medical assistance benefits through the STAR Kids managed care program established under this section to children who are receiving benefits under the medically dependent children (MDCP) waiver program. The commission shall:

(1) ensure that the STAR Kids managed care program provides all of the benefits provided under the medically dependent children (MDCP) waiver program to the extent necessary to implement this subsection;

(2) contract with local intellectual and developmental disability authorities to provide service coordination to the children described by this subsection; and

(3) monitor the provision of benefits to children described by this subsection.

(d) The commission shall ensure that there is a plan for transitioning the provision of Medicaid program benefits to recipients 21 years of age or older from under the STAR Kids program to under the STAR + PLUS Medicaid managed care program that protects continuity of care. The plan must ensure that coordination between the programs begins when a recipient reaches 18 years of age.

(e) A local intellectual and developmental disability authority with which the commission contracts under this section may subcontract with an eligible person, including a nonprofit entity, to provide service coordination under Subsection (c)(2). The executive commissioner by rule shall establish minimum qualifications a person must meet to be considered an "eligible person" under this subsection.

(f) A managed care organization that contracts with the commission to provide acute care services under this section shall provide an acute care services coordinator to each child with a disability during the child's transition to the STAR Kids capitated managed care program.

(g) The commission shall seek ongoing input from the Children's Policy Council regarding the establishment and implementation of the STAR Kids managed care program.

Sec. 533.00254. STAR KIDS MANAGED CARE ADVISORY COMMITTEE.

(a) The STAR Kids Managed Care Advisory Committee is established to advise the commission on the establishment and implementation of the STAR Kids managed care program under Section 533.00253.

(b) The executive commissioner shall appoint the members of the advisory committee. The committee must consist of:

(1) families whose children will receive private duty nursing under the program;

(2) health care providers;

(3) providers of home and community-based services, including at least one private duty nursing provider and one pediatric therapy provider; and

(4) other stakeholders as the executive commissioner determines appropriate.

(c) The executive commissioner shall appoint the presiding officer of the advisory committee.

(d) A member of the advisory committee serves without compensation.

(e) The advisory committee is subject to the requirements of Chapter 551.

(f) On September 1, 2017:

(1) the advisory committee is abolished; and

(2) this section expires.

SECTION 2.03. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.00285 to read as follows:

Sec. 533.00285. STAR + PLUS QUALITY COUNCIL. (a) The STAR + PLUS Quality Council is established to advise the commission on the development of policy recommendations that will ensure eligible recipients receive quality, person-centered, consumer-directed acute care services and long-term services and supports in an integrated setting under the STAR + PLUS Medicaid managed care program.

(b) The executive commissioner shall appoint the members of the council, who must be stakeholders from the acute care services and long-term services and supports community, including:

(1) representatives of health and human services agencies;

(2) recipients under the STAR + PLUS Medicaid managed care program;

(3) representatives of advocacy groups representing individuals with disabilities and seniors who are recipients under the STAR + PLUS Medicaid managed care program;

(4) representatives of service providers for individuals with disabilities; and

(5) representatives of health maintenance organizations.

(c) The executive commissioner shall appoint the presiding officer of the council.

(d) The council shall meet at least quarterly or more frequently if the presiding officer determines that it is necessary to carry out the responsibilities of the council.

(e) Not later than November 1 of each year, the council shall submit a report to the executive commissioner and the Department of Aging and Disability Services that includes:

(1) an analysis and assessment of the quality of acute care services and long-term services and supports provided under the STAR + PLUS Medicaid managed care program;

(2) recommendations regarding how to improve the quality of acute care services and long-term services and supports provided under the program; and

(3) recommendations regarding how to ensure that recipients eligible to receive services and supports under the program receive person-centered, consumer-directed care in the most integrated setting achievable.

(f) Not later than December 1 of each even-numbered year, the Department of Aging and Disability Services, in consultation with the council, shall submit a report to the legislature regarding the assessments and recommendations contained in any report submitted by the council under Subsection (e) during the most recent state fiscal biennium.

(g) The council is subject to the requirements of Chapter 551.

(h) A member of the council serves without compensation.

(i) On January 1, 2017:

(1) the council is abolished; and

(2) this section expires.

SECTION 2.04. Subsection (a), Section 533.005, Government Code, is amended to read as follows:

(a) A contract between a managed care organization and the commission for the organization to provide health care services to recipients must contain:

(1) procedures to ensure accountability to the state for the provision of health care services, including procedures for financial reporting, quality assurance, utilization review, and assurance of contract and subcontract compliance;

(2) capitation rates that ensure the cost-effective provision of quality health care;

(3) a requirement that the managed care organization provide ready access to a person who assists recipients in resolving issues relating to enrollment, plan administration, education and training, access to services, and grievance procedures;

(4) a requirement that the managed care organization provide ready access to a person who assists providers in resolving issues relating to payment, plan administration, education and training, and grievance procedures;

(5) a requirement that the managed care organization provide information and referral about the availability of educational, social, and other community services that could benefit a recipient;

(6) procedures for recipient outreach and education;

(7) a requirement that the managed care organization make payment to a physician or provider for health care services rendered to a recipient under a managed care plan on any ~~[not later than the 45th day after the date a]~~ claim for payment that is received with documentation reasonably necessary for the managed care organization to process the claim;

(A) not later than:

(i) the 10th day after the date the claim is received if the claim relates to services provided by a nursing facility, intermediate care facility, or home and community-based services provider;

(ii) the 21st day after the date the claim is received if the claim relates to the provision of long-term services and supports not subject to Subparagraph (i); and

(iii) the 45th day after the date the claim is received if the claim is not subject to Subparagraph (i) or (ii);[;] or

(B) within a period, not to exceed 60 days, specified by a written agreement between the physician or provider and the managed care organization;

(8) a requirement that the commission, on the date of a recipient's enrollment in a managed care plan issued by the managed care organization, inform the organization of the recipient's Medicaid certification date;

(9) a requirement that the managed care organization comply with Section 533.006 as a condition of contract retention and renewal;

(10) a requirement that the managed care organization provide the information required by Section 533.012 and otherwise comply and cooperate with the commission's office of inspector general and the office of the attorney general;

(11) a requirement that the managed care organization's usages of out-of-network providers or groups of out-of-network providers may not exceed limits for those usages relating to total inpatient admissions, total outpatient services, and emergency room admissions determined by the commission;

(12) if the commission finds that a managed care organization has violated Subdivision (11), a requirement that the managed care organization reimburse an out-of-network provider for health care services at a rate that is equal to the allowable rate for those services, as determined under Sections 32.028 and 32.0281, Human Resources Code;

(13) a requirement that the organization use advanced practice nurses in addition to physicians as primary care providers to increase the availability of primary care providers in the organization's provider network;

(14) a requirement that the managed care organization reimburse a federally qualified health center or rural health clinic for health care services provided to a recipient outside of regular business hours, including on a weekend day or holiday, at a rate that is equal to the allowable rate for those services as determined under Section 32.028, Human Resources Code, if the recipient does not have a referral from the recipient's primary care physician;

(15) a requirement that the managed care organization develop, implement, and maintain a system for tracking and resolving all provider appeals related to claims payment, including a process that will require:

(A) a tracking mechanism to document the status and final disposition of each provider's claims payment appeal;

(B) the contracting with physicians who are not network providers and who are of the same or related specialty as the appealing physician to resolve claims disputes related to denial on the basis of medical necessity that remain unresolved subsequent to a provider appeal; and

(C) the determination of the physician resolving the dispute to be binding on the managed care organization and provider;

(16) a requirement that a medical director who is authorized to make medical necessity determinations is available to the region where the managed care organization provides health care services;

(17) a requirement that the managed care organization ensure that a medical director and patient care coordinators and provider and recipient support services personnel are located in the South Texas service region, if the managed care organization provides a managed care plan in that region;

(18) a requirement that the managed care organization provide special programs and materials for recipients with limited English proficiency or low literacy skills;

(19) a requirement that the managed care organization develop and establish a process for responding to provider appeals in the region where the organization provides health care services;

(20) a requirement that the managed care organization:

(A) develop and submit to the commission, before the organization begins to provide health care services to recipients, a comprehensive plan that describes how the organization's provider network will provide recipients sufficient access to:

(i) [~~(A)~~] preventive care;

(ii) [~~(B)~~] primary care;

(iii) [~~(C)~~] specialty care;

(iv) [~~(D)~~] after-hours urgent care; ~~and~~

(v) [~~(E)~~] chronic care;

(vi) long-term services and supports;

(vii) nursing services; and

(viii) therapy services, including services provided in a clinical setting or in a home or community-based setting; and

(B) regularly, as determined by the commission, submit to the commission and make available to the public a report containing data on the sufficiency of the organization's provider network with regard to providing the care and services described under Paragraph (A) and specific data with respect to Paragraphs (A)(iii), (vi), (vii), and (viii) on the average length of time between:

(i) the date a provider makes a referral for the care or service and the date the organization approves or denies the referral; and

(ii) the date the organization approves a referral for the care or service and the date the care or service is initiated;

(21) a requirement that the managed care organization demonstrate to the commission, before the organization begins to provide health care services to recipients, that:

(A) the organization's provider network has the capacity to serve the number of recipients expected to enroll in a managed care plan offered by the organization;

(B) the organization's provider network includes:

(i) a sufficient number of primary care providers;

(ii) a sufficient variety of provider types; ~~and~~

(iii) a sufficient number of providers of long-term services and supports and specialty pediatric care providers of home and community-based services; and

(iv) providers located throughout the region where the organization will provide health care services; and

(C) health care services will be accessible to recipients through the organization's provider network to a comparable extent that health care services would be available to recipients under a fee-for-service or primary care case management model of Medicaid managed care;

(22) a requirement that the managed care organization develop a monitoring program for measuring the quality of the health care services provided by the organization's provider network that:

(A) incorporates the National Committee for Quality Assurance's Healthcare Effectiveness Data and Information Set (HEDIS) measures;

(B) focuses on measuring outcomes; and

(C) includes the collection and analysis of clinical data relating to prenatal care, preventive care, mental health care, and the treatment of acute and chronic health conditions and substance abuse;

(23) ~~[subject to Subsection (a-1),]~~ a requirement that the managed care organization develop, implement, and maintain an outpatient pharmacy benefit plan for its enrolled recipients:

(A) that exclusively employs the vendor drug program formulary and preserves the state's ability to reduce waste, fraud, and abuse under the Medicaid program;

(B) that adheres to the applicable preferred drug list adopted by the commission under Section 531.072;

(C) that includes the prior authorization procedures and requirements prescribed by or implemented under Sections 531.073(b), (c), and (g) for the vendor drug program;

(D) for purposes of which the managed care organization:

(i) may not negotiate or collect rebates associated with pharmacy products on the vendor drug program formulary; and

(ii) may not receive drug rebate or pricing information that is confidential under Section 531.071;

(E) that complies with the prohibition under Section 531.089;

(F) under which the managed care organization may not prohibit, limit, or interfere with a recipient's selection of a pharmacy or pharmacist of the recipient's choice for the provision of pharmaceutical services under the plan through the imposition of different copayments;

(G) that allows the managed care organization or any subcontracted pharmacy benefit manager to contract with a pharmacist or pharmacy providers separately for specialty pharmacy services, except that:

(i) the managed care organization and pharmacy benefit manager are prohibited from allowing exclusive contracts with a specialty pharmacy owned wholly or partly by the pharmacy benefit manager responsible for the administration of the pharmacy benefit program; and

(ii) the managed care organization and pharmacy benefit manager must adopt policies and procedures for reclassifying prescription drugs from retail to specialty drugs, and those policies and procedures must be consistent with rules adopted by the executive commissioner and include notice to network pharmacy providers from the managed care organization;

(H) under which the managed care organization may not prevent a pharmacy or pharmacist from participating as a provider if the pharmacy or pharmacist agrees to comply with the financial terms and conditions of the contract as well as other reasonable administrative and professional terms and conditions of the contract;

(I) under which the managed care organization may include mail-order pharmacies in its networks, but may not require enrolled recipients to use those pharmacies, and may not charge an enrolled recipient who opts to use this service a fee, including postage and handling fees; and

(J) under which the managed care organization or pharmacy benefit manager, as applicable, must pay claims in accordance with Section 843.339, Insurance Code; ~~and~~

(24) a requirement that the managed care organization and any entity with which the managed care organization contracts for the performance of services under a managed care plan disclose, at no cost, to the commission and, on request, the office of the attorney general all discounts, incentives, rebates, fees, free goods, bundling arrangements, and other agreements affecting the net cost of goods or services provided under the plan; and

(25) a requirement that the managed care organization not implement significant, nonnegotiated, across-the-board provider reimbursement rate reductions unless the organization has the prior approval of the commission to make the reduction.

SECTION 2.05. Section 533.041, Government Code, is amended by amending Subsection (a) and adding Subsections (c) and (d) to read as follows:

(a) The executive commissioner ~~[commission]~~ shall appoint a state Medicaid managed care advisory committee. The advisory committee consists of representatives of:

- (1) hospitals;
- (2) managed care organizations and participating health care providers;
- (3) primary care providers and specialty care providers;

- (4) state agencies;
- (5) low-income recipients or consumer advocates representing low-income recipients;
- (6) recipients with disabilities, including recipients with intellectual and developmental disabilities or physical disabilities, or consumer advocates representing those recipients [with a disability];
- (7) parents of children who are recipients;
- (8) rural providers;
- (9) advocates for children with special health care needs;
- (10) pediatric health care providers, including specialty providers;
- (11) long-term services and supports [care] providers, including nursing facility [home] providers and direct service workers;
- (12) obstetrical care providers;
- (13) community-based organizations serving low-income children and their families; ~~and~~
- (14) community-based organizations engaged in perinatal services and outreach;
- (15) recipients who are 65 years of age or older;
- (16) recipients with mental illness;
- (17) nonphysician mental health providers participating in the Medicaid managed care program; and
- (18) entities with responsibilities for the delivery of long-term services and supports or other Medicaid program service delivery, including:
 - (A) independent living centers;
 - (B) area agencies on aging;
 - (C) aging and disability resource centers established under the Aging and Disability Resource Center initiative funded in part by the federal Administration on Aging and the Centers for Medicare and Medicaid Services;
 - (D) community mental health and intellectual disability centers; and
 - (E) the NorthSTAR Behavioral Health Program provided under Chapter 534, Health and Safety Code.

(c) The executive commissioner shall appoint the presiding officer of the advisory committee.

(d) To the greatest extent possible, the executive commissioner shall appoint members of the advisory committee who reflect the geographic diversity of the state and include members who represent rural Medicaid program recipients.

SECTION 2.06. Section 533.042, Government Code, is amended to read as follows:

Sec. 533.042. MEETINGS. (a) The advisory committee shall meet at the call of the presiding officer at least semiannually, but no more frequently than quarterly.

(b) The advisory committee:

(1) [;] shall develop procedures that provide the public with reasonable opportunity to appear before the committee [committee] and speak on any issue under the jurisdiction of the committee;[;] and

(2) is subject to Chapter 551.

SECTION 2.07. Section 533.043, Government Code, is amended to read as follows:

Sec. 533.043. POWERS AND DUTIES. (a) The advisory committee shall:

(1) provide recommendations and ongoing advisory input to the commission on the statewide implementation and operation of Medicaid managed care, including:

(A) program design and benefits;

(B) systemic concerns from consumers and providers;

(C) the efficiency and quality of services delivered by Medicaid managed care organizations;

(D) contract requirements for Medicaid managed care organizations;

(E) Medicaid managed care provider network adequacy; and

(F) other issues as requested by the executive commissioner;

(2) assist the commission with issues relevant to Medicaid managed care to improve the policies established for and programs operating under Medicaid managed care, including the early and periodic screening, diagnosis, and treatment program, provider and patient education issues, and patient eligibility issues; and

(3) disseminate or make available to each regional advisory committee appointed under Subchapter B information on best practices with respect to Medicaid managed care that is obtained from a regional advisory committee.

(b) The commission and the Department of Aging and Disability Services shall ensure coordination and communication between the advisory committee, regional Medicaid managed care advisory committees appointed by the commission under Subchapter B, and other advisory committees or groups that perform functions related to Medicaid managed care, including the Intellectual and Developmental Disability System Redesign Advisory Committee established under Section 534.053, in a manner that enables the state Medicaid managed care advisory committee to act as a central source of agency information and stakeholder input relevant to the implementation and operation of Medicaid managed care.

(c) The advisory committee may establish work groups that meet at other times for purposes of studying and making recommendations on issues the committee determines appropriate.

SECTION 2.08. Section 533.044, Government Code, is amended to read as follows:

Sec. 533.044. OTHER LAW. (a) Except as provided by Subsection (b) and other provisions of this subchapter, the advisory committee is subject to Chapter 2110.

(b) Section 2110.008 does not apply to the advisory committee.

SECTION 2.09. Subchapter C, Chapter 533, Government Code, is amended by adding Section 533.045 to read as follows:

Sec. 533.045. COMPENSATION; REIMBURSEMENT. (a) Except as provided by Subsection (b), a member of the advisory committee is not entitled to receive compensation or reimbursement for travel expenses.

(b) A member of the advisory committee who is a Medicaid program recipient or the relative of a Medicaid program recipient is entitled to a per diem allowance and reimbursement at rates established in the General Appropriations Act.

SECTION 2.10. Subsection (a-1), Section 533.005, Government Code, is repealed.

SECTION 2.11. (a) The Health and Human Services Commission and the Department of Aging and Disability Services shall:

(1) review and evaluate the outcomes of the transition of the provision of benefits to recipients under the medically dependent children (MDCP) waiver program to the STAR Kids managed care program delivery model established under Section 533.00253, Government Code, as added by this article;

(2) not later than December 1, 2017, submit an initial report to the legislature on the review and evaluation conducted under Subdivision (1) of this subsection, including recommendations for continued implementation and improvement of the program; and

(3) not later than December 1 of each year after 2017 and until December 1, 2021, submit additional reports that include the information described by Subdivision (1) of this subsection.

(b) This section expires September 1, 2022.

SECTION 2.12. (a) Not later than October 1, 2013, the executive commissioner of the Health and Human Services Commission shall appoint the members of the STAR + PLUS Quality Council as required by Section 533.00285, Government Code, as added by this article.

(b) The STAR + PLUS Quality Council shall submit:

(1) the initial report required under Subsection (e), Section 533.00285, Government Code, as added by this article, not later than November 1, 2014; and

(2) the final report required under that subsection not later than November 1, 2016.

(c) The Department of Aging and Disability Services shall submit:

(1) the initial report required under Subsection (f), Section 533.00285, Government Code, as added by this article, not later than December 1, 2014; and

(2) the final report required under that subsection not later than December 1, 2016.

SECTION 2.13. (a) The Health and Human Services Commission shall, in a contract between the commission and a managed care organization under Chapter 533, Government Code, that is entered into or renewed on or after the effective date of this Act, require that the managed care organization comply with applicable provisions of Subsection (a), Section 533.005, Government Code, as amended by this article.

(b) The Health and Human Services Commission shall seek to amend contracts entered into with managed care organizations under Chapter 533, Government Code, before the effective date of this Act to require those managed care organizations to comply with applicable provisions of Subsection (a), Section 533.005, Government Code, as amended by this article. To the extent of a conflict between the applicable provisions of that subsection and a provision of a contract with a managed care organization entered into before the effective date of this Act, the contract provision prevails.

SECTION 2.14. Not later than September 15, 2013, the governor, lieutenant governor, and speaker of the house of representatives shall appoint the members of the STAR + PLUS Nursing Facility Advisory Committee as required by Section 533.00252, Government Code, as added by this article.

SECTION 2.15. (a) Not later than October 1, 2013, the Health and Human Services Commission shall:

(1) complete phase one of the plan required under Section 533.002515, Government Code, as added by this article; and

(2) submit a report regarding the implementation of phase one of the plan together with a copy of the contract template required by that section to the STAR + PLUS Nursing Facility Advisory Committee established under Section 533.00252, Government Code, as added by this article.

(b) Not later than July 15, 2014, the Health and Human Services Commission shall:

(1) complete phase two of the plan required under Section 533.002515, Government Code, as added by this article; and

(2) submit a report regarding the implementation of phase two to the STAR + PLUS Nursing Facility Advisory Committee established under Section 533.00252, Government Code, as added by this article.

SECTION 2.16. (a) The Health and Human Services Commission may not:

(1) implement Paragraph (B), Subdivision (6), Subsection (c), Section 533.00251, Government Code, as added by this article, unless the commission seeks and obtains a waiver or other authorization from the federal Centers for Medicare and Medicaid Services or other appropriate entity that ensures a significant portion, but not more than 80 percent, of accrued savings to the Medicare program as a result of reduced hospitalizations and institutionalizations and other care and efficiency improvements to nursing facilities participating in the medical assistance program in this state will be returned to this state and distributed to those facilities; and

(2) begin providing medical assistance benefits to recipients under Section 533.00251, Government Code, as added by this article, before September 1, 2014.

(b) As soon as practicable after the implementation date of Section 533.00251, Government Code, as added by this article, the Health and Human Services Commission shall provide a portal through which nursing facility providers participating in the STAR + PLUS Medicaid managed care program may submit claims in accordance with Subdivision (7), Subsection (c), Section 533.00251, Government Code, as added by this article.

SECTION 2.17. (a) Not later than October 1, 2013, the executive commissioner of the Health and Human Services Commission shall appoint additional members to the state Medicaid managed care advisory committee to comply with Section 533.041, Government Code, as amended by this article.

(b) Not later than December 1, 2013, the presiding officer of the state Medicaid managed care advisory committee shall convene the first meeting of the advisory committee following appointment of additional members as required by Subsection (a) of this section.

SECTION 2.18. As soon as practicable after the effective date of this Act, but not later than January 1, 2015, the executive commissioner of the Health and Human Services Commission shall adopt rules and managed care contracting guidelines governing the transition of appropriate duties and functions from the commission and other health and human services agencies to managed care organizations that are required as a result of the changes in law made by this article.

SECTION 2.19. The changes in law made by this article are not intended to negatively affect Medicaid recipients' access to quality health care. The Health and Human Services Commission, as the state agency designated to supervise the administration and operation of the Medicaid program and to plan and direct the Medicaid program in each state agency that operates a portion of the Medicaid program, including directing the Medicaid managed care system, shall continue to timely enforce all laws applicable to the Medicaid program and the Medicaid managed care system, including laws relating to provider network adequacy, the prompt payment of claims, and the resolution of patient and provider complaints.

ARTICLE 3. OTHER PROVISIONS RELATING TO INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES

SECTION 3.01. Subchapter B, Chapter 533, Health and Safety Code, is amended by adding Section 533.0335 to read as follows:

Sec. 533.0335. COMPREHENSIVE ASSESSMENT AND RESOURCE ALLOCATION PROCESS. (a) In this section:

(1) "Advisory committee" means the Intellectual and Developmental Disability System Redesign Advisory Committee established under Section 534.053, Government Code.

(2) "Department" means the Department of Aging and Disability Services.

(3) "Functional need," "ICF-IID program," and "Medicaid waiver program" have the meanings assigned those terms by Section 534.001, Government Code.

(b) Subject to the availability of federal funding, the department shall develop and implement a comprehensive assessment instrument and a resource allocation process for individuals with intellectual and developmental disabilities as needed to ensure that each individual with an intellectual or developmental disability receives the type, intensity, and range of services that are both appropriate and available, based on the functional needs of that individual, if the individual receives services through one of the following:

(1) a Medicaid waiver program;

(2) the ICF-IID program; or

(3) an intermediate care facility operated by the state and providing services for individuals with intellectual and developmental disabilities.

(b-1) In developing a comprehensive assessment instrument for purposes of Subsection (b), the department shall evaluate any assessment instrument in use by the department. In addition, the department may implement an evidence-based, nationally recognized, comprehensive assessment instrument that assesses the functional needs of an individual with intellectual and developmental disabilities as the comprehensive assessment instrument required by Subsection (b). This subsection expires September 1, 2015.

(c) The department, in consultation with the advisory committee, shall establish a prior authorization process for requests for supervised living or residential support services available in the home and community-based services (HCS) Medicaid waiver program. The process must ensure that supervised living or residential support services available in the home and community-based services (HCS) Medicaid waiver program are available only to individuals for whom a more independent setting is not appropriate or available.

(d) The department shall cooperate with the advisory committee to establish the prior authorization process required by Subsection (c). This subsection expires January 1, 2024.

SECTION 3.02. Subchapter B, Chapter 533, Health and Safety Code, is amended by adding Sections 533.03551 and 533.03552 to read as follows:

Sec. 533.03551. FLEXIBLE, LOW-COST HOUSING OPTIONS. (a) To the extent permitted under federal law and regulations, the executive commissioner shall adopt or amend rules as necessary to allow for the development of additional housing supports for individuals with intellectual and developmental disabilities in urban and rural areas, including:

(1) a selection of community-based housing options that comprise a continuum of integration, varying from most to least restrictive, that permits individuals to select the most integrated and least restrictive setting appropriate to the individual's needs and preferences;

(2) non-provider-owned residential settings;

(3) assistance with living more independently; and

(4) rental properties with on-site supports.

(b) The Department of Aging and Disability Services, in cooperation with the Texas Department of Housing and Community Affairs, the Department of Agriculture, the Texas State Affordable Housing Corporation, and the Intellectual and Developmental Disability System Redesign Advisory Committee established under Section 534.053, Government Code, shall coordinate with federal, state, and local public housing entities as necessary to expand opportunities for accessible, affordable, and integrated housing to meet the complex needs of individuals with intellectual and developmental disabilities.

(c) The Department of Aging and Disability Services shall develop a process to receive input from statewide stakeholders to ensure the most comprehensive review of opportunities and options for housing services described by this section.

Sec. 533.03552. BEHAVIORAL SUPPORTS FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES AT RISK OF INSTITUTIONALIZATION; INTERVENTION TEAMS. (a) In this section, "department" means the Department of Aging and Disability Services.

(b) Subject to the availability of federal funding, the department shall develop and implement specialized training for providers, family members, caregivers, and first responders providing direct services and supports to individuals with intellectual and developmental disabilities and behavioral health needs who are at risk of institutionalization.

(c) Subject to the availability of federal funding, the department shall establish one or more behavioral health intervention teams to provide services and supports to individuals with intellectual and developmental disabilities and behavioral health needs who are at risk of institutionalization. An intervention team may include a:

- (1) psychiatrist or psychologist;
- (2) physician;
- (3) registered nurse;
- (4) pharmacist or representative of a pharmacy;
- (5) behavior analyst;
- (6) social worker;
- (7) crisis coordinator;
- (8) peer specialist; and
- (9) family partner.

(d) In providing services and supports, a behavioral health intervention team established by the department shall:

- (1) use the team's best efforts to ensure that an individual remains in the community and avoids institutionalization;
- (2) focus on stabilizing the individual and assessing the individual for intellectual, medical, psychiatric, psychological, and other needs;
- (3) provide support to the individual's family members and other caregivers;
- (4) provide intensive behavioral assessment and training to assist the individual in establishing positive behaviors and continuing to live in the community; and
- (5) provide clinical and other referrals.

(e) The department shall ensure that members of a behavioral health intervention team established under this section receive training on trauma-informed care, which is an approach to providing care to individuals with behavioral health needs based on awareness that a history of trauma or the presence of trauma symptoms may create the behavioral health needs of the individual.

SECTION 3.03. (a) The Health and Human Services Commission and the Department of Aging and Disability Services shall conduct a study to identify crisis intervention programs currently available to, evaluate the need for appropriate housing for, and develop strategies for serving the needs of persons in this state with Prader-Willi syndrome.

(b) In conducting the study, the Health and Human Services Commission and the Department of Aging and Disability Services shall seek stakeholder input.

(c) Not later than December 1, 2014, the Health and Human Services Commission shall submit a report to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officers of the standing committees of the senate and house of representatives having jurisdiction over the Medicaid program regarding the study required by this section.

(d) This section expires September 1, 2015.

SECTION 3.04. (a) In this section:

(1) "Medicaid program" means the medical assistance program established under Chapter 32, Human Resources Code.

(2) "Section 1915(c) waiver program" has the meaning assigned by Section 531.001, Government Code.

(b) The Health and Human Services Commission shall conduct a study to evaluate the need for applying income disregards to persons with intellectual and developmental disabilities receiving benefits under the medical assistance program, including through a Section 1915(c) waiver program.

(c) Not later than January 15, 2015, the Health and Human Services Commission shall submit a report to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officers of the standing committees of the senate and house of representatives having jurisdiction over the Medicaid program regarding the study required by this section.

(d) This section expires September 1, 2015.

ARTICLE 4. QUALITY-BASED OUTCOMES AND PAYMENT PROVISIONS

SECTION 4.01. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.00256 to read as follows:

Sec. 533.00256. MANAGED CARE CLINICAL IMPROVEMENT PROGRAM. (a) In consultation with the Medicaid and CHIP Quality-Based Payment Advisory Committee established under Section 536.002 and other appropriate stakeholders with an interest in the provision of acute care services and long-term services and supports under the Medicaid managed care program, the commission shall:

(1) establish a clinical improvement program to identify goals designed to improve quality of care and care management and to reduce potentially preventable events, as defined by Section 536.001; and

(2) require managed care organizations to develop and implement collaborative program improvement strategies to address the goals.

(b) Goals established under this section may be set by geographic region and program type.

SECTION 4.02. Subsections (a) and (g), Section 533.0051, Government Code, are amended to read as follows:

(a) The commission shall establish outcome-based performance measures and incentives to include in each contract between a health maintenance organization and the commission for the provision of health care services to recipients that is procured and managed under a value-based purchasing model. The performance measures and incentives must:

(1) be designed to facilitate and increase recipients' access to appropriate health care services; and

(2) to the extent possible, align with other state and regional quality care improvement initiatives.

(g) In performing the commission's duties under Subsection (d) with respect to assessing feasibility and cost-effectiveness, the commission may consult with participating Medicaid providers [physicians], including those with expertise in quality improvement and performance measurement[~~and hospitals~~].

SECTION 4.03. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.00511 to read as follows:

Sec. 533.00511. QUALITY-BASED ENROLLMENT INCENTIVE PROGRAM FOR MANAGED CARE ORGANIZATIONS. (a) In this section, "potentially preventable event" has the meaning assigned by Section 536.001.

(b) The commission shall create an incentive program that automatically enrolls a greater percentage of recipients who did not actively choose their managed care plan in a managed care plan, based on:

(1) the quality of care provided through the managed care organization offering that managed care plan;

(2) the organization's ability to efficiently and effectively provide services, taking into consideration the acuity of populations primarily served by the organization; and

(3) the organization's performance with respect to exceeding, or failing to achieve, appropriate outcome and process measures developed by the commission, including measures based on all potentially preventable events.

SECTION 4.04. Section 533.0071, Government Code, is amended to read as follows:

Sec. 533.0071. ADMINISTRATION OF CONTRACTS. The commission shall make every effort to improve the administration of contracts with managed care organizations. To improve the administration of these contracts, the commission shall:

(1) ensure that the commission has appropriate expertise and qualified staff to effectively manage contracts with managed care organizations under the Medicaid managed care program;

(2) evaluate options for Medicaid payment recovery from managed care organizations if the enrollee dies or is incarcerated or if an enrollee is enrolled in more than one state program or is covered by another liable third party insurer;

(3) maximize Medicaid payment recovery options by contracting with private vendors to assist in the recovery of capitation payments, payments from other liable third parties, and other payments made to managed care organizations with respect to enrollees who leave the managed care program;

(4) decrease the administrative burdens of managed care for the state, the managed care organizations, and the providers under managed care networks to the extent that those changes are compatible with state law and existing Medicaid managed care contracts, including decreasing those burdens by:

(A) where possible, decreasing the duplication of administrative reporting and process requirements for the managed care organizations and providers, such as requirements for the submission of encounter data, quality reports, historically underutilized business reports, and claims payment summary reports;

(B) allowing managed care organizations to provide updated address information directly to the commission for correction in the state system;

(C) promoting consistency and uniformity among managed care organization policies, including policies relating to the preauthorization process, lengths of hospital stays, filing deadlines, levels of care, and case management services;

(D) reviewing the appropriateness of primary care case management requirements in the admission and clinical criteria process, such as requirements relating to including a separate cover sheet for all communications, submitting handwritten communications instead of electronic or typed review processes, and admitting patients listed on separate notifications; and

(E) providing a ~~[single]~~ portal through which providers in any managed care organization's provider network may submit acute care services and long-term services and supports claims; and

(5) reserve the right to amend the managed care organization's process for resolving provider appeals of denials based on medical necessity to include an independent review process established by the commission for final determination of these disputes.

SECTION 4.05. Section 533.014, Government Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) Except as provided by Subsection (c), any ~~[Any]~~ amount received by the state under this section shall be deposited in the general revenue fund for the purpose of funding the state Medicaid program.

(c) If cost-effective, the commission may use amounts received by the state under this section to provide incentives to specific managed care organizations to promote quality of care, encourage payment reform, reward local service delivery reform, increase efficiency, and reduce inappropriate or preventable service utilization.

SECTION 4.06. Subsection (b), Section 536.002, Government Code, is amended to read as follows:

(b) The executive commissioner shall appoint the members of the advisory committee. The committee must consist of physicians and other health care providers, representatives of health care facilities, representatives of managed care organizations, and other stakeholders interested in health care services provided in this state, including:

(1) at least one member who is a physician with clinical practice experience in obstetrics and gynecology;

(2) at least one member who is a physician with clinical practice experience in pediatrics;

(3) at least one member who is a physician with clinical practice experience in internal medicine or family medicine;

(4) at least one member who is a physician with clinical practice experience in geriatric medicine;

(5) at least three members ~~[one member]~~ who are ~~[is]~~ or who represent ~~[represents]~~ a health care provider that primarily provides long-term ~~[care]~~ services and supports;

(6) at least one member who is a consumer representative; and

(7) at least one member who is a member of the Advisory Panel on Health Care-Associated Infections and Preventable Adverse Events who meets the qualifications prescribed by Section 98.052(a)(4), Health and Safety Code.

SECTION 4.07. Section 536.003, Government Code, is amended by amending Subsections (a) and (b) and adding Subsection (a-1) to read as follows:

(a) The commission, in consultation with the advisory committee, shall develop quality-based outcome and process measures that promote the provision of efficient, quality health care and that can be used in the child health plan and Medicaid programs to implement quality-based payments for acute ~~and long-term~~ care services and long-term services and supports across all delivery models and payment systems, including fee-for-service and managed care payment systems. Subject to Subsection (a-1), the [The] commission, in developing outcome and process measures under this section, must include measures that are based on all [consider measures addressing] potentially preventable events and that advance quality improvement and innovation. The commission may change measures developed:

(1) to promote continuous system reform, improved quality, and reduced costs; and

(2) to account for managed care organizations added to a service area.

(a-1) The outcome measures based on potentially preventable events must:

(1) allow for rate-based determination of health care provider performance compared to statewide norms; and

(2) be risk-adjusted to account for the severity of the illnesses of patients served by the provider.

(b) To the extent feasible, the commission shall develop outcome and process measures:

(1) consistently across all child health plan and Medicaid program delivery models and payment systems;

(2) in a manner that takes into account appropriate patient risk factors, including the burden of chronic illness on a patient and the severity of a patient's illness;

(3) that will have the greatest effect on improving quality of care and the efficient use of services, including acute care services and long-term services and supports; [and]

(4) that are similar to outcome and process measures used in the private sector, as appropriate;

(5) that reflect effective coordination of acute care services and long-term services and supports;

(6) that can be tied to expenditures; and

(7) that reduce preventable health care utilization and costs.

SECTION 4.08. Subsection (a), Section 536.004, Government Code, is amended to read as follows:

(a) Using quality-based outcome and process measures developed under Section 536.003 and subject to this section, the commission, after consulting with the advisory committee and other appropriate stakeholders with an interest in the provision of acute care and long-term services and supports under the child health plan and Medicaid programs, shall develop quality-based payment systems, and require managed care organizations to develop quality-based payment systems, for compensating a physician or other health care provider participating in the child health plan or Medicaid program that:

(1) align payment incentives with high-quality, cost-effective health care;

(2) reward the use of evidence-based best practices;

- (3) promote the coordination of health care;
- (4) encourage appropriate physician and other health care provider collaboration;
- (5) promote effective health care delivery models; and
- (6) take into account the specific needs of the child health plan program enrollee and Medicaid recipient populations.

SECTION 4.09. Section 536.005, Government Code, is amended by adding Subsection (c) to read as follows:

(c) Notwithstanding Subsection (a) and to the extent possible, the commission shall convert outpatient hospital reimbursement systems under the child health plan and Medicaid programs to an appropriate prospective payment system that will allow the commission to:

- (1) more accurately classify the full range of outpatient service episodes;
- (2) more accurately account for the intensity of services provided; and
- (3) motivate outpatient service providers to increase efficiency and effectiveness.

SECTION 4.10. Section 536.006, Government Code, is amended to read as follows:

Sec. 536.006. TRANSPARENCY. (a) The commission and the advisory committee shall:

- (1) ensure transparency in the development and establishment of:
 - (A) quality-based payment and reimbursement systems under Section 536.004 and Subchapters B, C, and D, including the development of outcome and process measures under Section 536.003; and
 - (B) quality-based payment initiatives under Subchapter E, including the development of quality of care and cost-efficiency benchmarks under Section 536.204(a) and efficiency performance standards under Section 536.204(b);
 - (2) develop guidelines establishing procedures for providing notice and information to, and receiving input from, managed care organizations, health care providers, including physicians and experts in the various medical specialty fields, and other stakeholders, as appropriate, for purposes of developing and establishing the quality-based payment and reimbursement systems and initiatives described under Subdivision (1); ~~and~~
 - (3) in developing and establishing the quality-based payment and reimbursement systems and initiatives described under Subdivision (1), consider that as the performance of a managed care organization or physician or other health care provider improves with respect to an outcome or process measure, quality of care and cost-efficiency benchmark, or efficiency performance standard, as applicable, there will be a diminishing rate of improved performance over time; and
 - (4) develop web-based capability to provide managed care organizations and health care providers with data on their clinical and utilization performance, including comparisons to peer organizations and providers located in this state and in the provider's respective region.
- (b) The web-based capability required by Subsection (a)(4) must support the requirements of the electronic health information exchange system under Sections 531.907 through 531.909.

SECTION 4.11. Section 536.008, Government Code, is amended to read as follows:

Sec. 536.008. ANNUAL REPORT. (a) The commission shall submit to the legislature and make available to the public an annual report ~~[to the legislature]~~ regarding:

(1) the quality-based outcome and process measures developed under Section 536.003, including measures based on each potentially preventable event; and

(2) the progress of the implementation of quality-based payment systems and other payment initiatives implemented under this chapter.

(b) As appropriate, the ~~[The]~~ commission shall report outcome and process measures under Subsection (a)(1) by:

(1) geographic location, which may require reporting by county, health care service region, or other appropriately defined geographic area;

(2) recipient population or eligibility group served;

(3) type of health care provider, such as acute care or long-term care provider;

(4) number of recipients who relocated to a community-based setting from a less integrated setting;

(5) quality-based payment system; and

(6) service delivery model.

(c) The report required under this section may not identify specific health care providers.

SECTION 4.12. Subsection (a), Section 536.051, Government Code, is amended to read as follows:

(a) Subject to Section 1903(m)(2)(A), Social Security Act (42 U.S.C. Section 1396b(m)(2)(A)), and other applicable federal law, the commission shall base a percentage of the premiums paid to a managed care organization participating in the child health plan or Medicaid program on the organization's performance with respect to outcome and process measures developed under Section 536.003 that address all~~;~~ ~~including outcome measures addressing~~ potentially preventable events. The percentage of the premiums paid may increase each year.

SECTION 4.13. Subsection (a), Section 536.052, Government Code, is amended to read as follows:

(a) The commission may allow a managed care organization participating in the child health plan or Medicaid program increased flexibility to implement quality initiatives in a managed care plan offered by the organization, including flexibility with respect to financial arrangements, in order to:

(1) achieve high-quality, cost-effective health care;

(2) increase the use of high-quality, cost-effective delivery models; ~~and~~

(3) reduce the incidence of unnecessary institutionalization and potentially preventable events; and

(4) increase the use of alternative payment systems, including shared savings models, in collaboration with physicians and other health care providers.

SECTION 4.14. Section 536.151, Government Code, is amended by amending Subsections (a), (b), and (c) and adding Subsections (a-1) and (d) to read as follows:

(a) The executive commissioner shall adopt rules for identifying:

(1) potentially preventable admissions and readmissions of child health plan program enrollees and Medicaid recipients, including preventable admissions to long-term care facilities;

(2) potentially preventable ancillary services provided to or ordered for child health plan program enrollees and Medicaid recipients;

(3) potentially preventable emergency room visits by child health plan program enrollees and Medicaid recipients; and

(4) potentially preventable complications experienced by child health plan program enrollees and Medicaid recipients.

(a-1) The commission shall collect data from hospitals on present-on-admission indicators for purposes of this section.

(b) The commission shall establish a program to provide a confidential report to each hospital in this state that participates in the child health plan or Medicaid program regarding the hospital's performance with respect to each potentially preventable event described under Subsection (a) [readmissions and potentially preventable complications]. To the extent possible, a report provided under this section should include all potentially preventable events [readmissions and potentially preventable complications information] across all child health plan and Medicaid program payment systems. A hospital shall distribute the information contained in the report to physicians and other health care providers providing services at the hospital.

(c) Except as provided by Subsection (d), a [A] report provided to a hospital under this section is confidential and is not subject to Chapter 552.

(d) The commission may release the information in the report described by Subsection (b):

(1) not earlier than one year after the date the report is submitted to the hospital; and

(2) only after deleting any data that relates to a hospital's performance with respect to particular diagnosis-related groups or individual patients.

SECTION 4.15. Subsection (a), Section 536.152, Government Code, is amended to read as follows:

(a) Subject to Subsection (b), using the data collected under Section 536.151 and the diagnosis-related groups (DRG) methodology implemented under Section 536.005, if applicable, the commission, after consulting with the advisory committee, shall to the extent feasible adjust child health plan and Medicaid reimbursements to hospitals, including payments made under the disproportionate share hospitals and upper payment limit supplemental payment programs, ~~[in a manner that may reward or penalize a hospital]~~ based on the hospital's performance with respect to exceeding, or failing to achieve, outcome and process measures developed under Section 536.003 that address the rates of potentially preventable readmissions and potentially preventable complications.

SECTION 4.16. Subsection (a), Section 536.202, Government Code, is amended to read as follows:

(a) The commission shall, after consulting with the advisory committee, establish payment initiatives to test the effectiveness of quality-based payment systems, alternative payment methodologies, and high-quality, cost-effective health

care delivery models that provide incentives to physicians and other health care providers to develop health care interventions for child health plan program enrollees or Medicaid recipients, or both, that will:

(1) improve the quality of health care provided to the enrollees or recipients;
 (2) reduce potentially preventable events;
 (3) promote prevention and wellness;
 (4) increase the use of evidence-based best practices;
 (5) increase appropriate physician and other health care provider collaboration; ~~and~~

(6) contain costs; and

(7) improve integration of acute care services and long-term services and supports, including discharge planning from acute care services to community-based long-term services and supports.

SECTION 4.17. Chapter 536, Government Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. QUALITY-BASED LONG-TERM SERVICES AND SUPPORTS
PAYMENT SYSTEMS

Sec. 536.251. QUALITY-BASED LONG-TERM SERVICES AND SUPPORTS PAYMENTS. (a) Subject to this subchapter, the commission, after consulting with the advisory committee and other appropriate stakeholders representing nursing facility providers with an interest in the provision of long-term services and supports, may develop and implement quality-based payment systems for Medicaid long-term services and supports providers designed to improve quality of care and reduce the provision of unnecessary services. A quality-based payment system developed under this section must base payments to providers on quality and efficiency measures that may include measurable wellness and prevention criteria and use of evidence-based best practices, sharing a portion of any realized cost savings achieved by the provider, and ensuring quality of care outcomes, including a reduction in potentially preventable events.

(b) The commission may develop a quality-based payment system for Medicaid long-term services and supports providers under this subchapter only if implementing the system would be feasible and cost-effective.

Sec. 536.252. EVALUATION OF DATA SETS. To ensure that the commission is using the best data to inform the development and implementation of quality-based payment systems under Section 536.251, the commission shall evaluate the reliability, validity, and functionality of post-acute and long-term services and supports data sets. The commission's evaluation under this section should assess:

(1) to what degree data sets relied on by the commission meet a standard:

(A) for integrating care;

(B) for developing coordinated care plans; and

(C) that would allow for the meaningful development of risk adjustment

techniques;

(2) whether the data sets will provide value for outcome or performance measures and cost containment; and

(3) how classification systems and data sets used for Medicaid long-term services and supports providers can be standardized and, where possible, simplified.

Sec. 536.253. COLLECTION AND REPORTING OF CERTAIN INFORMATION. (a) The executive commissioner shall adopt rules for identifying the incidence of potentially preventable admissions, potentially preventable readmissions, and potentially preventable emergency room visits by Medicaid long-term services and supports recipients.

(b) The commission shall establish a program to provide a report to each Medicaid long-term services and supports provider in this state regarding the provider's performance with respect to potentially preventable admissions, potentially preventable readmissions, and potentially preventable emergency room visits. To the extent possible, a report provided under this section should include applicable potentially preventable events information across all Medicaid program payment systems.

(c) Subject to Subsection (d), a report provided to a provider under this section is confidential and is not subject to Chapter 552.

(d) The commission may release the information in the report described by Subsection (b):

(1) not earlier than one year after the date the report is submitted to the provider; and

(2) only after deleting any data that relates to a provider's performance with respect to particular resource utilization groups or individual recipients.

SECTION 4.18. As soon as practicable after the effective date of this Act, the Health and Human Services Commission shall provide a portal through which providers in any managed care organization's provider network may submit acute care services and long-term services and supports claims as required by Paragraph (E), Subdivision (4), Section 533.0071, Government Code, as amended by this article.

SECTION 4.19. Not later than September 1, 2013, the Health and Human Services Commission shall convert outpatient hospital reimbursement systems as required by Subsection (c), Section 536.005, Government Code, as added by this article.

ARTICLE 5. SPECIFIC PROVISIONS RELATING TO PREMIUMS UNDER THE MEDICAL ASSISTANCE PROGRAM

SECTION 5.01. Section 533.013, Government Code, is amended by adding Subsection (e) to read as follows:

(e) The commission shall pursue and, if appropriate, implement premium rate-setting strategies that encourage provider payment reform and more efficient service delivery and provider practices. In pursuing premium rate-setting strategies under this section, the commission shall review and consider strategies employed or under consideration by other states. If necessary, the commission may request a waiver or other authorization from a federal agency to implement strategies identified under this subsection.

ARTICLE 6. ADDITIONAL PROVISIONS RELATING TO QUALITY AND DELIVERY OF HEALTH AND HUMAN SERVICES

SECTION 6.01. The heading to Section 531.024, Government Code, is amended to read as follows:

Sec. 531.024. PLANNING AND DELIVERY OF HEALTH AND HUMAN SERVICES; DATA SHARING.

SECTION 6.02. Section 531.024, Government Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) To the extent permitted under applicable federal law and notwithstanding any provision of Chapter 191 or 192, Health and Safety Code, the commission and other health and human services agencies shall share data to facilitate patient care coordination, quality improvement, and cost savings in the Medicaid program, child health plan program, and other health and human services programs funded using money appropriated from the general revenue fund.

SECTION 6.03. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.024115 to read as follows:

Sec. 531.024115. SERVICE DELIVERY AREA ALIGNMENT. Notwithstanding Section 533.0025(e) or any other law, to the extent possible, the commission shall align service delivery areas under the Medicaid and child health plan programs.

SECTION 6.04. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.0981 to read as follows:

Sec. 531.0981. WELLNESS SCREENING PROGRAM. If cost-effective, the commission may implement a wellness screening program for Medicaid recipients designed to evaluate a recipient's risk for having certain diseases and medical conditions for purposes of establishing a health baseline for each recipient that may be used to tailor the recipient's treatment plan or for establishing the recipient's health goals.

SECTION 6.05. Section 531.024115, Government Code, as added by this article:

(1) applies only with respect to a contract between the Health and Human Services Commission and a managed care organization, service provider, or other person or entity under the medical assistance program, including Chapter 533, Government Code, or the child health plan program established under Chapter 62, Health and Safety Code, that is entered into or renewed on or after the effective date of this Act; and

(2) does not authorize the Health and Human Services Commission to alter the terms of a contract that was entered into or renewed before the effective date of this Act.

SECTION 6.06. Section 533.0354, Health and Safety Code, is amended by amending Subsections (a) and (b) and adding Subsection (a-1) to read as follows:

(a) A local mental health authority shall ensure the provision of assessment services, crisis services, and intensive and comprehensive services using disease management practices for children with serious emotional, behavioral, or mental disturbance and adults with severe mental illness who are experiencing significant functional impairment due to a mental health disorder defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), including:

- (1) bipolar disorder;
- (2) [5] schizophrenia;
- (3) major depressive disorder, including single episode or recurrent major depressive disorder;
- (4) post-traumatic stress disorder;

- (5) schizoaffective disorder, including bipolar and depressive types;
- (6) obsessive compulsive disorder;
- (7) anxiety disorder;
- (8) attention deficit disorder;
- (9) delusional disorder;
- (10) bulimia nervosa, anorexia nervosa, or other eating disorders not otherwise specified; or
- (11) any other diagnosed mental health disorder [~~or clinically severe depression and for children with serious emotional illnesses~~].

(a-1) The local mental health authority shall ensure that individuals are engaged with treatment services that are:

- (1) ongoing and matched to the needs of the individual in type, duration, and intensity;
- (2) focused on a process of recovery designed to allow the individual to progress through levels of service;
- (3) guided by evidence-based protocols and a strength-based paradigm of service; and
- (4) monitored by a system that holds the local authority accountable for specific outcomes, while allowing flexibility to maximize local resources.

(b) The department shall require each local mental health authority to incorporate jail diversion strategies into the authority's disease management practices to reduce the involvement of the criminal justice system in [~~for~~] managing adults with the following mental health disorders as defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5):

- (1) schizophrenia;
- (2) [~~and~~] bipolar disorder;
- (3) post-traumatic stress disorder;
- (4) schizoaffective disorder, including bipolar and depressive types;
- (5) anxiety disorder; or
- (6) delusional disorder [~~to reduce the involvement of those client populations with the criminal justice system~~].

SECTION 6.07. Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.0284 to read as follows:

Sec. 32.0284. CALCULATION OF PAYMENTS UNDER CERTAIN SUPPLEMENTAL HOSPITAL PAYMENT PROGRAMS. (a) In this section:

- (1) "Commission" means the Health and Human Services Commission.
- (2) "Supplemental hospital payment program" means:
 - (A) the disproportionate share hospitals supplemental payment program administered according to 42 U.S.C. Section 1396r-4; and
 - (B) the uncompensated care payment program established under the Texas Healthcare Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315).

(b) For purposes of calculating the hospital-specific limit used to determine a hospital's uncompensated care payment under a supplemental hospital payment program, the commission shall ensure that to the extent a third-party commercial

payment exceeds the Medicaid allowable cost for a service provided to a recipient and for which reimbursement was not paid under the medical assistance program, the payment is not considered a medical assistance payment.

ARTICLE 7. FEDERAL AUTHORIZATIONS, FUNDING, AND EFFECTIVE DATE

SECTION 7.01. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 7.02. As soon as practicable after the effective date of this Act, the Health and Human Services Commission shall apply for and actively seek a waiver or authorization from the appropriate federal agency to waive, with respect to a person who is dually eligible for Medicare and Medicaid, the requirement under 42 C.F.R. Section 409.30 that the person be hospitalized for at least three consecutive calendar days before Medicare covers posthospital skilled nursing facility care for the person.

SECTION 7.03. If the Health and Human Services Commission determines that it is cost-effective, the commission shall apply for and actively seek a waiver or authorization from the appropriate federal agency to allow the state to provide medical assistance under the waiver or authorization to medically fragile individuals:

(1) who are at least 21 years of age; and

(2) whose costs to receive care exceed cost limits under existing Medicaid waiver programs.

SECTION 7.04. The Health and Human Services Commission may use any available revenue, including legislative appropriations and available federal funds, for purposes of implementing any provision of this Act.

SECTION 7.05. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2013.

(b) Section 533.0354, Health and Safety Code, as amended by this Act, takes effect January 1, 2014.

Floor Amendment No. 1

Amend **CSSB 7** (house committee report) on page 9, line 18, after "(a).", by adding the following:

In addition, the department may accept and approve a managed care strategy proposal from any qualified entity that is a private services provider if the proposal provides for a comprehensive array of long-term services and supports, including case management and service coordination.

Floor Amendment No. 2

Amend **CSSB 7** (house committee printing) as follows:

(1) On page 16, line 20, strike "(a)".

(2) Strike page 16, line 27, through page 17, line 6.

Floor Amendment No. 3

Amend **CSSB 7** (house committee report), on page 33, line 18, between "portal" and "through", by inserting "that is in compliance with state and federal regulations, including standard coding requirements,".

Floor Amendment No. 4

Amend **CSSB 7** (house committee report) on page 33 of the bill as follows:

(1) On line 21, strike "and".

(2) On line 24, between "affected" and the underlined period, insert the following:
; and

(9) that a managed care organization providing services under the managed care program, to the greatest extent possible, offers nursing facility providers access to:

(A) acute care professionals; and

(B) telemedicine, when feasible

Floor Amendment No. 5

Amend **CSSB 7** (house committee printing) as follows:

(1) On page 28, line 3, strike "Section" and substitute "Sections 533.0025 and".

(2) On page 30, line 23, strike "and (h)" and substitute "(h), and (i)".

(3) On page 31, between lines 16 and 17, insert the following:

(i) Subject to Section 534.152, the commission shall:

(1) implement the most cost-effective option for the delivery of basic attendant and habilitation services for individuals with disabilities under the STAR + PLUS Medicaid managed care program that maximizes federal funding for the delivery of services for that program and other similar programs; and

(2) provide voluntary training to individuals receiving services under the STAR + PLUS Medicaid managed care program or their legally authorized representatives regarding how to select, manage, and dismiss personal attendants providing basic attendant and habilitation services under the program.

(4) In ARTICLE 2 of the bill, add the following appropriately numbered SECTION and renumber subsequent SECTIONS of the ARTICLE accordingly:

SECTION 2. __. Not later than June 1, 2016, the Health and Human Services Commission shall submit a report to the legislature regarding the commission's experience in, including the cost-effectiveness of, delivering basic attendant and habilitation services for individuals with disabilities under the STAR + PLUS Medicaid managed care program under Section 533.0025(i), Government Code, as added by this article. The commission may combine the report required under this section with the report required under Section 1.06 of this Act.

Floor Amendment No. 6

Amend **CSSB 7** (house committee printing) as follows:

(1) On page 39, strike lines 7 and 8 and substitute the following:
shall ensure that the STAR Kids managed care program

(2) On page 39, line 11, strike the underlined semicolon and substitute an underlined period.

- (3) On page 39, strike lines 12 through 16.
- (4) Strike page 39, line 23, through page 40, line 7.
- (5) On page 40, line 8, strike "(g)" and substitute "(e)".

Floor Amendment No. 7

Amend **CSSB 7** (house committee report) as follows:

(1) On page 42, line 8, immediately following "council", insert "in coordination with the commission".

(2) On page 42, lines 9 and 10, strike "and the Department of Aging and Disability Services".

(3) On page 42, line 22, strike "Department of Aging and Disability Services" and substitute "commission".

(4) On page 57, line 12, between "Council" and "shall", insert ", in coordination with the Health and Human Services Commission,".

(5) On page 57, line 18, strike "Department of Aging and Disability Services" and substitute "Health and Human Services Commission".

Floor Amendment No. 8

Amend **CSSB 7** (house committee printing) on page 44, lines 13 and 14, by striking "home and community-based services provider", and substituting "group home".

Floor Amendment No. 9

Amend **CSSB 7** (house committee report) as follows:

(1) On page 30, line 23, strike "Subsection (a)" and substitute "Subsections (a) and (b)".

(2) Between page 30, line 27, and page 31, line 1, insert the following:

(b) Except as otherwise provided by this section and notwithstanding any other law, the commission shall provide medical assistance for acute care services through the most cost-effective model of Medicaid capitated managed care as determined by the commission. The [If the] commission shall require mandatory participation in a Medicaid capitated managed care program for all persons eligible for acute care [determines that it is more cost effective, the commission may provide] medical assistance benefits, but may implement alternative models or arrangements, including a traditional fee-for-service arrangement, if the commission determines the alternative would be more cost-effective or efficient [for acute care in a certain part of this state or to a certain population of recipients using:

~~(1) a health maintenance organization model, including the acute care portion of Medicaid Star + Plus pilot programs;~~

~~(2) a primary care case management model;~~

~~(3) a prepaid health plan model;~~

~~(4) an exclusive provider organization model; or~~

~~(5) another Medicaid managed care model or arrangement].~~

(3) Add the following appropriately numbered SECTION to ARTICLE 2 of the bill and renumber subsequent SECTIONS of the ARTICLE appropriately:

SECTION 2. ____ . Section 32.0212, Human Resources Code, is amended to read as follows:

Sec. 32.0212. DELIVERY OF MEDICAL ASSISTANCE. Notwithstanding any other law and subject to Section 533.0025, Government Code, the department shall provide medical assistance for acute care services through the Medicaid managed care system implemented under Chapter 533, Government Code, or another Medicaid capitated managed care program.

Floor Amendment No. 10

Amend **CSSB 7** (house committee printing) as follows:

(1) On page 31, line 5, between "plan" and the underlined semicolon, insert "chosen by the applicant".

(2) On page 31, line 14, between "plan" and the underlined period, insert "chosen by the applicant".

Floor Amendment No. 11

Amend **CSSB 7** (house committee report) as follows:

(1) On page 43, lines 6-7, strike "Subsection (a), Section 533.005, Government Code, is amended" and substitute "Subsections (a) and (a-1), Section 533.005, Government Code, are amended".

(2) On page 49, line 16, strike "[~~subject to Subsection (a-1);~~]" and substitute "subject to Subsection (a-1),".

(3) On page 51, between lines 26 and 27, insert the following:

(a-1) The requirements imposed by Subsections (a)(23)(A), (B), and (C) do not apply, and may not be enforced, on and after August 31, 2018 [2013].

(4) Strike SECTION 2.10 of the bill (page 56, lines 16-17) and renumber subsequent SECTIONS of the bill accordingly.

Floor Amendment No. 12

Amend **CSSB 7** (house committee printing) as follows:

(1) On page 44, line 15, strike "21st" and substitute "30th".

(2) On page 44, between lines 23 and 24, insert the following:

(7-a) a requirement that the managed care organization demonstrate to the commission that the organization pays claims described by Subdivision (7)(A)(ii) on average not later than the 21st day after the date the claim is received by the commission;

(3) On page 46, line 14, strike "and" and substitute "[~~and~~]".

(4) On page 46, line 17, immediately after the semicolon, insert the following:
; and

(D) the managed care organization to allow a provider with a claim that has not been paid before the time prescribed by Subdivision (7)(A)(ii) to initiate an appeal of that claim;

Floor Amendment No. 13

Amend **CSSB 7** (house committee report) by striking page 54, line 27, through page 55, line 1, and substituting the following:
adequacy;

(F) trends in claims processing; and

(G) other issues as requested by the executive

Floor Amendment No. 14

Amend **CSSB 7** (house committee printing) as follows:

(1) On page 63, line 9, between "with" and "intellectual", insert "disabilities, including individuals with".

(2) On page 63, line 27, between "with" and "intellectual", insert "disabilities, including individuals with".

Floor Amendment No. 15

Amend **CSSB 7** (house committee printing) as follows:

(1) On page 69, line 1, strike "all".

(2) On page 72, line 24, strike "all".

(3) On page 77, line 24, strike "all".

Floor Amendment No. 16

Amend **CSSB 7** (house committee printing) on page 86, line 11, by striking "A" and substituting "Except as otherwise provided by law and to the extent funding is available, a [A]".

Floor Amendment No. 17

Amend **CSSB 7** (house committee printing) on page 39, between lines 2 and 3, by inserting the following:

(b-1) The commission may require that care management services made available as provided by Subsection (b)(7):

(1) incorporate best practices, as determined by the commission;

(2) integrate with a nurse advice line to ensure appropriate redirection rates;

(3) use an identification and stratification methodology that identifies recipients who have the greatest need for services;

(4) provide a care needs assessment for a recipient that is comprehensive, holistic, consumer-directed, evidence-based, and takes into consideration social and medical issues, for purposes of prioritizing the recipient's needs that threaten independent living;

(5) are delivered through multi-disciplinary care teams located in different geographic areas of this state that use in-person contact with recipients and their caregivers;

(6) identify immediate interventions for transition of care;

(7) include monitoring and reporting outcomes that, at a minimum, include:

(A) recipient quality of life;

(B) recipient satisfaction; and

(C) other financial and clinical metrics determined appropriate by the commission; and

(8) use innovations in the provision of services.

Floor Amendment No. 18

Amend **CSSB 7** (house committee printing) as follows:

(1) On page 6, line 1, strike "or the Medicaid ICF-IID program" and substitute "individuals with intellectual and developmental disabilities who are recipients of services under the ICF-IID program".

(2) On page 16, line 10, between "program" and "and", insert "or an ICF-IID program".

(3) On page 23, strike lines 6 through 8 and substitute the following:

(B) long-term services and supports to recipients who choose to continue receiving benefits under a waiver program or the ICF-IID program as provided by Subsection (g); or

(4) On page 23, line 11, strike "only".

(5) On page 24, lines 10 and 11, strike "only under the Medicaid waiver programs" and substitute "under the Medicaid waiver programs or the ICF-IID program".

(6) On page 24, line 15, between "program" and "the", insert "or the ICF-IID program".

(7) On page 24, line 17, between "program" and the underlined semicolon, insert "or the ICF-IID program".

(8) On page 22, line 2, strike "and".

(9) On page 22, line 6, between "providers" and the underlined period, insert the following:

; and

(3) provides access to a member services phone line for individuals or their legally authorized representatives to obtain information on and assistance with accessing services through network providers, including providers of primary, specialty, and other long-term services and supports

(10) On page 25, line 4, strike "and".

(11) On page 25, line 8, between "providers" and the underlined period, insert the following:

; and

(3) provides access to a member services phone line for individuals or their legally authorized representatives to obtain information on and assistance with accessing services through network providers, including providers of primary, specialty, and other long-term services and supports.

(12) On page 63, line 16, between "(2)" and "non-provider-owned" by inserting "provider-owned and".

(13) On page 25, between lines 8 and 9, by inserting the following:

Sec. 534.203. RESPONSIBILITIES OF COMMISSION. In administering this subchapter, the commission shall ensure:

(1) that the commission is responsible for setting the minimum reimbursement rate paid to a provider of ICF-IID services or a provider of home and community-based residential waiver services under the integrated managed care system including the staff rate enhancement paid to a provider of ICF-IID or a provider of home and community-based residential waiver services;

(2) that an ICF-IID service provider or a provider of home and community-based residential waiver services is paid not later than the 10th day after the date the facility submits a clean claim in accordance with the criteria used by the department for the reimbursement of ICF-IID service providers or a provider of home and community-based residential waiver services; and

(3) the establishment of an electronic portal through which providers of ICF-IID services or a provider of home and community-based residential waiver services participating in the STAR + PLUS Medicaid managed care program delivery model, or the most appropriate integrated capitated managed care program delivery model determined by the commission, may submit long-term services and supports claims to any participating managed care organization.

Floor Amendment No. 19

Amend **CSSB 7** (house committee printing) on page 34, between lines 11 and 12, by inserting the following subsection and renumbering remaining subsections accordingly:

(f) A managed care organization may not require prior authorization for a nursing facility resident in need of emergency hospital services.

Floor Amendment No. 20

Amend **CSSB 7** (house committee report) by adding the following appropriately numbered SECTION to ARTICLE 2 of the bill and renumbering subsequent SECTIONS of ARTICLE 2 accordingly:

SECTION 2. _____. INTERIM STUDY REGARDING STAR + PLUS EXPANSION IN NURSING FACILITIES. (a) A select interim committee is created to study and review:

(1) the requirement under Section 533.00251(c), Government Code, as added by this Act, that medical assistance program recipients who reside in nursing facilities receive nursing facility benefits through the STAR + PLUS Medicaid managed care program; and

(2) the implementation of that requirement.

(b) The committee is composed of members of each standing committee of the legislature with jurisdiction over health and human services. Not later than October 1, 2013, the chair of each standing committee of the legislature with jurisdiction over health and human services shall appoint as many members to the select interim committee as each chair considers necessary to complete the committee's purposes.

(c) Not later than December 1, 2013, the members appointed to the committee shall select from among the committee members a presiding officer of the committee. The committee shall convene at the call of the presiding officer.

(d) The committee has all other powers and duties provided to a special or select committee by the rules of the senate and house of representatives, by Subchapter B, Chapter 301, Government Code, and by policies of the senate and house committees on health and human services.

(e) Not later than January 15, 2015, the committee shall report the committee's findings and recommendations to the lieutenant governor, the speaker of the house of representatives, and the governor. The committee shall include in its recommendations specific statutory, rule, and procedural changes that appear necessary from the results of the committee's study under Subsection (a) of this section.

(f) The committee is abolished January 20, 2015.

Floor Amendment No. 22

Amend **CSSB 7** (house committee report) by adding the following appropriately numbered SECTION to ARTICLE 6 of the bill and renumbering subsequent SECTIONS in ARTICLE 6 of the bill accordingly:

SECTION 6. ____ . Section 32.053, Human Resources Code, is amended by adding Subsection (i) to read as follows:

(i) To the extent allowed by the General Appropriations Act, the Health and Human Services Commission may transfer general revenue funds appropriated to the commission for the medical assistance program to the Department of Aging and Disability Services to provide PACE services in PACE program service areas to eligible recipients whose medical assistance benefits would otherwise be delivered as home and community-based services through the STAR + PLUS Medicaid managed care program and whose personal incomes are at or below the level of income required to receive Supplemental Security Income (SSI) benefits under 42 U.S.C. Section 1381 et seq.

Floor Amendment No. 23

Amend **CSSB 7** on page 8, between lines 11 and 12, by inserting the following:

Sec. 534.055. REPORT ON ROLE OF LOCAL INTELLECTUAL AND DEVELOPMENTAL DISABILITY AUTHORITIES AS SERVICE PROVIDERS. (a) The commission and department shall submit a report to the legislature not later than December 1, 2014, that includes the following information:

(1) the percentage of services provided by each local intellectual and developmental disability authority to individuals receiving ICF-IID or Medicaid waiver program services, compared to the percentage of those services provided by private providers;

(2) the types of evidence provided by local intellectual and developmental disability authorities to the department to demonstrate the lack of available private providers in areas of the state where local authorities provide services to more than 40 percent of the Texas home living (TxHmL) waiver program clients or 20 percent of the home and community-based services (HCS) waiver program clients;

(3) the types and amounts of services received by clients from local intellectual and developmental disability authorities compared to the types and amounts of services received by clients from private providers;

(4) the provider capacity of each local intellectual and developmental disability authority as determined under Section 533.0355(d), Health and Safety Code;

(5) the number of individuals served above or below the applicable provider capacity by each local intellectual and developmental disability authority; and

(6) if a local intellectual and developmental disability authority is serving clients over the authority's provider capacity, the length of time the local authority has served clients above their approved provider capacity.

(b) This section expires September 1, 2015.

Floor Amendment No. 24

Amend **CSSB 7** (house committee printing) by striking SECTION 6.06 of the bill (page 86, line 8, through page 88, line 5) and substituting the following:

SECTION 6.06. Section 533.0354, Health and Safety Code, is amended by adding Subsections (a-1), (a-2), and (b-1) to read as follows:

(a-1) In addition to the services required under Subsection (a) and using money appropriated for that purpose or money received under the Texas Health Care Transformation and Quality Improvement Program 1115 waiver, a local mental health authority may ensure, to the extent feasible, the provision of assessment services, crisis services, and intensive and comprehensive services using disease management practices for children with serious emotional, behavioral, or mental disturbance not described by Subsection (a) and adults with severe mental illness who are experiencing significant functional impairment due to a mental health disorder not described by Subsection (a) that is defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), including:

(1) major depressive disorder, including single episode or recurrent major depressive disorder;

(2) post-traumatic stress disorder;

(3) schizoaffective disorder, including bipolar and depressive types;

(4) obsessive compulsive disorder;

(5) anxiety disorder;

(6) attention deficit disorder;

(7) delusional disorder;

(8) bulimia nervosa, anorexia nervosa, or other eating disorders not otherwise specified; or

(9) any other diagnosed mental health disorder.

(a-2) The local mental health authority shall ensure that individuals described by Subsection (a-1) are engaged with treatment services in a clinically appropriate manner.

(b-1) The department shall require each local mental health authority to incorporate jail diversion strategies into the authority's disease management practices to reduce the involvement of the criminal justice system in managing adults with the following disorders as defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), who are not described by Subsection (b):

(1) post-traumatic stress disorder;

(2) schizoaffective disorder, including bipolar and depressive types;

(3) anxiety disorder; or

(4) delusional disorder.

Floor Amendment No. 26

Amend **CSSB 7** (house committee printing) by adding the following appropriately numbered SECTION to ARTICLE 6 of the bill and renumbering the subsequent SECTIONS of the ARTICLE accordingly:

SECTION 6.____. Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.02121 to read as follows:

Sec. 32.02121. LIMITATION ON PROVISION OF MEDICAL ASSISTANCE. Notwithstanding any other law, the department may not provide medical assistance to any person who would not have been eligible for that assistance and for whom federal matching funds were not available under the eligibility criteria for medical assistance in effect on December 31, 2013.

Floor Amendment No. 27

Amend **CSSB 7** (house committee printing) in **ARTICLE 6** of the bill by adding the following appropriately numbered **SECTIONS** to the **ARTICLE** and renumbering subsequent **SECTIONS** of the **ARTICLE** accordingly:

SECTION 6. _____. Section 31.002(a)(3), Health and Safety Code, is amended to read as follows:

(3) "Other benefit" means a benefit, other than a benefit provided under this chapter, to which an individual is entitled for payment of the costs of primary health care services, including benefits available from:

(A) an insurance policy, group health plan, or prepaid medical care plan;

(B) Title XVIII, ~~or~~ XIX, or XXI of the Social Security Act (42 U.S.C. Section 1395 et seq., ~~or~~ Section 1396 et seq., or Section 1397aa et seq.); or

(C) ~~the Veterans Administration;~~

~~(D) the Civilian Health and Medical Program of the Uniformed Services;~~

~~(E) workers' compensation or any other compulsory employers' insurance program;~~

~~(F)~~ a public program created by federal or state law, or by an ordinance or rule of a municipality or political subdivision of the state, excluding benefits created by the establishment of a municipal or county hospital, a joint municipal-county hospital, a county hospital authority, a hospital district, or the facilities of a publicly supported medical school~~;~~ or

~~(G) a cause of action for medical, facility, or medical transportation expenses, or a settlement or judgment based on the cause of action, if the expenses are related to the need for services provided under this chapter.~~

SECTION 6. _____. Section 31.003(g), Health and Safety Code, is amended to read as follows:

(g) The department shall ensure that an approved service provider makes every reasonable effort to collect appropriate reimbursement for its costs in providing primary health care services to persons who are entitled to receive other benefits ~~[board should require that the services provided under this chapter be reserved to the greatest extent possible for low income individuals who are not eligible for similar services through any other publicly funded program].~~

Floor Amendment No. 1 on Third Reading

Amend **CSSB 7** (house committee printing) as follows:

(1) On page 1, strike lines 16 through 18 and substitute the following:

(1) "Advisory committee" means the state Medicaid managed care advisory committee established under Section 533.041.

(2) On page 5, line 12, strike "jointly".

(3) Strike page 5, line 16, through page 7, line 26.

(4) On page 7, line 27, strike "534.054" and substitute "534.053".

(5) On page 28, lines 13 through 18, strike SECTION 1.03 of ARTICLE 1 of the bill and renumber subsequent SECTIONS of that ARTICLE and cross-references accordingly.

(6) On page 28, strike lines 25 through 27 and substitute the following: disabilities shall consult with the state Medicaid managed care advisory committee established under Section 533.041, Government Code, as amended by this Act,

(7) On page 29, line 7, strike "534.054," and substitute "534.053,".

(8) Strike page 29, line 26, through page 30, line 2, and substitute the following:

(1) in consultation with the state Medicaid managed care advisory committee established under Section 533.041, Government Code, as amended by this Act, review and evaluate the outcomes of:

(9) On page 30, line 13, strike "534.054" and substitute "534.053".

(10) On page 30, line 26, strike "533.00252, 533.00253, and 533.00254" and substitute "and 533.00252".

(11) On page 31, lines 18 and 19, strike "533.00252, 533.00253, and 533.00254" and substitute "and 533.00252".

(12) On page 31, lines 22 and 23, strike "Sections 533.002515 and 533.00252" and substitute "Section 533.002515".

(13) On page 31, strike lines 24 and 25 and substitute the following:

(1) "Advisory committee" means the state Medicaid managed care advisory committee established under Section 533.041.

(14) On page 32, line 21, strike "minimum".

(15) Strike page 36, line 2, through page 37, line 16.

(16) On page 37, line 17, strike "533.00253" and substitute "533.00252".

(17) On page 37, strike lines 19 and 20 and substitute the following:

(1) "Advisory committee" means the state Medicaid managed care advisory committee established under Section 533.041.

(18) Strike page 40, line 11, through page 41, line 6.

(19) On page 41, line 7, through page 43, line 5, strike SECTION 2.03.

(20) Strike page 52, line 9, through page 53, line 21, and substitute the following:

(3) primary care providers and specialty care providers serving child and adult recipients;

(4) long-term services and supports providers, including community-based and institutional providers;

(5) state agencies;

(6) [~~(5)~~] consumer advocates representing low-income child and adult recipients;

(7) recipients who are 65 years of age or older;

(8) recipients with chronic illnesses, physical disabilities, intellectual or other developmental disabilities, or serious mental illnesses [~~(6) consumer advocates representing recipients with a disability~~];

(9) [~~(7)~~] parents, guardians, or other legal representatives of [~~children who are~~] recipients;

(10) advocacy organizations that represent individuals with intellectual and developmental disabilities;

(11) nonphysician mental health providers participating in the Medicaid program; and

(12) entities with responsibilities for the delivery of long-term services and supports or other Medicaid program service delivery, including:

(A) independent living centers;

(B) area agencies on aging;

(C) community mental health and intellectual disability authorities; and

(D) aging and disability resource centers established under the Aging and Disability Resource Center initiative funded in part by the federal Administration on Aging and the Centers for Medicare and Medicaid Services;

(13) a physician or medical director of a nursing facility;

(14) ICF-IID program providers; and

(15) representatives of and service coordinators or case managers from home- and community-based services providers that serve individuals with intellectual and developmental disabilities ~~[(8) rural providers;~~

~~[(9) advocates for children with special health care needs;~~

~~[(10) pediatric health care providers, including specialty providers;~~

~~[(11) long term care providers, including nursing home providers;~~

~~[(12) obstetrical care providers;~~

~~[(13) community based organizations serving low income children and their families; and~~

~~[(14) community based organizations engaged in perinatal services and outreach].~~

(21) On page 54, lines 4 and 5, strike "semiannually, but no more frequently than".

(22) Strike page 54, line 16, through page 55, line 2, and substitute the following:

(1) not later than September 1 of each year, provide assessments, recommendations, and ongoing advisory input to the commission on the ~~[statewide]~~ implementation, design, and operation of Medicaid managed care, including assessments, recommendations, and input regarding:

(A) the provision of benefits under the:

(i) system redesign for the delivery of acute care services and long-term services and supports to individuals with intellectual and developmental disabilities under Chapter 534;

(ii) STAR + PLUS Medicaid managed care program, including the provision of nursing facility services under the program; and

(iii) STAR Kids Medicaid managed care program established under Section 533.00252;

(B) concerns from consumers and providers;

(C) the efficiency and quality of acute care services and long-term care services and supports delivered by Medicaid managed care organizations;

(D) the delivery of person-centered, consumer-directed long-term services and supports in the most integrated setting achievable;

(E) contract requirements under Medicaid managed care organizations;

(F) Medicaid managed care provider network adequacy; and

(G) other issues as requested by the executive commissioner;

(23) Strike page 55, lines 5 through 7, and substitute the following:

programs operating under Medicaid managed care~~[- including the early and periodic screening, diagnosis, and treatment program, provider and patient education issues, and patient eligibility issues];~~ and

(24) On page 55, strike lines 12 through 25 and substitute the following:

(b) The commission shall ensure coordination and communication between the advisory committee, regional Medicaid managed care advisory committees appointed by the commission under Subchapter B, and other advisory committees or groups that perform functions related to Medicaid managed care in a manner that enables the state Medicaid managed care advisory committee to act as a central source of agency information and stakeholder input relevant to the implementation and operation of Medicaid managed care.

(c) The presiding officer of the advisory committee may establish subcommittees or work groups chaired by a member of the advisory committee that meet at other times for purposes of studying and making recommendations on issues the committee determines appropriate.

(25) On page 56, line 7, strike "Section 533.045" and substitute "Sections 533.045 and 533.046".

(26) On page 56, between lines 15 and 16, insert the following:

Sec. 533.046. REPORT TO LEGISLATURE. Not later than December 1 of each even-numbered year, the commission shall submit a report to the legislature regarding the assessments and recommendations contained in any report submitted by the state Medicaid managed care advisory committee under Section 533.043(a) during the most recent state fiscal biennium.

(27) On page 56, line 23, strike "533.00253" and substitute "533.00252".

(28) On page 57, lines 7 through 24, strike SECTION 2.12.

(29) On page 58, lines 15 through 19, strike SECTION 2.14.

(30) On page 58, line 26, through page 59, line 1, strike "STAR + PLUS Nursing Facility Advisory Committee established under Section 533.00252, Government Code, as added" and substitute "state Medicaid managed care advisory committee established under Section 533.041, Government Code, as amended".

(31) On page 59, lines 7 and 8, strike "STAR + PLUS Nursing Facility Advisory Committee established under Section 533.00252, Government Code, as added" and substitute "state Medicaid managed care advisory committee established under Section 533.041, Government Code, as amended".

(32) On page 60, between lines 15 and 16, insert the following:

(c) Subject to Subsection (e) of this section, the state Medicaid managed care advisory committee shall submit the initial report required under Section 533.043(a)(1), Government Code, as amended by this Act, not later than September 1, 2014.

(d) Subject to Subsection (e) of this section, the Health and Human Services Commission shall submit the initial report required under Section 533.046, Government Code, as added by this Act, not later than December 1, 2014.

(e) The state Medicaid managed care advisory committee and the Health and Human Services Commission may delay including information relating to the system redesign under Chapter 534, Government Code, as added by Article 1 of this Act, including information required by Section 533.043(a)(1)(A)(i), Government Code, as added by this Act, until September 1, 2024, and December 1, 2024, respectively.

(33) On page 61, strike lines 14 through 16 and substitute the following:

(1) "Advisory committee" means the state Medicaid managed care advisory committee established under Section 533.041, Government Code.

(34) On page 63, lines 22 through 24, strike "Intellectual and Developmental Disability System Redesign Advisory Committee established under Section 534.053" and substitute "state Medicaid managed care advisory committee established under Section 533.041".

(35) Renumber SECTIONS of ARTICLE 2 and cross-references to those SECTIONS accordingly.

Floor Amendment No. 3 on Third Reading

Amend **CSSB 7** on third reading in ARTICLE 6 of the bill by adding the following appropriately numbered SECTIONS to the ARTICLE and renumbering subsequent SECTIONS of the ARTICLE accordingly:

SECTION _____. Sections 31.002(a)(1) and (4), Health and Safety Code, are amended to read as follows:

(1) "Facility" includes an entity providing primary [a hospital, ambulatory surgical center, public health clinic, birthing center, outpatient clinic, and community] health care services [center].

(4) "Primary health care services" may include [includes]:

(A) a health service related to family, internal, pediatric, obstetric, or gynecological medicine that is provided by a physician, physician assistant, or advanced practice registered nurse [diagnosis and treatment];

(B) diagnostic laboratory and radiological services;

(C) emergency medical services;

(D) ~~(C)~~ family planning services;

(E) ~~(D)~~ preventive health services, including:

(i) prenatal and perinatal services;

(ii) appropriate cancer screening;

(iii) well-child services;

(iv) immunizations against diseases that are preventable by vaccines;

(v) screenings for elevated blood levels, communicable diseases, and cholesterol levels;

(vi) pediatric eye, ear, and dental screenings to determine the need for vision and hearing correction and dental care; and

(vii) preventive dental services;

(F) ~~(E)~~ health education;

(G) ~~(F)~~ laboratory, X ray, nuclear medicine, or other appropriate diagnostic services;

~~(G)~~ nutrition services;

~~(H)~~ health screening;

~~[(I) home health care;~~
~~[(J) dental care;~~
~~[(K) transportation;~~
~~[(L)]~~ prescription drugs and devices and durable supplies, as appropriate;

(H) integrated mental health
~~[(M) environmental health services;~~
~~[(N) podiatry services; and~~
~~[(O) social] services; and~~
(I) other services related to the diagnosis or treatment of acute and chronic medical conditions.

The amendments were read.

Senator Nelson moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 7** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Nelson, Chair; Deuell, Schwertner, Huffman, and Hinojosa.

SENATE BILL 8 WITH HOUSE AMENDMENTS (Motion In Writing)

Senator Nelson submitted a Motion In Writing to call **SB 8** from the President's table for consideration of the House amendments to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 8** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the provision and delivery of certain health and human services in this state, including the provision of those services through the Medicaid program and the prevention of fraud, waste, and abuse in that program and other programs.

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

SECTION 1. Subchapter A, Chapter 531, Government Code, is amended by adding Section 531.0082 to read as follows:

Sec. 531.0082. DATA ANALYSIS UNIT. (a) The executive commissioner shall establish a data analysis unit within the commission to establish, employ, and oversee data analysis processes designed to:

(1) improve contract management;

(2) detect data trends; and

(3) identify anomalies relating to service utilization, providers, payment methodologies, and compliance with requirements in Medicaid and child health plan program managed care and fee-for-service contracts.

(b) The commission shall assign staff to the data analysis unit who perform duties only in relation to the unit.

(c) The data analysis unit shall use all available data and tools for data analysis when establishing, employing, and overseeing data analysis processes under this section.

(d) Not later than the 30th day following the end of each calendar quarter, the data analysis unit shall provide an update on the unit's activities and findings to the governor, the lieutenant governor, the speaker of the house of representatives, the chair of the Senate Finance Committee, the chair of the House Appropriations Committee, and the chairs of the standing committees of the senate and house of representatives having jurisdiction over the Medicaid program.

SECTION 2. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.02115 to read as follows:

Sec. 531.02115. MARKETING ACTIVITIES BY PROVIDERS PARTICIPATING IN MEDICAID OR CHILD HEALTH PLAN PROGRAM. (a) A provider participating in the Medicaid or child health plan program, including a provider participating in the network of a managed care organization that contracts with the commission to provide services under the Medicaid or child health plan program, may not engage in any marketing activity, including any dissemination of material or other attempt to communicate, that:

(1) involves unsolicited personal contact, including by door-to-door solicitation, solicitation at a child-care facility or other type of facility, direct mail, or telephone, with a Medicaid client or a parent whose child is enrolled in the Medicaid or child health plan program;

(2) is directed at the client or parent solely because the client or the parent's child is receiving benefits under the Medicaid or child health plan program; and

(3) is intended to influence the client's or parent's choice of provider.

(b) In addition to the requirements of Subsection (a), a provider participating in the network of a managed care organization described by that subsection must comply with the marketing guidelines established by the commission under Section 533.008.

(c) Nothing in this section prohibits:

(1) a provider participating in the Medicaid or child health plan program from:

(A) engaging in a marketing activity, including any dissemination of material or other attempt to communicate, that is intended to influence the choice of provider by a Medicaid client or a parent whose child is enrolled in the Medicaid or child health plan program, if the marketing activity involves only the general dissemination of information, including by television, radio, newspaper, or billboard advertisement, and does not involve unsolicited personal contact;

(B) as permitted under the provider's contract, engaging in the dissemination of material or another attempt to communicate with a Medicaid client or a parent whose child is enrolled in the Medicaid or child health plan program, including communication in person or by direct mail or telephone, for the purpose of:

(i) providing an appointment reminder;

(ii) distributing promotional health materials;

(iii) providing information about the types of services offered by the provider; or

(iv) coordinating patient care; or

(C) engaging in a marketing activity that has been submitted for review and obtained a notice of prior authorization from the commission under Subsection (d); or

(2) a provider participating in the Medicaid STAR + PLUS program from, as permitted under the provider's contract, engaging in a marketing activity, including any dissemination of material or other attempt to communicate, that is intended to educate a Medicaid client about available long-term care services and supports.

(d) The commission shall establish a process by which providers may submit proposed marketing activities for review and prior authorization to ensure that providers are in compliance with the requirements of this section and, if applicable, Section 533.008, or to determine whether the providers are exempt from a requirement of this section and, if applicable, Section 533.008. The commission may grant or deny a provider's request for authorization to engage in a proposed marketing activity.

(e) The executive commissioner shall adopt rules as necessary to implement this section, including rules relating to provider marketing activities that are exempt from the requirements of this section and, if applicable, Section 533.008.

SECTION 3. Section 531.02414, Government Code, is amended by amending Subsection (d) and adding Subsections (g) and (h) to read as follows:

(d) Subject to Section 533.00257, the [The] commission may contract with a public transportation provider, as defined by Section 461.002, Transportation Code, a private transportation provider, or a regional transportation broker for the provision of public transportation services, as defined by Section 461.002, Transportation Code, under the medical transportation program.

(g) The commission shall enter into a memorandum of understanding with the Texas Department of Motor Vehicles and the Department of Public Safety for purposes of obtaining the motor vehicle registration and driver's license information of a provider of medical transportation services, including a regional contracted broker and a subcontractor of the broker, to confirm that the provider complies with applicable requirements adopted under Subsection (e).

(h) The commission shall establish a process by which providers of medical transportation services, including providers under a managed transportation delivery model, that contract with the commission may request and obtain the information described under Subsection (g) for purposes of ensuring that subcontractors providing medical transportation services meet applicable requirements adopted under Subsection (e).

SECTION 4. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.076 to read as follows:

Sec. 531.076. REVIEW OF PRIOR AUTHORIZATION AND UTILIZATION REVIEW PROCESSES. (a) The commission shall periodically review in accordance with an established schedule the prior authorization and utilization review processes within the Medicaid fee-for-service delivery model to determine if those processes need modification to reduce authorizations of unnecessary services and inappropriate use of services. The commission shall also monitor the processes described in this subsection for anomalies and, on identification of an anomaly in a process, shall review the process for modification earlier than scheduled.

(b) The commission shall monitor Medicaid managed care organizations to ensure that the organizations are using prior authorization and utilization review processes to reduce authorizations of unnecessary services and inappropriate use of services.

SECTION 5. Section 531.102, Government Code, is amended by amending Subsection (a) and adding Subsection (l) to read as follows:

(a) The ~~[commission, through the]~~ commission's office of inspector general~~[-]~~ is responsible for the prevention, detection, audit, inspection, review, and investigation of fraud, waste, and abuse in the provision and delivery of all health and human services in the state, including services through any state-administered health or human services program that is wholly or partly federally funded, and the enforcement of state law relating to the provision of those services. The commission may obtain any information or technology necessary to enable the office to meet its responsibilities under this subchapter or other law.

(l) Nothing in this section limits the authority of any other state agency or governmental entity.

SECTION 6. (a) Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.00257 to read as follows:

Sec. 533.00257. DELIVERY OF MEDICAL TRANSPORTATION PROGRAM SERVICES. (a) In this section:

(1) "Managed transportation organization" means:

(A) a rural or urban transit district created under Chapter 458, Transportation Code;

(B) a public transportation provider defined by Section 461.002, Transportation Code;

(C) a regional contracted broker defined by Section 531.02414;

(D) a local private transportation provider approved by the commission to provide Medicaid nonemergency medical transportation services; or

(E) any other entity the commission determines meets the requirements of this section.

(2) "Medical transportation program" has the meaning assigned by Section 531.02414.

(3) "Transportation service area provider" means a for-profit or nonprofit entity that provides demand response, curb-to-curb, nonemergency transportation under the medical transportation program.

(b) Subject to Subsection (h), the commission shall provide medical transportation program services on a regional basis through a managed transportation delivery model using managed transportation organizations and providers, as appropriate, that:

- (1) operate under a capitated rate system;
- (2) assume financial responsibility under a full-risk model;
- (3) operate a call center;
- (4) use fixed routes when available and appropriate; and
- (5) agree to provide data to the commission if the commission determines that the data is required to receive federal matching funds.

(c) The commission shall procure managed transportation organizations under the medical transportation program through a competitive bidding process.

(d) A managed transportation organization that participates in the medical transportation program must attempt to contract with medical transportation providers that:

- (1) are considered significant traditional providers, as defined by rule by the executive commissioner;
- (2) meet the minimum quality and efficiency measures required under Subsection (g) and other requirements that may be imposed by the managed transportation organization; and
- (3) agree to accept the prevailing contract rate of the managed transportation organization.

(e) To the extent allowed under federal law, a managed transportation organization may own, operate, and maintain a fleet of vehicles or contract with an entity that owns, operates, and maintains a fleet of vehicles.

(f) The commission shall consider the ownership, operation, and maintenance of a fleet of vehicles by a managed transportation organization to be a related-party transaction for purposes of applying experience rebates, administrative costs, and other administrative controls determined by the commission.

(g) The commission shall require that managed transportation providers participating in the medical transportation program meet minimum quality and efficiency measures as determined by the commission.

(h) The commission may delay providing medical transportation program services through a managed transportation delivery model in areas of this state in which the commission on September 1, 2013, is operating a full-risk transportation broker model.

(b) The Health and Human Services Commission shall begin providing medical transportation program services through the delivery model required by Section 533.00257, Government Code, as added by this section, not later than September 1, 2014, subject to Subsection (h), Section 533.00257, Government Code, as added by this section.

SECTION 7. (a) Section 773.0571, Health and Safety Code, is amended to read as follows:

Sec. 773.0571. REQUIREMENTS FOR PROVIDER LICENSE. The department shall issue to an emergency medical services provider applicant a license that is valid for two years if the department is satisfied that:

(1) the applicant [~~emergency medical services provider~~] has adequate staff to meet the staffing standards prescribed by this chapter and the rules adopted under this chapter;

(2) each emergency medical services vehicle is adequately constructed, equipped, maintained, and operated to render basic or advanced life support services safely and efficiently;

(3) the applicant [~~emergency medical services provider~~] offers safe and efficient services for emergency prehospital care and transportation of patients; [~~and~~]

(4) the applicant:

(A) possesses sufficient professional experience and qualifications to provide emergency medical services; and

(B) has not been excluded from participation in the state Medicaid program;

(5) the applicant holds a letter of approval issued under Section 773.0573 by the governing body of the municipality or the commissioners court of the county in which the applicant is located and is applying to provide emergency medical services, as applicable; and

(6) the applicant [~~emergency medical services provider~~] complies with the rules adopted [~~by the board~~] under this chapter.

(b) Subchapter C, Chapter 773, Health and Safety Code, is amended by adding Sections 773.05711, 773.05712, and 773.05713 to read as follows:

Sec. 773.05711. ADDITIONAL EMERGENCY MEDICAL SERVICES PROVIDER LICENSE REQUIREMENTS. (a) In addition to the requirements for obtaining or renewing an emergency medical services provider license under this subchapter, a person who applies for a license or for a renewal of a license must:

(1) provide the department with a letter of credit issued by a federally insured bank or savings institution in the amount of:

(A) \$100,000 for the initial license and for renewal of the license on the second anniversary of the date the initial license is issued;

(B) \$75,000 for renewal of the license on the fourth anniversary of the date the initial license is issued;

(C) \$50,000 for renewal of the license on the sixth anniversary of the date the initial license is issued; and

(D) \$25,000 for renewal of the license on the eighth anniversary of the date the initial license is issued and each subsequent renewal;

(2) provide the department with a surety bond in the amount of:

(A) \$50,000 for the initial license and for renewal of the license on the second anniversary of the date the initial license is issued;

(B) \$25,000 for renewal of the license on the fourth anniversary of the date the initial license is issued; and

(C) \$10,000 for renewal of the license on the sixth anniversary of the date the initial license is issued and each subsequent renewal; and

(3) submit for approval by the department the name and contact information of the provider's administrator of record who satisfies the requirements under Section 773.05712.

(b) An emergency medical services provider that is directly operated by a governmental entity is exempt from this section.

Sec. 773.05712. ADMINISTRATOR OF RECORD. (a) The administrator of record for an emergency medical services provider licensed under this subchapter:

(1) may not be employed or otherwise compensated by another private for-profit emergency medical services provider;

(2) must meet the qualifications required for an emergency medical technician or other health care professional license or certification issued by this state; and

(3) must submit to a criminal history record check at the applicant's expense.

(b) Section 773.0415 does not apply to information an administrator of record is required to provide under this section.

(c) An administrator of record initially approved by the department may be required to complete an education course for new administrators of record. The executive commissioner shall recognize, prepare, or administer the education course for new administrators of record, which must include information about the laws and department rules that affect emergency medical services providers.

(d) An administrator of record approved by the department under Section 773.05711(a) annually must complete at least eight hours of continuing education following initial approval. The executive commissioner shall recognize, prepare, or administer continuing education programs for administrators of record, which must include information about changes in law and department rules that affect emergency medical services providers.

(e) An emergency medical services provider that is directly operated by a governmental entity is exempt from this section.

Sec. 773.05713. REPORT TO LEGISLATURE. Not later than December 1 of each even-numbered year, the department shall electronically submit a report to the lieutenant governor, the speaker of the house of representatives, and the standing committees of the house and senate with jurisdiction over the department on the effect of Sections 773.05711 and 773.05712 that includes:

(1) the total number of applications for emergency medical services provider licenses submitted to the department and the number of applications for which licenses were issued or licenses were denied by the department;

(2) the number of emergency medical services provider licenses that were suspended or revoked by the department for violations of those sections and a description of the types of violations that led to the license suspension or revocation;

(3) the number of occurrences and types of fraud committed by licensed emergency medical services providers related to those sections;

(4) the number of complaints made against licensed emergency medical services providers for violations of those sections and a description of the types of complaints; and

(5) the status of any coordination efforts of the department and the Texas Medical Board related to those sections.

(c) Subchapter C, Chapter 773, Health and Safety Code, is amended by adding Section 773.0573 to read as follows:

Sec. 773.0573. LETTER OF APPROVAL FROM LOCAL GOVERNMENTAL ENTITY. (a) An emergency medical services provider applicant must obtain a letter of approval from:

(1) the governing body of the municipality in which the applicant is located and is applying to provide emergency medical services; or

(2) if the applicant is not located in a municipality, the commissioners court of the county in which the applicant is located and is applying to provide emergency medical services.

(b) A governing body of a municipality or a commissioners court of a county may issue a letter of approval to an emergency medical services provider applicant who is applying to provide emergency medical services in the municipality or county only if the governing body or commissioners court determines that:

(1) the addition of another licensed emergency medical services provider will not interfere with or adversely affect the provision of emergency medical services by the licensed emergency medical services providers operating in the municipality or county;

(2) the addition of another licensed emergency medical services provider will remedy an existing provider shortage that cannot be resolved through the use of the licensed emergency medical services providers operating in the municipality or county; and

(3) the addition of another licensed emergency medical services provider will not cause an oversupply of licensed emergency medical services providers in the municipality or county.

(c) An emergency medical services provider is prohibited from expanding operations to or stationing any emergency medical services vehicles in a municipality or county other than the municipality or county from which the provider obtained the letter of approval under this section until after the second anniversary of the date the provider's initial license was issued, unless the expansion or stationing occurs in connection with:

(1) a contract awarded by another municipality or county for the provision of emergency medical services;

(2) an emergency response made in connection with an existing mutual aid agreement; or

(3) an activation of a statewide emergency or disaster response by the department.

(d) This section does not apply to:

(1) renewal of an emergency medical services provider license; or

(2) a municipality, county, emergency services district, hospital, or emergency medical services volunteer provider organization in this state that applies for an emergency medical services provider license.

(d) Subchapter C, Chapter 773, Health and Safety Code, is amended by adding Section 773.06141 to read as follows:

Sec. 773.06141. SUSPENSION, REVOCATION, OR DENIAL OF EMERGENCY MEDICAL SERVICES PROVIDER LICENSE. The commissioner may suspend, revoke, or deny an emergency medical services provider license on the grounds that the provider's administrator of record, employee, or other representative:

(1) has been convicted of, or placed on deferred adjudication community supervision or deferred disposition for, an offense that directly relates to the duties and responsibilities of the administrator, employee, or representative, other than an offense for which points are assigned under Section 708.052, Transportation Code;

(2) has been convicted of or placed on deferred adjudication community supervision or deferred disposition for an offense, including:

(A) an offense listed in Sections 3g(a)(1)(A) through (H), Article 42.12, Code of Criminal Procedure; or

(B) an offense, other than an offense described by Subdivision (1), for which the person is subject to registration under Chapter 62, Code of Criminal Procedure; or

(3) has been convicted of Medicare or Medicaid fraud, has been excluded from participation in the state Medicaid program, or has a hold on payment for reimbursement under the state Medicaid program under Subchapter C, Chapter 531, Government Code.

(e) Notwithstanding Chapter 773, Health and Safety Code, as amended by this section, the Department of State Health Services may not issue any new emergency medical services provider licenses for the period beginning on September 1, 2013, and ending on February 28, 2015. The moratorium does not apply to the issuance of an emergency medical services provider license to a municipality, county, emergency services district, hospital, or emergency medical services volunteer provider organization in this state, or to an emergency medical services provider applicant who is applying to provide services in response to 9-1-1 calls and is located in a rural area, as that term is defined in Section 773.0045, Health and Safety Code.

(f) Section 773.0571, Health and Safety Code, as amended by this section, and Section 773.0573, Health and Safety Code, as added by this section, apply only to an application for approval of an emergency medical services provider license submitted to the Department of State Health Services on or after the effective date of this Act. An application submitted before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

(g) The changes in law made by this section apply only to an application for approval or renewal of an emergency medical services provider license submitted to the Department of State Health Services on or after the effective date of this Act. An application submitted before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 8. Section 32.0322, Human Resources Code, is amended by amending Subsection (b) and adding Subsections (b-1), (e), and (f) to read as follows:

(b) Subject to Subsections (b-1) and (e), the [The] executive commissioner of the Health and Human Services Commission by rule shall establish criteria for the department or the commission's office of inspector general to suspend a provider's billing privileges under the medical assistance program, revoke a provider's enrollment under the program, or deny a person's application to enroll as a provider under the program based on:

(1) the results of a criminal history check;

(2) any exclusion or debarment of the provider from participation in a state or federally funded health care program;

(3) the provider's failure to bill for medical assistance or refer clients for medical assistance within a 12-month period; or

(4) any of the provider screening or enrollment provisions contained in 42 C.F.R. Part 455, Subpart E.

(b-1) In adopting rules under this section, the executive commissioner of the Health and Human Services Commission shall require revocation of a provider's enrollment or denial of a person's application for enrollment as a provider under the medical assistance program if the person has been excluded or debarred from participation in a state or federally funded health care program as a result of:

(1) a criminal conviction or finding of civil or administrative liability for committing a fraudulent act, theft, embezzlement, or other financial misconduct under a state or federally funded health care program; or

(2) a criminal conviction for committing an act under a state or federally funded health care program that caused bodily injury to:

(A) a person who is 65 years of age or older;

(B) a person with a disability; or

(C) a person under 18 years of age.

(e) The department may reinstate a provider's enrollment under the medical assistance program or grant a person's previously denied application to enroll as a provider, including a person described by Subsection (b-1), if the department finds:

(1) good cause to determine that it is in the best interest of the medical assistance program; and

(2) the person has not committed an act that would require revocation of a provider's enrollment or denial of a person's application to enroll since the person's enrollment was revoked or application was denied, as appropriate.

(f) The department must support a determination made under Subsection (e) with written findings of good cause for the determination.

SECTION 9. Section 36.005, Human Resources Code, is amended by amending Subsection (b-1) and adding Subsections (e), (f), and (g) to read as follows:

(b-1) The period of ineligibility begins on the date on which the judgment finding the provider liable under Section 36.052 is entered by the trial court [determination that the provider is liable becomes final].

(e) Notwithstanding Subsection (b-1), the period of ineligibility for an individual licensed by a health care regulatory agency or a physician begins on the date on which the determination that the individual or physician is liable becomes final.

(f) For purposes of Subsection (e), a "physician" includes a physician, a professional association composed solely of physicians, a single legal entity authorized to practice medicine owned by two or more physicians, a nonprofit health corporation certified by the Texas Medical Board under Chapter 162, Occupations Code, or a partnership composed solely of physicians.

(g) For purposes of Subsection (e), "health care regulatory agency" has the meaning assigned by Section 774.001, Government Code.

SECTION 10. (a) The Health and Human Services Commission, in cooperation with the Department of State Health Services and the Texas Medical Board, shall:

(1) as soon as practicable after the effective date of this Act, conduct a thorough review of and solicit stakeholder input regarding the laws and policies related to the use of non-emergent services provided by ambulance providers under the medical assistance program established under Chapter 32, Human Resources Code;

(2) not later than January 1, 2014, make recommendations to the legislature regarding suggested changes to the law that would reduce the incidence of and opportunities for fraud, waste, and abuse with respect to the activities described by Subdivision (1) of this subsection; and

(3) amend the policies described by Subdivision (1) of this subsection as necessary to assist in accomplishing the goals described by Subdivision (2) of this subsection.

(b) This section expires September 1, 2015.

SECTION 11. (a) The Department of State Health Services, in cooperation with the Health and Human Services Commission and the Texas Medical Board, shall:

(1) as soon as practicable after the effective date of this Act, conduct a thorough review of and solicit stakeholder input regarding the laws and policies related to the licensure of nonemergency transportation providers;

(2) not later than January 1, 2014, make recommendations to the legislature regarding suggested changes to the law that would reduce the incidence of and opportunities for fraud, waste, and abuse with respect to the activities described by Subdivision (1) of this subsection; and

(3) amend the policies described by Subdivision (1) of this subsection as necessary to assist in accomplishing the goals described by Subdivision (2) of this subsection.

(b) This section expires September 1, 2015.

SECTION 12. (a) The Texas Medical Board, in cooperation with the Department of State Health Services and the Health and Human Services Commission, shall:

(1) as soon as practicable after the effective date of this Act, conduct a thorough review of and solicit stakeholder input regarding the laws and policies related to:

(A) the delegation of health care services by physicians or medical directors to qualified emergency medical services personnel; and

(B) physicians' assessment of patients' needs for purposes of ambulatory transfer or transport or other purposes;

(2) not later than January 1, 2014, make recommendations to the legislature regarding suggested changes to the law that would reduce the incidence of and opportunities for fraud, waste, and abuse with respect to the activities described by Subdivision (1) of this subsection; and

(3) amend the policies described by Subdivision (1) of this subsection as necessary to assist in accomplishing the goals described by Subdivision (2) of this subsection.

(b) This section expires September 1, 2015.

SECTION 13. (a) This section is a clarification of legislative intent regarding Subsection (s), Section 32.024, Human Resources Code, and a validation of certain Health and Human Services Commission acts and decisions.

(b) In 1999, the legislature became aware that certain children enrolled in the Medicaid program were receiving treatment under the program outside the presence of a parent or another responsible adult. The treatment of unaccompanied children under the Medicaid program resulted in the provision of unnecessary services to those children, the exposure of those children to unnecessary health and safety risks, and the submission of fraudulent claims by Medicaid providers.

(c) In addition, in 1999, the legislature became aware of allegations that certain Medicaid providers were offering money and other gifts in exchange for a parent's or child's consent to receive unnecessary services under the Medicaid program. In some cases, a child was offered money or gifts in exchange for the parent's or child's consent to have the child transported to a different location to receive unnecessary services. In some of those cases, once transported, the child received no treatment and was left unsupervised for hours before being transported home. The provision of money and other gifts by Medicaid providers in exchange for parents' or children's consent to services deprived those parents and children of the right to choose a Medicaid provider without improper inducement.

(d) In response, in 1999, the legislature enacted Chapter 766 (H.B. 1285), Acts of the 76th Legislature, Regular Session, 1999, which amended Section 32.024, Human Resources Code, by amending Subsection (s) and adding Subsection (s-1). As amended, Subsection (s), Section 32.024, Human Resources Code, requires that a child's parent or guardian or another adult authorized by the child's parent or guardian accompany the child at a visit or screening under the early and periodic screening, diagnosis, and treatment program in order for a Medicaid provider to be reimbursed for services provided at the visit or screening. As filed, the bill required a child's parent or guardian to accompany the child. The house committee report added the language allowing an adult authorized by the child's parent or guardian to accompany the child in order to accommodate a parent or guardian for whom accompanying the parent's or guardian's child to each visit or screening would be a hardship.

(e) The principal purposes of Chapter 766 (H.B. 1285), Acts of the 76th Legislature, Regular Session, 1999, were to prevent Medicaid providers from committing fraud, encourage parental involvement in and management of health care of children enrolled in the early and periodic screening, diagnosis, and treatment program, and ensure the safety of children receiving services under the Medicaid program. The addition of the language allowing an adult authorized by a child's parent or guardian to accompany the child furthered each of those purposes.

(f) The legislature, in amending Subsection (s), Section 32.024, Human Resources Code, understood that:

(1) the effectiveness of medical, dental, and therapy services provided to a child improves when the child's parent or guardian actively participates in the delivery of those services;

(2) a parent is responsible for the safety and well-being of the parent's child, and that a parent cannot casually delegate this responsibility to a stranger;

(3) a parent may not always be available to accompany the parent's child at a visit to the child's doctor, dentist, or therapist; and

(4) Medicaid providers and their employees and associates have a financial interest in the delivery of services under the Medicaid program and, accordingly, cannot fulfill the responsibilities of a parent or guardian when providing services to a child.

(g)(1) On March 15, 2012, the Health and Human Services Commission notified certain Medicaid providers that state law and commission policy require a child's parent or guardian or another properly authorized adult to accompany a child receiving services under the Medicaid program. This notice followed the commission's discovery that some providers were transporting children from schools to therapy clinics and other locations to receive therapy services. Although the children were not accompanied by a parent or guardian during these trips, the providers were obtaining reimbursement for the trips under the Medicaid medical transportation program. The commission clarified in the notice that, in order for a provider to be reimbursed for transportation services provided to a child under the Medicaid medical transportation program, the child must be accompanied by the child's parent or guardian or another adult who is not the provider and whom the child's parent or guardian has authorized to accompany the child by submitting signed, written consent to the provider.

(2) In May 2012, a lawsuit was filed to enjoin the Health and Human Services Commission from enforcing Subsection (s), Section 32.024, Human Resources Code, and 1 T.A.C. Section 380.207, as interpreted in certain notices issued by the commission. A state district court enjoined the commission from denying eligibility to a child for transportation services under the Medicaid medical transportation program if the child's parent or guardian does not accompany the child, provided that the child's parent or guardian authorizes any other adult to accompany the child. The court also enjoined the commission from requiring as a condition for a provider to be reimbursed for services provided to a child during a visit or screening under the early and periodic screening, diagnosis, and treatment program that the child be accompanied by the child's parent or guardian, provided that the child's parent or guardian authorizes another adult to accompany the child. The state has filed a notice of appeal of the court's order.

(3) The legislature declares that a rule or policy adopted by the Health and Human Services Commission before the effective date of this Act to require that, in order for a Medicaid provider to be reimbursed for services provided to a child under the early and periodic screening, diagnosis, and treatment program or the medical transportation program, the child must be accompanied by the child's parent or guardian or another adult whom the child's parent or guardian has authorized to accompany the child is conclusively presumed, as of the date the rule or policy was adopted, to be a valid exercise of the commission's authority and consistent with the intent of the legislature, provided that the rule or policy:

(A) was adopted pursuant to Subsection (s), Section 32.024, Human Resources Code; and

(B) prohibits the child's parent or guardian from authorizing the provider or the provider's employee or associate as an adult who may accompany the child.

(4) Subdivision (3) of this subsection does not apply to:

(A) an action or decision that was void at the time the action was taken or the decision was made;

(B) an action or decision that violates federal law or the terms of a federal waiver; or

(C) an action or decision that, under a statute of this state or the United States, was a misdemeanor or felony at the time the action was taken or the decision was made.

(5) This section does not apply to:

(A) an action or decision that was void at the time the action was taken or the decision was made;

(B) an action or decision that violates federal law or the terms of a federal waiver; or

(C) an action or decision that, under a statute of this state or the United States, was a misdemeanor or felony at the time the action was taken or the decision was made.

SECTION 14. As soon as practicable after the effective date of this Act, the executive commissioner of the Health and Human Services Commission shall establish the data analysis unit required under Section 531.0082, Government Code, as added by this Act. The data analysis unit shall provide the initial update required under Subsection (d), Section 531.0082, Government Code, as added by this Act, not later than the 30th day after the last day of the first complete calendar quarter occurring after the date the unit is established.

SECTION 15. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 16. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 8** (house committee printing) on page 10 by striking lines 11 through 18 and substituting the following:

(5) the applicant holds a letter of approval issued under Section 773.0573 by the governing body of the municipality or the commissioner's court of the county in which the applicant is located and is applying to provide emergency medical services, as applicable;

(6) the applicant employs a medical director; and

(7) the applicant [emergency medical services provider] complies with the rules adopted [by the board] under this chapter.

Floor Amendment No. 2

Amend **CSSB 8** (house committee printing) as follows:

(1) On page 12, between lines 26 and 27, insert the following:

(e) Subsection (a)(2) does not apply to an emergency medical services provider that held a license on September 1, 2013, and has an administrator of record who has at least eight years of experience providing emergency medical services.

(2) On page 12, line 27, strike "(e)" and substitute "(f)".

Floor Amendment No. 3

Amend **CSSB 8** (house committee report) by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS of the bill appropriately:

SECTION ____ . Section 533.005(a-1), Government Code, is amended to read as follows:

(a-1) The requirements imposed by Subsections (a)(23)(A), (B), and (C) do not apply, and may not be enforced, on and after August 31, 2018 [2013].

Floor Amendment No. 4

Amend **CSSB 8** (house committee printing) on page 7, line 19, immediately following the period, by inserting "The term does not include an emergency medical services provider licensed under Chapter 773, Health and Safety Code, unless the provider contracts to provide medical transportation program services."

Floor Amendment No. 5

Amend **CSSB 8** (house committee report) as follows:

(1) On page 7, line 17, between "entity" and "that", insert "or political subdivision of this state".

(2) On page 7, line 20, strike "Subsection (h)," and substitute "Subsection (i),".

(3) On page 8, line 8, between "process" and the underlined period, insert "for each managed transportation region as determined by the commission".

(4) On page 8, line 19, strike "To the extent allowed under federal law, a", and substitute "A".

(5) On page 8, line 22, between "vehicles" and the underlined period, insert ". The commission shall seek appropriate federal waivers or other authorizations to implement this subsection as necessary".

(6) On page 9, line 2, between "transportation" and "providers", insert "organizations and".

(7) On page 9, strike lines 5 through 9 and substitute the following:

(h) Instead of procuring managed transportation organizations under Subsection (c), the commission may approve or enter into a contract or interlocal agreement with transportation service area providers to consolidate and coordinate transportation service delivery activities under the medical transportation program if the providers are transportation service area providers on August 31, 2013, and collectively provide services in no fewer than three contiguous rural or small urban transit districts created under Chapter 458, Transportation Code. A contract or agreement entered into under this subsection must:

(1) be executed not later than December 30, 2013;

(2) be for a term that does not exceed two years; and

(3) be designed to allow for the evaluation of the following in the medical transportation program:

- (A) cost-saving measures;
- (B) efficiencies;
- (C) best practices; and
- (D) sources of matching funds.

(i) The commission may delay providing medical transportation program services through a managed transportation delivery model in areas of this state in which the commission on September 1, 2013, is operating a full-risk transportation broker model.

- (j) Subsection (h) and this subsection expire on the earlier of:
 - (1) the date any contract entered into under Subsection (h) terminates; or
 - (2) August 31, 2015.

(8) On page 9, line 14, strike "(h)" and substitute "(i)".

Floor Amendment No. 6

Amend **CSSB 8** (house committee report) on page 9, between lines 9 and 10, by inserting the following:

(h-1) Notwithstanding Subsection (h), the commission may not delay providing medical transportation program services through a managed transportation delivery model in:

- (1) a county with a population of 750,000 or more:

(A) in which all or part of a municipality with a population of one million or more is located; and

(B) that is located adjacent to a county with a population of two million or more; or

(2) a county with a population of at least 55,000 but not more than 65,000, that is located adjacent to a county with a population of at least 500,000 but not more than 1.5 million.

Floor Amendment No. 7

Amend **CSSB 8** (house committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 32.073, Human Resources Code, is amended by adding Subsection (c) to read as follows:

(c) Not later than the second anniversary of the date national standards for electronic prior authorization of benefits are adopted, the Health and Human Services Commission shall require a health benefit plan issuer participating in the medical assistance program or the agent of the health benefit plan issuer that manages or administers prescription drug benefits to exchange prior authorization requests electronically with a prescribing provider participating in the medical assistance program who has electronic prescribing capability and who initiates a request electronically.

SECTION _____. (a) The Health and Human Services Commission shall study the feasibility of developing and implementing a single standard prior authorization form to be used for requesting prior authorization for prescription drugs in the medical

assistance program by participating prescribers who do not have electronic prescribing capability and are not able to initiate electronic prior authorization requests. The commission shall complete the study not later than December 31, 2014.

(b) If the Health and Human Services Commission determines that developing and implementing the form described in Subsection (a) of this section is feasible, will reduce administrative burdens, and is cost-effective, the commission shall adjust contracts with participating health benefit plan issuers and participating health benefit plan administrators to require acceptance of the form.

Floor Amendment No. 8

Amend **CSSB 8** (house committee printing) by adding the following SECTION, appropriately numbered, to the bill and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter C, Chapter 281, Health and Safety Code, is amended by adding Section 281.0518 to read as follows:

Sec. 281.0518. DALLAS COUNTY HOSPITAL DISTRICT; AUTHORITY TO SELL OR LICENSE INTELLECTUAL PROPERTY. (a) The Dallas County Hospital District or a nonprofit corporation formed by the district may:

(1) sell or license technology or intellectual property that is owned by or licensed to the district or a nonprofit corporation formed by the district;

(2) enter into a contract to provide services related to technology or intellectual property sold or licensed under Subdivision (1);

(3) contract, collaborate, or enter into a joint venture or other agreement with a public or private entity to engage in an activity authorized under Subdivision (1) or (2); or

(4) take any other action necessary to protect or benefit from the exclusivity of technology and intellectual property owned by or licensed to the district or a nonprofit corporation formed by the district, including applying for, acquiring, registering, securing, holding, protecting, and renewing under applicable provisions of state, federal, or international law:

(A) a patent;

(B) a copyright;

(C) a trademark, service mark, collective mark, or certification mark; or

(D) any other form of protection of intellectual property provided by

law.

(b) Information prepared or compiled by or for the Dallas County Hospital District or a nonprofit corporation formed by the district relating to the development of technology or intellectual property to which this section applies is exempt from public disclosure under Chapter 552, Government Code.

Floor Amendment No. 9

Amend **CSSB 8** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) The office of inspector general of the Health and Human Services Commission shall review the manner in which:

(1) the office investigates fraud, waste, and abuse in the supplemental nutrition assistance program under Chapter 33, Human Resources Code, including in the provision of benefits under that program; and

(2) the office coordinates with other state and federal agencies in conducting those investigations.

(b) Not later than September 1, 2014, and based on the review required by Subsection (a) of this section, the office of inspector general of the Health and Human Services Commission shall submit to the legislature a written report containing strategies for addressing fraud, waste, and abuse in the supplemental nutrition assistance program under Chapter 33, Human Resources Code, including in the provision of benefits under that program.

(c) This section expires January 1, 2015.

Floor Amendment No. 10

Amend **CSSB 8** (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Not later than August 31, 2014, the state auditor's office shall perform a study and issue a report concerning the indictment and criminal prosecution for Medicaid fraud under Section 35A.02, Penal Code, of employees of the San Antonio, Texas, call center for the medical transportation program established under Section 531.02414, Government Code. The study and report must review the following actions of the Health and Human Services Commission and the commission's office of inspector general:

(1) efforts to prevent Medicaid fraud at the call center; and

(2) responses to incidents of Medicaid fraud at the call center.

(b) This section expires September 1, 2015.

Floor Amendment No. 11

Amend **CSSB 8** (house committee printing) on page 27, between lines 3 and 4, by inserting the following:

(h) Notwithstanding Subsections (a) through (g) of this section, the Health and Human Services Commission may not recoup from a provider any reimbursement or portion of a reimbursement paid for Medicaid services, impose a requirement on a provider as a condition for reimbursement for Medicaid services, or take any other adverse action against a provider that relates to conduct by the provider that is inconsistent with or violates the rule or policy contained in Subsection (g)(3) of this section and that occurred before the effective date of this Act, unless the commission initiated the specific action with respect to the provider before the effective date of this Act.

Floor Amendment No. 13

Amend **CSSB 8** (house committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Article 2.12, Code of Criminal Procedure, is amended to read as follows:

Art. 2.12. WHO ARE PEACE OFFICERS. The following are peace officers:

- (1) sheriffs, their deputies, and those reserve deputies who hold a permanent peace officer license issued under Chapter 1701, Occupations Code;
- (2) constables, deputy constables, and those reserve deputy constables who hold a permanent peace officer license issued under Chapter 1701, Occupations Code;
- (3) marshals or police officers of an incorporated city, town, or village, and those reserve municipal police officers who hold a permanent peace officer license issued under Chapter 1701, Occupations Code;
- (4) rangers and officers commissioned by the Public Safety Commission and the Director of the Department of Public Safety;
- (5) investigators of the district attorneys', criminal district attorneys', and county attorneys' offices;
- (6) law enforcement agents of the Texas Alcoholic Beverage Commission;
- (7) each member of an arson investigating unit commissioned by a city, a county, or the state;
- (8) officers commissioned under Section 37.081, Education Code, or Subchapter E, Chapter 51, Education Code;
- (9) officers commissioned by the General Services Commission;
- (10) law enforcement officers commissioned by the Parks and Wildlife Commission;
- (11) airport police officers commissioned by a city with a population of more than 1.18 million located primarily in a county with a population of 2 million or more that operates an airport that serves commercial air carriers;
- (12) airport security personnel commissioned as peace officers by the governing body of any political subdivision of this state, other than a city described by Subdivision (11), that operates an airport that serves commercial air carriers;
- (13) municipal park and recreational patrolmen and security officers;
- (14) security officers and investigators commissioned as peace officers by the comptroller;
- (15) officers commissioned by a water control and improvement district under Section 49.216, Water Code;
- (16) officers commissioned by a board of trustees under Chapter 54, Transportation Code;
- (17) investigators commissioned by the Texas Medical Board;
- (18) officers commissioned by:
 - (A) the board of managers of the Dallas County Hospital District, the Tarrant County Hospital District, the Bexar County Hospital District, or the El Paso County Hospital District under Section 281.057, Health and Safety Code; and
 - (B) the board of directors of the Ector County Hospital District under Section 1024.117, Special District Local Laws Code;
- (19) county park rangers commissioned under Subchapter E, Chapter 351, Local Government Code;
- (20) investigators employed by the Texas Racing Commission;
- (21) officers commissioned under Chapter 554, Occupations Code;

(22) officers commissioned by the governing body of a metropolitan rapid transit authority under Section 451.108, Transportation Code, or by a regional transportation authority under Section 452.110, Transportation Code;

(23) investigators commissioned by the attorney general under Section 402.009, Government Code;

(24) security officers and investigators commissioned as peace officers under Chapter 466, Government Code;

(25) an officer employed by the Department of State Health Services under Section 431.2471, Health and Safety Code;

(26) officers appointed by an appellate court under Subchapter F, Chapter 53, Government Code;

(27) officers commissioned by the state fire marshal under Chapter 417, Government Code;

(28) an investigator commissioned by the commissioner of insurance under Section 701.104, Insurance Code;

(29) apprehension specialists and inspectors general commissioned by the Texas Juvenile Justice Department as officers under Sections 242.102 and 243.052, Human Resources Code;

(30) officers appointed by the inspector general of the Texas Department of Criminal Justice under Section 493.019, Government Code;

(31) investigators commissioned by the Commission on Law Enforcement Officer Standards and Education under Section 1701.160, Occupations Code;

(32) commission investigators commissioned by the Texas Private Security Board under Section 1702.061(f), Occupations Code;

(33) the fire marshal and any officers, inspectors, or investigators commissioned by an emergency services district under Chapter 775, Health and Safety Code;

(34) officers commissioned by the State Board of Dental Examiners under Section 254.013, Occupations Code, subject to the limitations imposed by that section;

(35) investigators commissioned by the Texas Juvenile Justice Department as officers under Section 221.011, Human Resources Code; ~~and~~

(36) the fire marshal and any related officers, inspectors, or investigators commissioned by a county under Subchapter B, Chapter 352, Local Government Code; ~~and~~

(37) officers employed and commissioned by the Health and Human Services Commission's office of inspector general under Section 531.1022, Government Code, or Section 552.002 or 555.101, Health and Safety Code.

SECTION _____. Sections 411.1143(a) and (a-1), Government Code, are amended to read as follows:

(a) The Health and Human Services Commission, an agency operating part of the medical assistance program under Chapter 32, Human Resources Code, or the office of inspector general established under Chapter 531, Government Code, is entitled to obtain from the department the criminal history record information

maintained by the department that relates to a provider or recipient under the medical assistance program or a person applying to enroll as a provider under the medical assistance program.

(a-1) Criminal history record information an agency or the office of inspector general is authorized to obtain under Subsection (a) includes criminal history record information relating to:

(1) a person with a direct or indirect ownership or control interest, as defined by 42 C.F.R. Section 455.101, in a provider of five percent or more; ~~and~~

(2) a person whose information is required to be disclosed in accordance with 42 C.F.R. Part 1001; and

(3) a person who may have knowledge relevant to an investigation of a provider, a recipient, or an applicant for provider enrollment relating to fraud, abuse, or misrepresentation under the medical assistance program.

SECTION _____. Subchapter C, Chapter 531, Government Code, is amended by adding Section 531.1022 to read as follows:

Sec. 531.1022. PEACE OFFICERS. The commission's office of inspector general may employ and commission peace officers for the purpose of assisting the office in carrying out the duties of the office relating to the investigation of fraud, waste, and abuse in publicly funded health and human services programs. A peace officer employed and commissioned by the office is a peace officer for purposes of Article 2.12, Code of Criminal Procedure.

SECTION _____. Subchapter A, Chapter 552, Health and Safety Code, is amended by adding Section 552.002 to read as follows:

Sec. 552.002. PEACE OFFICERS. The Health and Human Services Commission's office of inspector general shall employ and commission peace officers for the purpose of assisting a state or local law enforcement agency in the investigation of an alleged criminal offense involving a patient at a state hospital. A peace officer employed and commissioned by the office is a peace officer for purposes of Article 2.12, Code of Criminal Procedure.

Floor Amendment No. 14

Amend **CSSB 8** (house committee printing) as follows:

(1) On page 23, between lines 19 and 20, insert the following new subsection:

(e) The legislature finds that it is a hardship for a parent or guardian to accompany the parent's or guardian's child to each visit or screening under the early and periodic screening, diagnosis, and treatment program if the child lives in single parent or guardian family and the parent or guardian:

(1) has a full-time job;

(2) attends school full-time;

(3) is the caretaker of two or more children and does not have access to child care;

(4) is disabled or ill; or

(5) is the primary caregiver of a person who is disabled or ill.

(2) On page 23, line 20, strike "(e)" and substitute "(f)".

(3) On page 24, line 2, strike "(f)" and substitute "(g)".

(4) On page 24, line 18, strike "(g)(1)" and substitute "(h)(1)".

Floor Amendment No. 15

Amend **CSSB 8** (house committee printing) on page 3 by striking lines 9 through 16 and substituting the following:

(A) engaging in a marketing activity, including any dissemination of material or other attempt to communicate, that is intended to influence the choice of provider by a Medicaid client or a parent whose child is enrolled in the Medicaid or child health plan program, if the marketing activity:

(i) is conducted at an educational event, community event, health fair, outreach activity, or other similar event in which the provider participates, regardless of whether the event takes place at a facility and notwithstanding Subsection (a); or

(ii) involves only the general dissemination of information, including by television, radio, newspaper, or billboard advertisement, and does not involve unsolicited personal contact;

Floor Amendment No. 16

Amend **CSSB 8** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.02613 to read as follows:

Sec. 32.02613. LIFE INSURANCE ASSETS; LIFE INSURANCE POLICY CONVERSION. (a) For purposes of this section, "long-term care services and support" includes home health care, assisted living, and nursing home services.

(b) The owner of a life insurance policy with a face amount of more than \$10,000 may enter into a life settlement contract under Chapter 1111A, Insurance Code, for the benefit of a recipient of long-term care services and support in exchange for direct payments to:

(1) a health care provider for the provision of those services to that recipient; or

(2) the state to offset the costs of providing those services to that recipient under the medical assistance program.

(c) The proceeds of a life settlement contract entered into under this section must be used for the payment of long-term care services and support, except for the amount specified in Subsection (d)(1). To the extent feasible and allowed under federal law, the medical assistance program may act only as the secondary payor for long-term care services and support provided to a person who is eligible for medical assistance and for whose benefit an owner of a life insurance policy has entered into a life settlement contract under this section.

(d) In addition to the requirements under Chapter 1111A, Insurance Code, a life settlement contract entered into under this section must:

(1) provide that the lesser of five percent of the face amount of the life insurance policy or \$5,000 is reserved and is payable to the owner's estate or a named beneficiary for funeral expenses;

(2) provide that the balance of proceeds under the life settlement contract that are unpaid on the death of the owner must be paid to the owner's estate or a named beneficiary; and

(3) specify the total amount payable for the benefit of the recipient of long-term care services and support under the life settlement contract.

(e) All proceeds of a life settlement contract entered into under this section must be held in an irrevocable state or federally insured account for the benefit of the recipient of long-term care services and support or for payment as otherwise required by this section.

(f) Only a recipient of long-term care services and support for whose benefit an owner enters into a life settlement contract under this section may choose the provider and type of services provided to the recipient and paid for out of an account described by Subsection (e). Any attempt by a person to require the recipient to choose a specific provider is strictly prohibited and constitutes an unfair method of competition or an unfair or deceptive act or practice under the Insurance Code.

(g) A person who enters into a life settlement contract with an owner of a life insurance policy under this section must maintain:

(1) a surety bond executed and issued by an insurer authorized to issue surety bonds in this state;

(2) a policy of errors and omissions insurance; or

(3) a deposit in the amount of \$500,000 in any combination of cash, certificates of deposit, or securities.

(h) In accordance with the requirements of Chapter 1111A, Insurance Code, a life settlement contract provider who enters into life settlement contracts with owners of life insurance policies under this section must file with the Texas Department of Insurance:

(1) all life settlement contract forms used by the provider; and

(2) all advertising and marketing materials used by the provider.

(i) Section 1111A.022(a)(2)(A), Insurance Code, does not apply to a life insurance policy that is the subject of a life settlement contract entered into under this section if the contract has been in force at least five years.

(j) A claim against a life settlement contract provider with whom an owner of a life insurance policy enters into a life settlement contract under this section by the owner, the owner's estate, a named beneficiary, or any other person with respect to the contract may not exceed the face amount of the policy, less the proceeds paid under the contract, plus the total amount of premiums paid by the owner since entering into the contract. A life settlement contract provider must pay a claim under this subsection from the funds in an account described by Subsection (e).

(k) In accordance with Chapter 1111A, Insurance Code, the Texas Department of Insurance may conduct periodic market examinations of each life settlement contract provider who enters into a life settlement contract with an owner of a life insurance policy under this section.

(l) The department shall educate applicants for long-term care services and support under the medical assistance program about options for life insurance policies, including options that do not allow a life insurance policy to be considered as an asset or resource in determining eligibility for medical assistance.

(m) The executive commissioner of the Health and Human Services Commission, in consultation with the commissioner of insurance, shall adopt rules necessary to implement this section. The rules must ensure that:

(1) proceeds from a life settlement contract are used to reimburse a provider of long-term care services and support or the state to offset the cost of medical assistance long-term care services and support;

(2) eligibility and need for medical assistance are determined without considering the balance of proceeds from a life settlement contract as provided in this section; and

(3) payments to a provider of long-term care services and support and applied income payments are made in accordance with this chapter.

(n) The entry into a life settlement contract by an owner of a life insurance policy under this section is not the only method by which the owner may avoid having the policy considered as an asset or resource in determining the eligibility of the owner for medical assistance.

(o) Notwithstanding the provisions of this section, the department may not implement a provision of this section if the commission determines that implementation of the provision is not cost-effective or feasible.

(b) Subject to Section 32.02613(o), Human Resources Code, as added by this section, the executive commissioner of the Health and Human Services Commission shall adopt rules necessary to implement Section 32.02613, Human Resources Code, as added by this section, not later than January 1, 2014.

(c) The change in law made by this section applies only to a determination of eligibility of a person for medical assistance benefits made on or after January 1, 2014, subject to Section 32.02613(o), Human Resources Code, as added by this section. A determination of eligibility made before January 1, 2014, is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

The amendments were read.

Senator Nelson moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 8** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Nelson, Chair; Deuell, Schwertner, Huffman, and Uresti.

SENATE BILL 58 WITH HOUSE AMENDMENTS
(Motion In Writing)

Senator Nelson submitted a Motion In Writing to call **SB 58** from the President's table for consideration of the House amendments to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 58** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the integration of behavioral health and physical health services into the Medicaid managed care program.

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

SECTION 1. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.00255 to read as follows:

Sec. 533.00255. BEHAVIORAL HEALTH AND PHYSICAL HEALTH SERVICES NETWORK. (a) In this section, "behavioral health services" means mental health and substance abuse disorder services, other than those provided through the NorthSTAR demonstration project.

(b) The commission shall, to the greatest extent possible, integrate into the Medicaid managed care program implemented under this chapter the following services for Medicaid-eligible persons:

(1) behavioral health services, including targeted case management and psychiatric rehabilitation services; and

(2) physical health services.

(c) A managed care organization that contracts with the commission under this chapter shall develop a network of public and private providers of behavioral health services and ensure adults with serious mental illness and children with serious emotional disturbance have access to a comprehensive array of services.

(d) In implementing this section, the commission shall ensure that:

(1) an appropriate assessment tool is used to authorize services;

(2) providers are well-qualified and able to provide an appropriate array of services;

(3) appropriate performance and quality outcomes are measured;

(4) two health home pilot programs are established in two health service areas, representing two distinct regions of the state, for persons who are diagnosed with:

(A) a serious mental illness; and

(B) at least one other chronic health condition;

(5) a health home established under a pilot program under Subdivision (4) complies with the principles for patient-centered medical homes described in Section 533.0029; and

(6) all behavioral health services provided under this section are based on an approach to treatment where the expected outcome of treatment is recovery.

(e) The commission and the Department of State Health Services shall establish a Behavioral Health Integration Advisory Committee:

(1) whose membership must include:

(A) individuals with behavioral health conditions who are current or former recipients of publicly funded behavioral health services;

(B) representatives of managed care organizations that have expertise in offering behavioral health services; and

(C) public and private providers of behavioral health services; and

(2) that shall:

(A) meet at least quarterly to address the planning and development needs of the behavioral health services network established under this section;

(B) seek input from the behavioral health community on the implementation of this section; and

(C) issue formal recommendations to the commission regarding the implementation of this section.

(f) The commission shall provide administrative support to facilitate the duties of the advisory committee established under Subsection (e). This subsection and Subsection (e) expire September 1, 2017.

(g) The commission shall, if the commission determines that it is cost-effective and beneficial to recipients, include a peer specialist as a benefit to recipients or as a provider type.

(h) To the extent of any conflict between this section and any other law relating to behavioral health services, this section prevails.

(i) The executive commissioner shall adopt rules necessary to implement this section.

SECTION 2. Not later than December 1, 2013, the Health and Human Services Commission shall establish the Behavioral Health Integration Advisory Committee required by Section 533.00255, Government Code, as added by this Act.

SECTION 3. Not later than September 1, 2014, the Health and Human Services Commission shall complete the integration of behavioral health and physical health services required by Section 533.00255, Government Code, as added by this Act.

SECTION 4. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 5. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 58** to read as follows:

Amend Sec. 533.00255(e)(1) by adding Subsection (D):

(D) providers of behavioral health services who are both Medicaid primary care providers and providers for individuals that are dually eligible for Medicaid and Medicare; and

Floor Amendment No. 2

Amend **CSSB 58** (house committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS accordingly:

SECTION _____. Subchapter D, Chapter 1001, Health and Safety Code, is amended by adding Section 1001.078 to read as follows:

Sec. 1001.078. MENTAL HEALTH AND SUBSTANCE ABUSE PUBLIC REPORTING SYSTEM. (a) The department, in collaboration with the commission, shall establish and maintain a public reporting system of performance and outcome measures relating to mental health and substance abuse services established by the Legislative Budget Board, the department, and the commission. The system must allow external users to view and compare the performance, outputs, and outcomes of:

(1) community centers established under Subchapter A, Chapter 534, that provide mental health services;

(2) Medicaid managed care pilot programs that provide mental health services; and

(3) agencies, organizations, and persons that contract with the state to provide substance abuse services.

(b) The system must allow external users to view and compare the performance, outputs, and outcomes of the Medicaid managed care programs that provide mental health services.

(c) The department shall post the performance, output, and outcome measures on the department's website so that the information is accessible to the public. The department shall post the measures quarterly or semiannually in accordance with when the measures are reported to the department.

(d) The department shall consider public input in determining the appropriate outcome measures to collect in the public reporting system. To the extent possible, the department shall include outcome measures that capture inpatient psychiatric care diversion, avoidance of emergency room use, criminal justice diversion, and the numbers of people who are homeless served.

(e) The commission shall conduct a study to determine the feasibility of establishing and maintaining the public reporting system, including, to the extent possible, the cost to the state and impact on managed care organizations and providers of collecting the outcome measures required by Subsection (d). Not later than December 1, 2014, the commission shall report the results of the study to the legislature and appropriate legislative committees.

(f) The department shall ensure that information reported through the public reporting system does not permit the identification of an individual.

SECTION ____. Not later than December 1, 2013, the Department of State Health Services shall establish the public reporting system as required under Section 1001.078, Health and Safety Code, as added by this Act.

SECTION ____. Not later than December 1, 2014, the Department of State Health Services shall submit a report to the legislature and the Legislative Budget Board on the development of the public reporting system as required by Section 1001.078, Health and Safety Code, as added by this Act, and the outcome measures collected.

Floor Amendment No. 3

Amend **CSSB 58** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. Subtitle 1, Title 4, Government Code, is amended by adding Chapter 539 to read as follows:

CHAPTER 539. COMMUNITY COLLABORATIVESSec. 539.001. DEFINITIONS. In this chapter:(1) "Department" means the Department of State Health Services.(2) "Executive commissioner" means the executive commissioner of the Health and Human Services Commission.Sec. 539.002. GRANTS FOR ESTABLISHMENT AND EXPANSION OF COMMUNITY COLLABORATIVES. (a) To the extent funds are appropriated to the department for that purpose, the department shall make grants to entities, including local governmental entities, nonprofit community organizations, and faith-based community organizations, to establish or expand community collaboratives that bring the public and private sectors together to provide services to and coordinate the care of persons who are homeless, persons with mental illness, and persons with substance abuse problems.(b) The amount of a grant made to an entity by the department under this section may not exceed \$7.5 million and, up to that amount, shall be equal to the amount of money provided to the entity from private funding sources for the establishment or expansion of a community collaborative.Sec. 539.003. ACCEPTABLE USES OF GRANT MONEY. An entity shall use money received from a grant made by the department and private funding sources for the establishment or expansion of a community collaborative, provided that the collaborative must be self-sustaining within seven years. Acceptable uses for the money include:(1) the development of the infrastructure of the collaborative and the start-up costs of the collaborative;(2) the establishment, operation, or maintenance of other community service providers in the community served by the collaborative, including intake centers, detoxification units, sheltering centers for food, workforce training centers, microbusinesses, and educational centers;(3) the provision of clothing, hygiene products, and medical services to and the arrangement of transitional and permanent residential housing for persons served by the collaborative;(4) the provision of mental health services and substance abuse treatment not readily available in the community served by the collaborative;(5) the provision of information, tools, and resource referrals to assist persons served by the collaborative in addressing the needs of their children; and(6) the establishment and operation of coordinated intake processes, including triage procedures, to protect the public safety in the community served by the collaborative.Sec. 539.004. ELEMENTS OF COMMUNITY COLLABORATIVES. (a) If appropriate, an entity shall incorporate into the community collaborative operated by the entity the use of the Homeless Management Information System, transportation plans, and case managers. An entity shall also consider incorporating into a collaborative mentoring and volunteering opportunities, strategies to assist homeless youth and homeless families with children, strategies to reintegrate persons who were

recently incarcerated into the community, services for veterans, and strategies for persons served by the collaborative to participate in the planning, governance, and oversight of the collaborative.

(b) The focus of a community collaborative shall be the eventual successful transition of persons from receiving services from the collaborative to becoming integrated into the community served by the collaborative through community relationships and family supports.

Sec. 539.005. OUTCOME MEASURES FOR COMMUNITY COLLABORATIVES. Each entity that receives a grant from the department to establish or expand a community collaborative shall select at least four of the following outcome measures that the entity will focus on meeting through the implementation and operation of the collaborative:

(1) persons served by the collaborative will find employment that results in those persons having incomes that are at or above 100 percent of the federal poverty level;

(2) persons served by the collaborative will find permanent housing;

(3) persons served by the collaborative will complete alcohol or substance abuse programs;

(4) the collaborative will help start social businesses in the community or engage in job creation, job training, or other workforce development activities;

(5) there will be a decrease in the use of jail beds by persons served by the collaborative;

(6) there will be a decrease in the need for emergency care by persons served by the collaborative;

(7) there will be a decrease in the number of children whose families lack adequate housing referred to the Department of Family and Protective Services or a local entity responsible for child welfare; and

(8) any other appropriate outcome measure that measures whether a collaborative is meeting a specific need of the community served by the collaborative and that is approved by the department.

Sec. 539.006. ANNUAL REVIEW OF OUTCOME MEASURES. The department shall contract with an independent third party to verify annually whether a community collaborative is meeting the outcome measures under Section 539.005 selected by the entity that operates the collaborative.

Sec. 539.007. REDUCTION AND CESSATION OF FUNDING. The department shall establish processes by which the department may reduce or cease providing funding to an entity if the community collaborative operated by the entity does not meet the outcome measures selected by the entity for the collaborative under Section 539.005 or is not self-sustaining after seven years. The department shall redistribute any funds withheld from an entity under this section to other entities operating high-performing collaboratives on a competitive basis.

Sec. 539.008. RULES. The executive commissioner shall adopt any rules necessary to implement the community collaborative grant program established under this chapter, including rules to establish the requirements for an entity to be eligible to

receive a grant, the required elements of a community collaborative operated by an entity, and permissible and prohibited uses of money received by an entity from a grant made by the department under this chapter.

Floor Amendment No. 4

Amend **CSSB 58** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 533, Health and Safety Code, is amended by adding Section 533.054 to read as follows:

Sec. 533.054. MANAGED CARE MODEL FOR DELIVERY OF BEHAVIORAL HEALTH SERVICES IN CERTAIN LOCAL SERVICE AREAS. (a) Notwithstanding any other law, the community stakeholders in a local mental health authority's local service area may petition the commission for authorization for the delivery of behavioral health services in the area through a managed care model in which an independent behavioral health organization, through the local network development plan process, establishes and maintains a network of local public and private behavioral health service providers who provide services under contract with the organization.

(b) A behavioral health service delivery system established under this section:

(1) must include:

(A) the integration of behavioral health services and substance abuse treatment;

(B) separate entities for providing behavioral health services and for overseeing the provision of those services; and

(C) open behavioral health service provider networks;

(2) must integrate behavioral health services, including targeted case management and psychiatric rehabilitation services, and physical health services; and

(3) may not have waiting lists for behavioral health services.

(c) The executive commissioner shall adopt any rules necessary to implement and administer this section.

The amendments were read.

Senator Nelson moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 58** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Nelson, Chair; Nichols, Huffman, Uresti, and Taylor.

SENATE BILL 358 WITH HOUSE AMENDMENT
(Motion In Writing)

Senator Hinojosa submitted a Motion In Writing to call **SB 358** from the President's table for consideration of the House amendment to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1 on Third Reading

Amend **SB 358** on third reading as follows:

(1) On page 1, lines 16-17, strike "an uncorroborated polygraph statement" and substitute "the uncorroborated results of a polygraph examination, except that the uncorroborated results of a polygraph examination may be used to determine whether or not a defendant charged with an offense for which registration is required under Chapter 62 has successfully completed a court-ordered sex offender treatment program".

(2) On page 2, lines 11-12, strike "an uncorroborated polygraph statement" and substitute "the uncorroborated results of a polygraph examination, except that the uncorroborated results of a polygraph examination may be used to determine whether or not a defendant charged with an offense for which registration is required under Chapter 62 has successfully completed a court-ordered sex offender treatment program".

(3) On page 3, lines 1-2, strike "an uncorroborated polygraph statement" and substitute "the uncorroborated results of a polygraph examination, except that the uncorroborated results of a polygraph examination may be used to determine whether or not a releasee who is required to register under Chapter 62, Code of Criminal Procedure, has successfully completed a sex offender treatment program that was required as a condition of release".

The amendment was read.

Senator Hinojosa moved that the Senate do not concur in the House amendment, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 358** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Hinojosa, Chair; Whitmire, Huffman, Williams, and Eltife.

SENATE BILL 396 WITH HOUSE AMENDMENT
(Motion In Writing)

Senator Hegar submitted a Motion In Writing to call **SB 396** from the President's table for consideration of the House amendment to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1 on Third Reading

Amend **SB 396** on third reading, on page 4, line 8, between "investigations" and the period, by inserting ", including an assignment involving the Parks and Wildlife Department or any other state law enforcement agency".

The amendment was read.

Senator Hegar moved that the Senate do not concur in the House amendment, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 396** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Hegar, Chair; Ellis, Estes, Huffman, and Williams.

**SENATE BILL 578 WITH HOUSE AMENDMENT
(Motion In Writing)**

Senator Duncan submitted a Motion In Writing to call **SB 578** from the President's table for consideration of the House amendment to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 578** as follows:

(1) On page 1, lines 14 through 15, strike the recital in SECTION 2 of the bill and substitute the following:

Section 43.007, Election Code, is amended by amending Subsection (a) and adding Subsection (m) to read as follows:

(2) On page 2 of the bill, between lines 14 and 15, insert the following:

(m) The commissioners court shall appoint election judges for countywide polling places in accordance with Section 32.002, except that the number of presiding election judges affiliated or aligned with a political party as compared to the number of total countywide polling places shall be in proportion to the percentage of votes that party's nominee for governor received in the county in the most recent gubernatorial general election.

The amendment was read.

Senator Duncan moved that the Senate do not concur in the House amendment, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 578** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Duncan, Chair; Fraser, Lucio, Paxton, and Van de Putte.

SENATE BILL 910 WITH HOUSE AMENDMENTS

Senator Duncan called **SB 910** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 910** as follows:

(1) Add a new Section ____ that amends Section 145.092(a), Election Code, to read as follows:

(a) Except as otherwise provided by this section, a candidate may not withdraw from an election after 5 p.m. of the fifth [~~third~~] day after the deadline for filing the candidate's application for a place on the ballot.

(2) In Section 14 of the bill, amend Section 145.096(a), Election Code, to read as follows:

(a) Except as provided by Subsection (b), a candidate's name shall be placed on the ballot if the candidate:

(1) Dies on or after the second day before the deadline for filing the candidate's application for a place on the ballot;

(2) is declared ineligible after 5 p.m. of the fifth [~~second~~] day after the deadline for filing the candidate's application for a place on the ballot [~~before the beginning of early voting by personal appearance~~], in an election subject to Section 145.092(a);

(3) is declared ineligible after 5 p.m. of the 53rd day before election day, in an election subject to 145.092(b); or

(4) is declared ineligible after 5 p.m. of the 71st day before election day, in an election subject to Section 145.092(f)

(3) Renumber remaining sections accordingly.

Floor Amendment No. 2

Amend **SB 910** (house committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering the subsequent SECTIONS of the bill appropriately:

SECTION _____. The heading to Section 13.047, Election Code, is amended to read as follows:

Sec. 13.047. TRAINING STANDARDS FOR DEPUTY REGISTRARS; TRAINING USING MATERIALS PROVIDED ON SECRETARY OF STATE'S WEBSITE.

SECTION _____. Section 13.047, Election Code, is amended by adding Subsections (c), (d), (e), (f), (g), (h), and (i) to read as follows:

(c) The secretary of state shall provide on its website the training materials and, if applicable, the examination for a potential volunteer deputy registrar to access at any time.

(d) The materials described by Subsection (c) must allow an applicant to download and print a document to be used as a certificate of completion of online training. The document must:

(1) provide for the applicant to include the applicant's name, county, and residence address and any other information the secretary of state considers necessary;

(2) include the examination questions, if required by the secretary of state;
and

(3) contain a form on which the applicant may execute an affidavit affirming that the applicant has read the training materials in their entirety.

(e) A person commits an offense if the person knowingly makes a false statement or requests, commands, or attempts to induce another person to make a false statement on an affidavit completed as part of a certificate of completion. An offense under this subsection is a Class B misdemeanor.

(f) An applicant who completes the training materials described by Subsection (c) and a certificate of completion shall present the certificate to the registrar at the time the applicant requests appointment as a volunteer deputy registrar. Upon appointment, the applicant is not required to take further training and may immediately receive another person's voter registration application.

(g) The registrar must accept a certificate of completion presented by an applicant and appoint the person as a volunteer deputy registrar if the applicant:

(1) is eligible to be appointed as a volunteer deputy registrar under this subchapter;

(2) has executed the affidavit with an original signature; and

(3) has passed the examination, if applicable.

(h) At the time a volunteer deputy registrar who has completed training under this section is appointed, the registrar shall advise the volunteer:

(1) of county-specific procedures for processing voter registration applications, if applicable; and

(2) that the only requirements for voter registration are those prescribed by state law or by the secretary of state.

(i) A volunteer deputy registrar requesting appointment in an additional county may present the person's valid certificate of appointment as proof of training. The volunteer is eligible to receive another person's voter registration application immediately on receiving a certificate of appointment from the registrar of the additional county.

Floor Amendment No. 3

Amend **SB 910** by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS of the bill appropriately:

SECTION _____. Section 84.007(b), Election Code, is amended to read as follows:

(b) An application must be submitted to the early voting clerk by:

(1) mail;

(2) common or contract carrier; ~~or~~

(3) telephonic facsimile machine, if a machine is available in the clerk's office; or

(4) electronic transmission of an image of the application.

The amendments were read.

Senator Duncan moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 910** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Duncan, Chair; Deuell, Huffinan, Lucio, and Van de Putte.

**SENATE BILL 1017 WITH HOUSE AMENDMENT
(Motion In Writing)**

Senator Paxton submitted a Motion In Writing to call **SB 1017** from the President's table for consideration of the House amendment to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 1017** (house committee printing) on page 2, between lines 8 and 9, by inserting the following:

(e) Subsection (b) does not apply to a travel information center that is located in a municipality with a population of 1,500 or less.

The amendment was read.

Senator Paxton moved that the Senate do not concur in the House amendment, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1017** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Paxton, Chair; Nichols, Campbell, Hancock, and Watson.

**SENATE BILL 1023 WITH HOUSE AMENDMENT
(Motion In Writing)**

Senator Watson submitted a Motion In Writing to call **SB 1023** from the President's table for consideration of the House amendment to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1023** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the renewal and extension and modification of a 99-year lease of certain state property to the City of Austin.

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

SECTION 1. Chapter 34 (H.B. 215), General Laws, Acts of the 33rd Legislature, Regular Session, 1913, is amended by amending Section 2 and adding Sections 2A and 2B to read as follows:

Sec. 2. That the State of Texas hereby cedes and grants to the City of Austin the plot or square of land described in Section 1 of the Act for a period of ninety-nine years beginning on August 15, 2016, [from the taking effect hereof] and said City through its municipal authorities, be and the same is hereby authorized and empowered to:

(1) establish, operate and maintain upon the land described by Section 1 of this Act [said block bounded on the North by Fifth street, on the south by Fourth street, on the East by Guadalupe street, and on the West by San Antonio street,] a municipal auditorium and market, in which auditorium, theatres, operas, concerts, lectures, fairs, shows and public exhibitions and entertainments generally can be conducted with or without pay; and in this market all kinds of produce may be bought and sold either in the open square or in a market house constructed thereon; and

(2) construct, operate, and maintain public amenities on the land described by Section 1 of this Act.

Sec. 2A. (a) Subject to Section 2B of this Act, the State of Texas grants to the City of Austin for a period of 99 years beginning on August 15, 2016, a lease of the property described as follows:

(1) Tract 1. Wooldridge Park. The northwest Public Square now known as Wooldridge Park, bounded on the north by Mulberry Street (now W. 10th Street), on the east by Guadalupe Street, on the south by Ash Street (now W. 9th Street), and on the west by San Antonio Street, and being 276 feet square, as delineated on the map titled "Plan of the City of Austin 1840" filed in the General Land Office; and

(2) Tract 2. Brush Park. The southeast Public Square now known as Brush Park, bounded on the north by Pine Street (now E. 5th Street), on the east by Neches Street, on the south by Cedar Street (now E. 4th Street), and on the west by Trinity Street, and being 276 feet square as delineated on the map titled "Plan of the City of Austin 1840" filed in the General Land Office.

(b) Except as provided by Subsection (c) of this section, the City of Austin may only use the tracts described by Subsection (a) of this section as municipal parks in which:

(1) theatres, operas, concerts, lectures, fairs, shows, and public exhibitions and entertainments generally can be conducted with or without pay; and

(2) produce may be bought and sold.

(c) The City of Austin may construct, operate, and maintain public amenities on the tracts described by Subsection (a) of this section.

Sec. 2B. (a) ~~The [; provided, however, that the]~~ state does not by this Act part with any title, color of title or interest which it now owns in the property described in this Act ~~[bill]~~, except as granted herein.

(b) In the event, however, the City of Austin should fail to use the property [plot of land] described in Section 1 or 2A(a)(1) or (2) of this Act ~~[herein]~~ for the purpose or purposes designated, that property [the same] shall revert to the State as upon breach of condition subsequent.

(c) The legislature, by concurrence of both houses, may terminate the lease, or a portion thereof, at any time for any reason.

SECTION 2. This Act takes effect August 15, 2016.

The amendment was read.

Senator Watson moved that the Senate do not concur in the House amendment, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1023** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Watson, Chair; Eltife, Carona, Seliger, and Uresti.

SENATE BILL 1106 WITH HOUSE AMENDMENTS (Motion In Writing)

Senator Schwertner submitted a Motion In Writing to call **SB 1106** from the President's table for consideration of the House amendments to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 1106** as follows:

On page 8, line 20, strike ~~[Medi Span, or has a similar rating by]~~

Floor Amendment No. 2

Amend **SB 1106** as follows:

- (1) On page 8, line 22, strike the word "generally."
- (2) On page 9, line 1, strike the words "specific to that provider."
- (3) On page 9, line 25, strike the words "challenge is resolved" and insert the words "prescription was filled" in its place.
- (4) On page 9, line 26, strike the words "similarly situated."
- (5) On page 10, line 14, strike the word "and" and insert the following:

"(ix) must report to the commission not less than once per calendar quarter the number of different maximum allowable cost lists utilized during the covered time period, the number of providers for which each maximum allowable cost

list was applicable, and the average price for the 100 most commonly prescribed pharmaceuticals for each maximum allowable cost list during the time period covered by the report; and"

(6) On page 10, strike lines 22 through 25.

The amendments were read.

Senator Schwertner moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1106** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Schwertner, Chair; Nelson, Taylor, Huffman, and Uresti.

**SENATE BILL 1678 WITH HOUSE AMENDMENTS
(Motion In Writing)**

Senator Deuell submitted a Motion In Writing to call **SB 1678** from the President's table for consideration of the House amendments to the bill.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 1678** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the events and expenses eligible for, reporting requirements concerning disbursements from, and a study by the comptroller of the Major Events trust fund and the Events trust fund.

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

SECTION 1. Section 5A, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended by amending Subsections (a-1), (b-1), (h), (i), (k), (p), and (w) and adding Subsections (x) and (y) to read as follows:

(a-1) An event not listed ~~[included]~~ in Subsection (a)(4) of this section is ineligible [eligible] for funding under this section. A listed event may receive funding under this section only if:

(1) a site selection organization selects a site located in this state for the event to be held one time or, for an event scheduled to be held each year for a period of years under an event contract, or an events support contract, one time each year for the period of years, after considering, through a highly competitive selection process, one or more sites that are not located in this state;

(2) a site selection organization selects a site in this state as:

(A) the sole site for the event; or
(B) the sole site for the event in a region composed of this state and one or more adjoining states; ~~and~~

(3) the event is held not more than one time in any year; or

(4) the amount of the incremental increase in tax receipts determined by the comptroller under Subsection (b) of this section equals or exceeds \$1 million. For an event scheduled to be held each year for a period of years under an event contract or event support contract, the incremental increase in tax receipts shall be calculated as if the event did not occur in the prior year.

(b-1) A request for a determination of the amount of incremental increase in tax receipts specified by Subsection (b) of this section must be submitted to the comptroller not earlier than one year and not later than 45 days ~~[three months]~~ before the date the event begins. The comptroller shall base the determination specified by Subsection (b) of this section on information submitted by the local organizing committee, endorsing municipality, or endorsing county, and must make the determination not later than the 30th day after the date the comptroller receives the request and related information.

(h) The funds in the Major Events trust fund may be used to pay the principal of and interest on notes issued by an endorsing municipality or endorsing county under Subsection (g) of this section and to fulfill obligations of the state or an endorsing municipality or endorsing county to a site selection organization under a game support contract or event support contract. Subject to Subsection (k) of this section, the ~~;~~ ~~which~~ obligations may include the payment of costs relating to the preparations necessary ~~[or desirable]~~ for the conduct of the event and the payment of costs of conducting the event, including improvements or renovations to existing facilities or other facilities and costs of acquisition or construction of new facilities or other facilities.

(i) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the comptroller to enable the comptroller to fulfill the comptroller's duties under this section, including annual audited statements of any financial records required by a site selection organization and data obtained by the local organizing committee, an endorsing municipality, or an endorsing county relating to attendance at the event, including an estimate of the number of people expected to attend the event who are not residents of this state, and to the economic impact of the event. A local organizing committee, endorsing municipality, or endorsing county must provide an annual audited financial statement required by the comptroller, if any, not later than the end of the fourth month after the date the period covered by the financial statement ends. After the conclusion of an event and on the comptroller's request, a local organizing committee, endorsing municipality, or endorsing county must provide information relating to the event, such as attendance figures, including an estimate of the number of attendees at the event who are not residents of this state, financial information, or other public information held by the local organizing committee, endorsing municipality, or endorsing county that the comptroller considers necessary.

(k) The comptroller may make a disbursement from the Major Events trust fund on the prior approval of each contributing endorsing municipality or endorsing county for a purpose for which a local organizing committee, an endorsing municipality, or an endorsing county or the state is obligated under a game support contract or event support contract. In considering whether to make a disbursement from the trust fund, the comptroller may not consider a contingency clause in an event support contract as relieving a local organizing committee's, endorsing municipality's, or endorsing county's obligation to pay a cost under the contract. A disbursement may not be made from the trust fund that the comptroller determines would be used for the purpose of soliciting the relocation of a professional sports franchise located in this state.

(p) The comptroller may not undertake any of the responsibilities or duties set forth in this section unless:

(1) a request is submitted by the municipality or the county in which the event will be located;

(2) the event meets all the requirements for funding under this section, including Subsection (a-1) of this section; and

(3) the request is [~~The request must be~~] accompanied by documentation from a site selection organization selecting the site for the event.

(w) Not later than 10 [~~18~~] months after the last day of an event eligible for disbursements from the Major Events trust fund for costs associated with the event, the comptroller using existing resources shall[~~:~~

[(4)] complete a study in the market area of the event on the measurable economic impact directly attributable to the preparation for and presentation of the event and related activities. The comptroller shall [~~and~~

[(2)] post on the comptroller's Internet website:

(1) the results of the study conducted under this subsection, including any source documentation or other information relied on by the comptroller for the study;

(2) the amount of incremental increase in tax receipts for the event determined under Subsection (b) of this section;

(3) the site selection organization documentation described in Subsection (p)(3) of this section;

(4) any source documentation or information described under Subsection (i) of this section that was relied on by the comptroller in making the determination of the amount of incremental increase in tax receipts under Subsection (b) of this section; and

(5) documentation verifying that:

(A) a request submitted by a local organizing committee, endorsing municipality, or endorsing county under Subsection (p) of this section is complete and certified as such by the comptroller;

(B) the determination on the amount of incremental increases in tax receipts under Subsection (b) of this section considered the information submitted by a local organizing committee, endorsing municipality, or endorsing county as required under Subsection (b-1) of this section; and

(C) each deadline established under this section was timely met [~~Subdivision (1) of this subsection].~~

(x) Subsection (w) of this section does not require disclosure of information that is confidential under Chapter 552, Government Code, or confidential or privileged under other law.

(y) After the conclusion of an event, the comptroller shall compare information on the actual attendance figures provided to the comptroller under Subsection (i) of this section with the estimated attendance numbers used to determine the incremental increase in tax receipts under Subsection (b) of this section. If the actual attendance figures are significantly lower than the estimated attendance numbers, the comptroller may reduce the amount of a disbursement for an endorsing entity under the Major Events trust fund in proportion to the discrepancy between the actual and estimated attendance and in proportion to the amount contributed to the fund by the entity. The comptroller by rule shall define "significantly lower" for purposes of this subsection and provide the manner in which a disbursement may be proportionately reduced. This subsection does not affect the remittance of any money remaining in the fund in accordance with Subsection (m) of this section.

SECTION 2. Section 5C, Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended by adding Subsections (a-1), (b-1), (k-1), (r), (s), and (t) and amending Subsections (h), (i), and (k) to read as follows:

(a-1) An event is eligible for funding under this section only if:

(1) a site selection organization selects a site for the event located in this state to be held one time or, for an event scheduled to be held each year for a period of years under an event contract, or an events support contract, one time each year for the period of years, after considering, through a highly competitive selection process, one or more sites that are not located in this state;

(b-1) The number of requests for funding under this section that may be submitted by an endorsing county or endorsing municipality during any 12-month period for an event for which the comptroller determines that the total amount of the incremental increase in tax receipts under Subsection (b) of this section is less than \$200,000 is limited to, during any 12-month period, not more than 10 events, only three of which may be nonsporting events.

(h) The money in the Events trust fund may be used to pay the principal of and interest on notes issued by an endorsing municipality or endorsing county under Subsection (g) of this section and to fulfill obligations of this state or an endorsing municipality or endorsing county to a site selection organization under an event support contract. Subject to Subsection (k) of this section, the~~[, which]~~ obligations may include the payment of costs relating to the preparations necessary ~~[or desirable]~~ for the conduct of the event and the payment of costs of conducting the event, including improvements or renovations to existing facilities or other facilities and costs of acquisition or construction of new facilities or other facilities.

(i) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the comptroller to enable the comptroller to fulfill the comptroller's duties under this section, including annual audited statements of any financial records required by a site selection organization and data obtained by the local organizing committee, an endorsing municipality, or an endorsing county relating to attendance at the event, including an estimate of the number of people

expected to attend the event who are not residents of this state, and to the economic impact of the event. A local organizing committee, endorsing municipality, or endorsing county must provide an annual audited financial statement required by the comptroller, if any, not later than the end of the fourth month after the date the period covered by the financial statement ends. After the conclusion of an event and on the comptroller's request, a local organizing committee, endorsing municipality, or endorsing county must provide information relating to the event, such as attendance figures, including an estimate of the number of people who are not residents of this state who attended the event, financial information, or other public information held by the local organizing committee, endorsing municipality, or endorsing county that the comptroller considers necessary.

(k) The comptroller may make a disbursement from the Events trust fund on the prior approval of each contributing endorsing municipality or endorsing county for a purpose for which a local organizing committee, an endorsing municipality, or an endorsing county or this state is obligated under an event support contract, including an obligation to pay costs incurred in the conduct of the event and costs incurred in making preparations necessary for the event. In considering whether to make a disbursement from the trust fund, the comptroller may not consider a contingency clause in an event support contract as relieving a local organizing committee's, endorsing municipality's, or endorsing county's obligation to pay a cost under the contract.

(k-1) A disbursement may not be made from the trust fund that the comptroller determines would be used for the purpose of:

(1) soliciting the relocation of a professional sports franchise located in this state;

(2) constructing an arena, stadium, or convention center; or

(3) conducting usual and customary maintenance of a facility.

(r) The comptroller may adopt a model event support contract and make the contract available on the comptroller's Internet website.

(s) The comptroller may adopt rules necessary to implement this section.

(t) After the conclusion of an event, the comptroller shall compare information on the actual attendance figures provided to the comptroller under Subsection (i) of this section with the estimated attendance numbers used to determine the incremental increase in tax receipts under Subsection (b) of this section. If the actual attendance figures are significantly lower than the estimated attendance numbers, the comptroller may reduce the amount of a disbursement for an endorsing entity under the Events trust fund in proportion to the discrepancy between the actual and estimated attendance and in proportion to the amount contributed to the fund by the entity. The comptroller by rule shall define "significantly lower" for purposes of this subsection and provide the manner in which a disbursement may be proportionately reduced. This subsection does not affect the remittance of any money remaining in the fund in accordance with Subsection (m) of this section.

SECTION 3. Subsections (r), (s), (t), and (u), Section 5A, Chapter 1507 (Senate Bill No. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), are repealed.

SECTION 4. (a) The comptroller of public accounts shall conduct a study to determine:

(1) the economic impact of the events that qualify for funding through an events trust fund; and

(2) whether the events would likely be held in this state in the absence of the incentives provided through the fund.

(b) The comptroller of public accounts shall prepare a report of the findings from the study conducted under Subsection (a) of this section. Not later than January 1, 2015, the comptroller shall electronically file a copy of the report with the lieutenant governor, the speaker of the house of representatives, and the presiding officer of each standing committee of the senate and house of representatives having primary jurisdiction over fiscal matters or matters related to tourism or recreation.

(c) This section expires September 1, 2015.

SECTION 5. The changes in law made by this Act apply only to a request submitted to the comptroller of public accounts by an endorsing municipality or endorsing county under Section 5A or 5C, Chapter 1507 (Senate Bill No. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), on or after the effective date of this Act. A request submitted under Section 5A or 5C before that date is governed by the law in effect on the date the request is submitted, and that law is continued in effect for that purpose.

SECTION 6. 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, 2013.

Floor Amendment No. 1

Amend **CSSB 1678** (house committee printing) as follows:

(1) On page 1, lines 10 and 11, strike "(x) and (y)" and substitute "(a-2), (x), and (y)".

(2) On page 2, between lines 11 and 12, insert the following:

(a-2) Subsection (a-1)(1) of this section does not apply to an event that is the largest event held each year at a sports entertainment venue in this state with a permanent seating capacity, including grandstand and premium seating, of not less than 125,000. If an endorsing municipality or endorsing county requests the comptroller to make a determination under Subsection (b) of this section for an event described by this subsection, the provisions of this section apply to that event as if it satisfied the eligibility requirements for an event under Subsection (a-1)(1) of this section.

(3) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 5A(a)(4), Chapter 1507 (**SB 456**), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to read as follows:

(4) "Event" means a Super Bowl, a National Collegiate Athletic Association Final Four tournament game, the National Basketball Association All-Star Game, the X Games, the National Hockey League All-Star Game, the Major League Baseball All-Star Game, a National Collegiate Athletic Association Bowl Championship Series

game, a World Cup Soccer game, the World Games, a national collegiate championship of an amateur sport sanctioned by the national governing body of the sport that is recognized by the United States Olympic Committee, an Olympic activity, including a Junior or Senior activity, training program, or feeder program sanctioned by the United States Olympic Committee's Community Olympic Development Program, the Breeders' Cup World Championships, a Formula One automobile race, the Academy of Country Music Awards, the National Cutting Horse Association Triple Crown, ~~[or]~~ a national political convention of the Republican National Committee or the Democratic National Committee, or the largest event held each year at a sports entertainment venue in this state with a permanent seating capacity, including grandstand and premium seating, of not less than 125,000. The term includes any activities related to or associated with an event.

Floor Amendment No. 2

Amend **CSSB 1678** (house committee printing) as follows:

- (1) On page 1, line 19, strike "events support" and substitute "event support".
- (2) On page 2, line 5, strike "; or" and substitute "; and".
- (3) On page 2, line 8, strike "million. For" and substitute "million, provided that for".
- (4) On page 3, line 3, strike "~~[or desirable]~~" and substitute "or desirable".
- (5) On page 4, line 7, between "contract." and "In considering", insert the following:

If an obligation is incurred under a games support contract or event support contract to make a structural improvement to the site or to add a fixture to the site for purposes of an event and that improvement or fixture is expected to derive most of its value in subsequent uses of the site for future events, a disbursement from the trust fund made for purposes of that obligation is limited to five percent of the cost of the improvement or fixture and the remainder of the obligation is not eligible for a disbursement from the trust fund, unless the improvement or fixture is for a publicly owned facility.

- (6) On page 6, line 26, between "(k-1), and "(r)", insert "(k-2)".
- (7) On page 7, between lines 9 and 10, insert the following:
 - (2) a site selection organization selects a site in this state as:
 - (A) the sole site for the event; or
 - (B) the sole site for the event in a region composed of this state and one or more adjoining states; and
 - (3) the event is held not more than one time in this state or an adjoining state in any year.
- (8) On page 9, line 4, between "event." and "In considering", insert the following:

If an obligation is incurred under an event support contract to make a structural improvement to the site or to add a fixture to the site for purposes of an event and that improvement or fixture is expected to derive most of its value in subsequent uses of the site for future events, a disbursement from the trust fund made for purposes of that obligation is limited to five percent of the cost of the improvement or fixture and the remainder of the obligation is not eligible for a disbursement from the trust fund, unless the improvement or fixture is for a publicly owned facility.

(9) On page 9, between lines 16 and 17, insert the following:

(k-2) Subsection (k-1) of this section does not prohibit:

(1) a disbursement from the trust fund for the construction of temporary structures within an arena, stadium, or convention, if those temporary structures are necessary for the conduct of the event; or

(2) temporary maintenance of a facility that is necessary for the preparation for or conduct of the event.

(10) On page 9, line 19, add the following after the underlined period:

The adoption by the comptroller of a model event support contract under this subsection does not require use of the model event support contract for purposes of this section.

Floor Amendment No. 3

Amend **CSSB 1678** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 5A(a)(4), Chapter 1507 (**SB 456**), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to read as follows:

(4) "Event" means a Super Bowl, a National Collegiate Athletic Association Final Four tournament game, the National Basketball Association All-Star Game, the National Hockey League All-Star Game, the Major League Baseball All-Star Game, a National Collegiate Athletic Association Bowl Championship Series game, a World Cup Soccer game, the World Games, a national collegiate championship of an amateur sport sanctioned by the national governing body of the sport that is recognized by the United States Olympic Committee, an Olympic activity, including a Junior or Senior activity, training program, or feeder program sanctioned by the United States Olympic Committee's Community Olympic Development Program, a mixed martial arts championship, the Breeders' Cup World Championships, a Formula One automobile race, the Academy of Country Music Awards, the National Cutting Horse Association Triple Crown, or a national political convention of the Republican National Committee or the Democratic National Committee. The term includes any activities related to or associated with an event.

The amendments were read.

Senator Deuell moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1678** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Deuell, Chair; Watson, Estes, Eltife, and Davis.

HOUSE BILL 1090 ON SECOND READING

On motion of Senator Hinojosa and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1090** at this time on its second reading:

HB 1090, Relating to the creation of Texas Task Force 1 Type 3 Rio Grande Valley.

The bill was read second time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1090** (senate committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Chapter 418, Government Code, is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. TEXAS TASK FORCE 2.

Sec. 418.201. **DEFINITIONS.** In this subchapter:

(1) "Local government employee member" means a member employed by a local government as defined by Section 102.001, Civil Practice and Remedies Code.

(2) "Member" means an individual who has been officially designated as a member of Texas Task Force 2.

(3) "Nongovernment member" means a member who is not a state employee member or a local government employee member.

(4) "State employee member" means a member employed by an agency of the state.

Sec. 418.202. TEXAS TASK FORCE 2. A municipality with a population of more than 1.18 million and located predominantly in a county that has a total area of less than 1,000 square miles may establish a Texas Task Force 2 program that provides training and responds to assist in search, rescue, and recovery efforts following natural or man-made disasters.

Sec. 418.203. WORKERS' COMPENSATION INSURANCE COVERAGE. (a) Notwithstanding any other law, during any period in which Texas Task Force 2 is activated by the Texas Division of Emergency Management, or during any training session sponsored or sanctioned by Texas Task Force 2, a participating nongovernment member or local government employee member is included in the coverage provided under Chapter 501, Labor Code, in the same manner as an employee, as defined by Section 501.001, Labor Code.

(b) Service with Texas Task Force 2 by a state employee member who is activated is considered to be in the course and scope of the employee's regular employment with the state.

(c) Notwithstanding Section 412.0123, Labor Code, as added by Chapter 1098, Acts of the 75th Legislature, Regular Session, 1997, the Texas Division of Emergency Management shall reimburse the State Office of Risk Management for the actual

medical and indemnity benefits paid on behalf of a covered member of Texas Task Force 2 at the beginning of the next state fiscal year occurring after the date the benefits are paid.

Sec. 418.204. LIABILITY. The municipality establishing Texas Task Force 2 or a member or non-governmental member of Texas Task Force 2, who provides labor or assistance to the Texas Division of Emergency Management is not liable for civil damages, including personal injury, wrongful death, property damages, death, or other loss resulting from any act, error, or omission by the individual in providing that labor or assistance unless the act, error, or omission:

(1) proximately caused the loss; and

(2) was performed with malice or constitutes gross negligence, recklessness, or intentional misconduct.

SECTION ____ . Section 501.001(5), Labor Code, is amended to read as follows:

(5) "Employee" means a person who is:

(A) in the service of the state pursuant to an election, appointment, or express oral or written contract of hire;

(B) paid from state funds but whose duties require that the person work and frequently receive supervision in a political subdivision of the state;

(C) a peace officer employed by a political subdivision, while the peace officer is exercising authority granted under:

(i) Article 2.12, Code of Criminal Procedure; or

(ii) Articles 14.03(d) and (g), Code of Criminal Procedure;

(D) a member of the state military forces, as defined by Section 431.001, Government Code, who is engaged in authorized training or duty; or

(E) a Texas Task Force 1 member, as defined by Section 88.301, Education Code, or a Texas Task Force 2 member, as defined by Section 418.201, Government Code, who is activated by the Texas Division of Emergency Management or is injured during training sponsored or sanctioned by Texas Task Force 1 or Texas Task Force 2, as applicable.

SECTION ____ . Section 418.204, Government Code, as added by this Act, applies only to an act, error, or omission that occurs on or after the effective date of this Act.

The amendment to **HB 1090** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Hinojosa and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 1090 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 1090 ON THIRD READING

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1090** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3188 ON SECOND READING

On motion of Senator Williams and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3188** at this time on its second reading:

HB 3188, Relating to directing payment, after approval, of certain miscellaneous claims and judgments against the state out of funds designated by this Act; making appropriations.

The bill was read second time.

Senator Williams offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3188** (senate committee printing) in SECTION 1 of the bill (page 2, between lines 6 and 7) by inserting the following:

To pay Educare Community Living Corporation Texas under the settlement agreement in Educare Community Living Corporation Texas v. Texas Department of Aging and Disability Services, Cause No. 11-0712-K, Appeals Division, Health and Human Services Commission, for a total appropriation of \$280,921.40

The amendment to **HB 3188** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Williams and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3188 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3188 ON THIRD READING

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3188** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3042 ON SECOND READING

Senator Lucio moved to suspend the regular order of business to take up for consideration **HB 3042** at this time on its second reading:

HB 3042, Relating to the allocation of state hotel occupancy tax revenue to certain municipalities for cleaning and maintenance of and erosion control for public beaches.

The motion prevailed by the following vote: Yeas 23, Nays 8.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Nichols, Patrick, Paxton, Schwertner, Williams.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Campbell, Hancock, Nichols, Patrick, Paxton, Schwertner, Williams.

HOUSE BILL 2918 ON SECOND READING

On motion of Senator Rodríguez and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2918** at this time on its second reading:

HB 2918, Relating to statutory durable powers of attorney.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2918 ON THIRD READING

Senator Rodríguez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2918** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3350 ON SECOND READING

Senator Watson moved to suspend the regular order of business to take up for consideration **HB 3350** at this time on its second reading:

HB 3350, Relating to homestead preservation districts and reinvestment zones.

The motion prevailed.

Senators Campbell, Fraser, Hancock, Hegar, Huffman, Nelson, Nichols, Schwertner, and Williams asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by the following vote: Yeas 22, Nays 9.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hinojosa, Lucio, Patrick, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Campbell, Fraser, Hancock, Hegar, Huffman, Nelson, Nichols, Schwertner, Williams.

HOUSE BILL 3015 ON SECOND READING

Senator Rodríguez moved to suspend the regular order of business to take up for consideration **HB 3015** at this time on its second reading:

HB 3015, Relating to a recall election for officials of certain general-law municipalities.

The motion prevailed.

Senators Campbell, Hancock, and Paxton asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Campbell, Hancock, Paxton.

HOUSE BILL 3015 ON THIRD READING

Senator Rodríguez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3015** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Hancock, Paxton.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

HOUSE BILL 3042 ON THIRD READING

Senator Lucio moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3042** be placed on its third reading and final passage:

HB 3042, Relating to the allocation of state hotel occupancy tax revenue to certain municipalities for cleaning and maintenance of and erosion control for public beaches.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Nichols, Patrick, Schwertner.

The bill was read third time and was passed by the following vote: Yeas 23, Nays 8.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Hancock, Nichols, Patrick, Paxton, Schwertner, Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1726 ON SECOND READING**

On motion of Senator Zaffirini and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 1726** at this time on its second reading:

CSHB 1726, Relating to shipping logistics and coordination services for state agencies.

The bill was read second time.

Senator Nichols offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 1726** (Senate committee printing) in SECTION 1 of the bill, in Subsection (e), Section 2171.007, as follows:

- (1) In Subdivision (5) (page 1, line 48), after the semicolon, strike "or".
- (2) In Subdivision (6) (page 1, line 49), strike the period and substitute "; or".
- (3) At the end of Subsection (e), add a new Subdivision (7) to read as follows:

"(7) items by the Texas Department of Transportation if the department determines that, because of the nature of the items or the circumstances related to the shipment, shipment of the items under a procedure established by the department is necessary."

The amendment to **CSHB 1726** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Zaffirini and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 1726 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1726 ON THIRD READING**

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1726** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 1846 ON SECOND READING

Senator Paxton moved to suspend the regular order of business to take up for consideration **HB 1846** at this time on its second reading:

HB 1846, Relating to suspension or denial of issuance or renewal of a license for failure to pay child support.

The motion prevailed.

Senator Campbell asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Campbell.

HOUSE BILL 1846 ON THIRD READING

Senator Paxton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1846** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Campbell.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 2972 ON SECOND READING

Senator Patrick moved to suspend the regular order of business to take up for consideration **HB 2972** at this time on its second reading:

HB 2972, Relating to exempting premiums for certain insurance covering stored or in-transit baled cotton from surplus lines insurance premium taxes.

The motion prevailed.

Senator Uresti asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Uresti.

HOUSE BILL 2972 ON THIRD READING

Senator Patrick moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2972** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Uresti.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 1951 ON SECOND READING

Senator Carona moved to suspend the regular order of business to take up for consideration **HB 1951** at this time on its second reading:

HB 1951, Relating to the licensing and regulation of telecommunicators; providing a criminal penalty.

The motion prevailed.

Senators Birdwell, Campbell, Deuell, Hancock, Nelson, Nichols, Patrick, Paxton, and Taylor asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1951** (senate committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering the remaining SECTIONS of the bill accordingly:

SECTION _____. Section 1956.051(3), Occupations Code, is amended to read as follows:

(3) "Crafted precious metal" means jewelry, silverware, an art object, or another object, made wholly or partly from precious metal, that is selling at less than 105 percent of the scrap value of the object, other than a coin, a bar, or a commemorative medallion~~[- or scrap or a broken item selling at five percent or more than the scrap value of the item].~~

SECTION _____. Section 1956.0613, Occupations Code, is amended to read as follows:

Sec. 1956.0613. INVESTIGATION BY COMMISSIONER; INSPECTION OF RECORDS. (a) The commissioner shall:

(1) monitor the operations of a dealer to ensure compliance with this subchapter ~~[chapter]~~; and

(2) receive and investigate complaints against a dealer or a person acting as a dealer.

(b) If the commissioner receives a written complaint regarding a violation of this subchapter by a person, or has reasonable cause to believe that a person is violating this subchapter, the commissioner or the commissioner's authorized representative may inspect any record, account, paper, book, or correspondence of the person, regardless of whether the person is registered as a dealer.

(c) The commissioner or the commissioner's authorized representative may take statements in an investigation of a matter under this subchapter.

SECTION _____. Section 1956.063, Occupations Code, is amended by amending Subsections (c) and (d) and adding Subsection (c-1) to read as follows:

(c) For each transaction regulated by this subchapter, the dealer shall submit a report on a preprinted and prenumbered form prescribed by the commissioner or in the manner described by Subsection (c-1). The form must include the following:

- (1) the date of the transaction;
- (2) a description of the crafted precious metal purchased by the dealer;
- (3) the name and physical address of the dealer; and
- (4) the name, physical description, and physical address of the seller or transferor.

(c-1) A dealer may submit a list required by Section 1956.062(b) in satisfaction of the reporting requirement of this section if the list contains the information described by Subsection (c).

(d) the dealer shall retain a copy of the report until the later of:

- (1) the second anniversary of the date the dealer sells or otherwise disposes of the crafted precious metal purchased by the dealer; or
- (2) the third anniversary of the date the report is filed.

SECTION _____. Sections 1956.064(b) and (c), Occupations Code, are amended to read as follows:

(b) A peace officer who has reasonable suspicion to believe that an item of crafted precious metal in the possession of a dealer, or in the possession of another person on behalf of the dealer, is stolen may place the item on hold for a period not to exceed 60 days by issuing to the dealer or other person a written notice that:

(1) specifically identifies the item alleged to be stolen and subject to the hold; and

(2) informs the dealer or other person of the requirements of Subsection (c).

(c) On receiving the notice, the dealer or other person may not melt, deface, alter, or dispose of the identified crafted precious metal until the hold is released in writing by a peace officer of this state or a court order.

SECTION _____. Section 1956.063(d), Occupations Code, as amended by this Act, applies to a report filed under Section 1956.063, Occupations Code, on or after the effective date of this Act.

The amendment to **HB 1951** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Carona and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 1951 as amended was passed to third reading by the following vote: Yeas 21, Nays 10.

Yeas: Carona, Davis, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hinojosa, Huffman, Lucio, Rodríguez, Schwertner, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Deuell, Hancock, Hegar, Nelson, Nichols, Patrick, Paxton, Taylor.

HOUSE BILL 1951 ON THIRD READING

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1951** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Rodríguez, Schwertner, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Hancock, Nichols, Patrick, Paxton, Taylor.

The bill was read third time and was passed by the following vote: Yeas 21, Nays 10.

Yeas: Carona, Davis, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hinojosa, Huffman, Lucio, Rodríguez, Schwertner, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Deuell, Hancock, Hegar, Nelson, Nichols, Patrick, Paxton, Taylor.

COMMITTEE SUBSTITUTE HOUSE BILL 1659 ON SECOND READING

Senator Lucio moved to suspend the regular order of business to take up for consideration **CSHB 1659** at this time on its second reading:

CSHB 1659, Relating to certain actions taken by certain licensing authorities regarding a license holder or applicant who received deferred adjudication for certain offenses.

The motion prevailed.

Senators Fraser, Hancock, Huffman, Nelson, Nichols, Patrick, Schwertner, Taylor, and Williams asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by the following vote: Yeas 22, Nays 9.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hegar, Hinojosa, Lucio, Paxton, Rodríguez, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Fraser, Hancock, Huffman, Nelson, Nichols, Patrick, Schwertner, Taylor, Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1223 ON SECOND READING**

Senator Hegar moved to suspend the regular order of business to take up for consideration **CSHB 1223** at this time on its second reading:

CSHB 1223, Relating to the temporary exemption of certain tangible personal property related to data centers from the sales and use tax.

The motion prevailed.

Senators Davis, Ellis, Garcia, Rodríguez, Watson, West, Whitmire, and Zaffirini asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by the following vote: Yeas 23, Nays 8.

Yeas: Birdwell, Campbell, Carona, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Williams.

Nays: Davis, Ellis, Garcia, Rodríguez, Watson, West, Whitmire, Zaffirini.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1223 ON THIRD READING**

Senator Hegar moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1223** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, Williams.

Nays: Ellis, West, Whitmire, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 23, Nays 8.

Yeas: Birdwell, Campbell, Carona, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Williams.

Nays: Davis, Ellis, Garcia, Rodríguez, Watson, West, Whitmire, Zaffirini.

HOUSE BILL 2446 ON SECOND READING

Senator Estes moved to suspend the regular order of business to take up for consideration **HB 2446** at this time on its second reading:

HB 2446, Relating to the definitions of advanced clean energy projects and clean energy projects and to franchise tax credits for certain of those projects.

The motion prevailed.

Senators Patrick and Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Patrick, Schwertner.

HOUSE BILL 2446 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2446** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Paxton, Rodríguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Patrick, Schwertner.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2. (Same as previous roll call)

HOUSE BILL 3569 ON SECOND READING

Senator Uresti moved to suspend the regular order of business to take up for consideration **HB 3569** at this time on its second reading:

HB 3569, Relating to activities conducted in connection with a state or federal disease control or eradication program for animals.

The motion prevailed.

Senator Patrick asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Uresti offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3569** (senate committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION ____ . Section 161.041(c), Agriculture Code, is amended to read as follows:

(c) A person commits an offense if the person knowingly fails to handle, in accordance with rules adopted by the commission, livestock, exotic livestock, domestic fowl, or exotic fowl:

(1) infected with a disease listed in Subsection (a);

(2) exposed, as defined by commission rule, to a disease listed in Subsection (a) if the commission has notified the person that the animal was exposed to the disease; or

(3) subject to a testing requirement due to a risk of exposure, as defined by commission rule, to a specific disease if the commission has notified the person of the testing requirement.

SECTION _____. The change in law made by this Act by the amendment of Section 161.041(c), Agriculture Code, applies only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

The amendment to **HB 3569** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Uresti and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3569 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Patrick.

HOUSE BILL 3569 ON THIRD READING

Senator Uresti moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3569** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Patrick.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 697 ON SECOND READING

On motion of Senator Duncan and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 697** at this time on its second reading:

HB 697, Relating to a sales and use tax exemption for certain items sold by school booster clubs and support organizations; authorizing a sales and use tax exemption.

The bill was read second time.

Senator Duncan offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 697** (senate committee report) by striking SECTION 2 of the bill (page 1, line 52, through page 2, line 7) and renumbering subsequent SECTIONS of the bill accordingly.

The amendment to **HB 697** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Duncan and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 697 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 697 ON THIRD READING

Senator Duncan moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 697** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 1790 ON SECOND READING

Senator Hinojosa moved to suspend the regular order of business to take up for consideration **HB 1790** at this time on its second reading:

HB 1790, Relating to certain procedures for defendants who successfully complete a period of state jail felony community supervision.

The motion prevailed.

Senators Hancock, Huffman, Nelson, Nichols, Patrick, Schwertner, Taylor, and Williams asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Hinojosa offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1790** (senate committee printing) as follows:

(1) In SECTION 1 of the bill, in added Section 15(1), Article 42.12, Code of Criminal Procedure, strike all of the language from "A judge who" (page 1, line 23) through "the judge shall" (page 1, line 30), and substitute the following:

On written motion of the defendant after completion of two-thirds of the original community supervision period for a state jail felony with respect to which written consent was obtained under Section 12.44(c), Penal Code, the judge may

(2) In SECTION 1 of the bill, in added Section 15(l), Article 42.12, Code of Criminal Procedure (page 1, line 33), strike "disposition of the case" and substitute "disposition of the community supervision".

(3) In SECTION 1 of the bill, in added Section 15(l)(1)(A), Article 42.12, Code of Criminal Procedure (page 1, line 40), between "under" and "Section 30.04", insert "Section 30.02".

(4) In SECTION 1 of the bill, in added Section 15(l)(1)(B), Article 42.12, Code of Criminal Procedure (page 1, line 42), strike "of this code".

(5) In SECTION 1 of the bill, at the end of added Section 15(m), Article 42.12, Code of Criminal Procedure (page 2, lines 8-9), strike "for any purpose other than the purpose described by Section 20(a)(1)".

(6) Strike SECTION 2 of the bill (page 2, lines 15-19) and substitute the following:

SECTION 2. Section 12.44, Penal Code, is amended by adding Subsection (c) to read as follows:

(c) With the written consent of the prosecuting attorney prior to sentencing, the court may amend the record of conviction to reflect a conviction for a Class A misdemeanor in lieu of a state jail felony as provided by Section 15(l), Article 42.12, Code of Criminal Procedure.

SECTION 3. The change in law made by this Act applies only to a defendant who is placed on community supervision for an offense committed on or after the effective date of this Act. A defendant who is placed on community supervision for an offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

(7) Renumber "SECTION 3" of the bill (page 2, line 20) as "SECTION 4".

The amendment to **HB 1790** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Hinojosa and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 1790 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hancock, Huffman, Nelson, Nichols, Patrick, Schwertner, Taylor, Williams.

(Senator Seliger in Chair)

**COMMITTEE SUBSTITUTE
HOUSE BILL 585 ON SECOND READING**

Senator Eltife moved to suspend the regular order of business to take up for consideration **CSHB 585** at this time on its second reading:

CSHB 585, Relating to ad valorem taxation; creating an offense.

The motion prevailed.

Senators Garcia, Van de Putte, and Zaffirini asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Eltife offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 585** as follows:

In SECTION 10 of the bill, in amended Section 13.11, Tax Code (page 6, line 34), strike "may" and substitute "shall".

The amendment to **CSHB 585** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Williams offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 585** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Section 41.43, Tax Code, is amended by amending Subsection (a) and adding Subsections (a-3), (a-4), and (a-5) to read as follows:

(a) Except as provided by Subsections (a-1), (a-3), and (d), in a protest authorized by Section 41.41(a)(1) or (2), the appraisal district has the burden of establishing the value of the property by a preponderance of the evidence presented at the hearing. If the appraisal district fails to meet that standard, the protest shall be determined in favor of the property owner.

(a-3) In a protest authorized by Section 41.41(a)(1) or (2), the appraisal district has the burden of establishing the value of the property by clear and convincing evidence presented at the hearing if:

(1) the appraised value of the property was lowered under this subtitle in the preceding tax year;

(2) the appraised value of the property in the preceding tax year was not established as a result of a written agreement between the property owner or the owner's agent and the appraisal district under Section 1.111(e); and

(3) not later than the 14th day before the date of the first day of the hearing, the property owner files with the appraisal review board and delivers to the chief appraiser:

(A) information, such as income and expense statements or information regarding comparable sales, that is sufficient to allow for a determination of the appraised or market value of the property if the protest is authorized by Section 41.41(a)(1); or

(B) information that is sufficient to allow for a determination of whether the property was appraised unequally if the protest is authorized by Section 41.41(a)(2).

(a-4) If the appraisal district has the burden of establishing the value of property by clear and convincing evidence presented at the hearing on a protest as provided by Subsection (a-3) and the appraisal district fails to meet that standard, the protest shall be determined in favor of the property owner.

(a-5) Subsection (a-3)(3) does not impose a duty on a property owner to provide any information in a protest authorized by Section 41.41(a)(1) or (2). That subdivision is merely a condition to the applicability of the standard of evidence provided by Subsection (a-3).

(b) The change in law made by this section applies only to a protest filed with an appraisal review board on or after the effective date of this section. A protest filed with an appraisal review board before the effective date of this section is covered by the law in effect at the time the protest was filed, and the former law is continued in effect for that purpose.

(c) Notwithstanding any other provision of this Act, this section takes effect September 1, 2013.

The amendment to **CSHB 585** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

Senator Lucio offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 585** (senate committee printing) as follows:

(1) Between SECTION 9 and SECTION 10 of the bill (page 6, between lines 23 and 24) insert the following SECTION 9A to read as follows:

SECTION 9A. Section 23.23, Tax Code, is amended by adding Subsection (g) to read as follows:

(g) In this subsection, "disaster recovery program" means the disaster recovery program administered by the General Land Office that is funded with community development block grant disaster recovery money authorized by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Pub. L. No. 110-329) and the Consolidated and Further Continuing Appropriations Act, 2012 (Pub. L. No. 112-55). Notwithstanding Subsection (f)(2), and only to the extent necessary to satisfy the requirements of the disaster recovery program, a replacement structure described by that subdivision is not considered to be a new improvement if to satisfy the requirements of the disaster recovery program it was necessary that:

(1) the square footage of the replacement structure exceed that of the replaced structure as that structure existed before the casualty or damage occurred; or

(2) the exterior of the replacement structure be of higher quality construction and composition than that of the replaced structure.

(2) Add the following appropriately numbered SECTION to the bill:

SECTION _____. The change in law made by Section 23.23(g), Tax Code, as added by this Act, applies only to the appraisal of a residence homestead for ad valorem tax purposes for a tax year that begins on or after January 1, 2014.

(3) In SECTION 26 of the bill, providing for the effective dates of the Act, strike Subsection (b) (page 10, lines 39-40) and substitute the following:

(b) Sections 1, 2, 4, 5, 8, 9, 9A, 13, 14, and 25 of this Act take effect January 1, 2014.

(4) Renumber the SECTIONS of the bill and cross-references accordingly.

LUCIO
HEGAR

The amendment to **CSHB 585** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 3.

Senator Birdwell offered the following amendment to the bill:

Floor Amendment No. 4

Amend **CSHB 585** by adding the appropriately numbered SECTIONS to read as follows:

(1) SECTION _____. Section 23.02, Tax Code, is amended by amending subsections (a) and (d) to read follows:

Sec. 23.02. REAPPRAISAL OF PROPERTY DAMAGED IN ~~[NATURAL]~~ DISASTER AREA. (a) The governing body of a taxing unit that is located partly or entirely inside an area declared to be a ~~[natural]~~ disaster area by the governor may authorize reappraisal of all property damaged in the disaster at its market value immediately after the disaster.

(d) If property damaged in a ~~[natural]~~ disaster is reappraised as provided by this section, the governing body shall provide for prorating the taxes on the property for the year in which the disaster occurred. If the taxes are prorated, taxes due on the property are determined as follows: the taxes on the property based on its value on January 1 of that year are multiplied by a fraction, the denominator of which is 365 and the numerator of which is the number of days before the date the disaster occurred; the taxes on the property based on its reappraised value are multiplied by a fraction, the denominator of which is 365 and the numerator of which is the number of days, including the date the disaster occurred, remaining in the year; and the total of the two amounts is the amount of taxes on the property for the year.

(2) SECTION _____. Section 23.129(b), Tax Code, is amended to read as follows:

(b) A chief appraiser or collector may waive a penalty under Subsection (a) only if:

(1) the taxpayer seeking the waiver files a written application for the waiver with the chief appraiser or collector, as applicable, not later than the 30th day after the date the declaration or statement, as applicable, was required to be filed;

(2) the taxpayer's failure to file or failure to timely file the declaration or statement was a result of:

(A) a ~~[natural]~~ disaster that made it effectively impossible for the taxpayer to comply with the filing requirement; or

(B) an event beyond the control of the taxpayer that destroyed the taxpayer's property or records; and

(3) the taxpayer is otherwise in compliance with this chapter.

(3) SECTION _____. Section 23.02, Tax Code, as amended by this Act, applies to all properties affected by a disaster as defined by Section 418.004, Government Code, that were appraised as of January 1, 2013. Property affected by a disaster and appraised prior to January 1, 2013 is governed by the law in effect at that time.

(4) Renumber remaining SECTIONS accordingly.

The amendment to **CSHB 585** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 4.

Senator Paxton offered the following amendment to the bill:

Floor Amendment No. 5

Amend **CSHB 585** (senate committee printing) as follows:

(1) Between the enacting clause and SECTION 1 of the bill (page 1, between lines 29 and 30) insert the following SECTION 0A to read as follows:

SECTION 0A. Section 1151.1581, Occupations Code, is amended by adding Subsection (f) to read as follows:

(f) As part of the continuing education requirements for a registered professional appraiser who is the chief appraiser of an appraisal district, the commission by rule shall require the registrant to complete:

(1) at least half of the required hours in a program devoted to one or more of the topics listed in Section 1151.164(b); and

(2) at least two of the required hours in a program of professional ethics specific to the chief appraiser of an appraisal district, including a program on the importance of maintaining the independence of an appraisal office from political pressure.

(2) Between SECTION 3 and SECTION 4 of the bill (page 3, between lines 1 and 2) insert the following SECTION 3A and SECTION 3B to read as follows:

SECTION 3A. Sections 6.05(c) and (d), Tax Code, are amended to read as follows:

(c) The chief appraiser is the chief administrator of the appraisal office. Except as provided by Section 6.0501, the [The] chief appraiser is appointed by and serves at the pleasure of the appraisal district board of directors. If a taxing unit performs the duties of the appraisal office pursuant to a contract, the assessor for the unit is the chief appraiser. To be eligible to be appointed or serve as a chief appraiser, a person must be certified as a registered professional appraiser under Section 1151.160, Occupations Code, possess an MAI professional designation from the Appraisal Institute, or possess an Assessment Administration Specialist (AAS), Certified Assessment Evaluator (CAE), or Residential Evaluation Specialist (RES) professional designation from the International Association of Assessing Officers. A person who is eligible to be appointed or serve as a chief appraiser by having a professional designation described by this subsection must become certified as a registered professional appraiser under Section 1151.160, Occupations Code, not later than the fifth anniversary of the date the person is appointed or begins to serve as chief appraiser. A chief appraiser who is not eligible to be appointed or serve as chief appraiser may not perform an action authorized or required by law to be performed by

a chief appraiser, including the preparation, certification, or submission of any part of the appraisal roll. Not later than January 1 of each year, a chief appraiser shall notify the comptroller in writing that the chief appraiser is either eligible to be appointed or serve as the chief appraiser or not eligible to be appointed or serve as the chief appraiser.

(d) Except as provided by Section 6.0501, the [The] chief appraiser is entitled to compensation as provided by the budget adopted by the board of directors. The chief appraiser's compensation may not be directly or indirectly linked to an increase in the total market, appraised, or taxable value of property in the appraisal district. Except as provided by Section 6.0501, the [The] chief appraiser may employ and compensate professional, clerical, and other personnel as provided by the budget, with the exception of a general counsel to the appraisal district.

SECTION 3B. Subchapter A, Chapter 6, Tax Code, is amended by adding Section 6.0501 to read as follows:

Sec. 6.0501. APPOINTMENT OF ELIGIBLE CHIEF APPRAISER BY COMPTROLLER. (a) The comptroller shall appoint a person eligible to be a chief appraiser under Section 6.05(c) or a person who has previously been appointed or served as a chief appraiser to perform the duties of chief appraiser for an appraisal district whose chief appraiser is ineligible to serve.

(b) A chief appraiser appointed under this section serves until the earlier of:

(1) the first anniversary of the date the comptroller appoints the chief appraiser; or

(2) the date the board of directors of the appraisal district:

(A) appoints a chief appraiser under Section 6.05(c); or

(B) contracts with an appraisal district or a taxing unit to perform the duties of the appraisal office for the district under Section 6.05(b).

(c) The comptroller shall determine the compensation of a chief appraiser appointed under this section. A chief appraiser appointed under this section shall determine the budget necessary for the adequate operation of the appraisal office, subject to the approval of the comptroller. The board of directors of the appraisal district shall amend the budget as necessary to compensate the appointed chief appraiser and fund the appraisal office as determined under this subsection.

(d) An appraisal district that does not appoint a chief appraiser or contract with an appraisal district or a taxing unit to perform the duties of the appraisal office by the first anniversary of the date the comptroller appoints a chief appraiser shall contract with an appraisal district or a taxing unit to perform the duties of the appraisal office or with a qualified public or private entity to perform the duties of the chief appraiser, subject to the approval of the comptroller.

(3) Add the following appropriately numbered SECTIONS to the bill:

SECTION ____. The Texas Commission of Licensing and Regulation shall adopt the rules required by Section 1151.1581(f), Occupations Code, as added by this Act, not later than January 1, 2014.

SECTION ____. A person appointed or serving as a chief appraiser in an appraisal district established in a county with a population of 100,000 or less on the effective date of this Act who is not eligible to be appointed or serve as a chief appraiser under Section 6.05(c), Tax Code, as amended by this Act, but who is

registered with the Texas Department of Licensing and Regulation and classified as a Class III appraiser under the rules of the Texas Commission of Licensing and Regulation may continue to serve as the chief appraiser until January 1, 2016.

(4) In SECTION 26 of the bill, providing for the effective dates of the Act, strike Subsection (b) (page 10, lines 39-40) and substitute the following:

(b) Sections 0A, 1, 2, 3A, 3B, 4, 5, 8, 9, 13, 14, and 25 of this Act take effect January 1, 2014.

(5) Renumber the SECTIONS of the bill and cross-references accordingly.

The amendment to **CSHB 585** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 5.

On motion of Senator Eltife and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 585 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Garcia, Van de Putte, Zaffirini.

COMMITTEE SUBSTITUTE HOUSE BILL 585 ON THIRD READING

Senator Eltife moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 585** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Watson, West, Whitmire, Williams.

Nays: Van de Putte, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Watson, West, Whitmire, Williams.

Nays: Garcia, Van de Putte, Zaffirini.

REASON FOR VOTE

Senator Van de Putte submitted the following reason for vote on **CSHB 585**:

I want to make it clear my "NAY" vote on CSHB 585 was based on the totality of the bill and its negative economic impact on Bexar County. I recognize that one of the provisions in the bill would benefit disabled veterans after their successful appeals by allowing the recoument of attorney fees. I have authored and supported several

bills this session that benefited veterans and surviving spouse property taxes in very targeted ways, including SB 163 and HB 97. However, concerns expressed to me about the negative impact on Bexar County made my vote against the bill the right decision for our community.

VAN DE PUTTE

(Senator Eltife in Chair)

HOUSE BILL 3954 ON SECOND READING

On motion of Senator Hegar and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3954** at this time on its second reading:

HB 3954, Relating to the creation of Kendleton Improvement District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

The bill was read second time.

Senator Huffman offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3954** as follows:

(1) Add the following appropriately numbered SECTIONS to the bill:

SECTION ____ Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8446 to read as follows:

CHAPTER 8446. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO.

184

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8446.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Commission" means the Texas Commission on Environmental Quality.
- (3) "Director" means a board member.
- (4) "District" means the Fort Bend County Municipal Utility District No.

184.

Sec. 8446.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8446.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8446.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8446.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8446.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8446.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section ___ of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section ___ of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8446.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8446.052, directors serve staggered four-year terms.

Sec. 8446.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8446.003; or

(2) the fourth anniversary of the effective date of the Act enacting this

chapter.

(c) If permanent directors have not been elected under Section 8446.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8446.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8446.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8446.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8446.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8446.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 8446.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8446.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

- (1) revenue other than ad valorem taxes; or
- (2) contract payments described by Section 8446.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8446.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8446.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8446.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8446.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8446.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8446.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SECTION ____. The Fort Bend County Municipal Utility District No. 184 initially includes all the territory contained in the following area:

506.74 acres of land situated in the Wiley Martin Survey, Abstract 56, and the E.P. Everett Survey, Abstract 387, Fort Bend County, Texas, being that certain called 376.1612 acre tract of land as described in deed and recorded in Volume 1934, Page 712 of the Deed Records of Fort Bend County, Texas and being that certain called 130.5756 acre tract of land as described in deed and recorded in the Official Public Records of Real Property of Fort Bend County, Texas under County Clerk's File Number 1999107785, said 506.74 acres of land being more particularly described by metes and bounds as follows, bearing orientation is based on the Texas Coordinate System of 1983, South Central Zone:

BEGINNING at a 1/2 inch iron rod found at the intersection of the centerline of Myers Road (based on a width of 60.00 feet) with the northwesterly right-of-way line of Berdette Road (based on a width of 60.00 feet);

Thence, S 21°34'18" W, with the northwesterly right-of-way line of Berdette Road, a distance of 3266.25 feet to a 3/4 inch iron rod with cap set in the northeasterly line of that certain called 607.75 acre tract of land as described in deed and recorded in Volume 64, Page 109 of the Deed Records of Fort Bend County, Texas, being in the northeasterly line of the Henry Wilcox Survey, Abstract 342;

Thence, N 67°27'46" W, with the northeasterly line of said called 607.75 acre tract and the common line of the Wiley Martin and Henry Wilcox Surveys, a distance of 5698.02 feet to an angle point, from which a found T Rail bears N 08°28' W, a distance of 0.35 feet;

Thence, N 67°36'40" W, a distance of 547.46 feet to a 3/4 inch iron rod with cap set for corner;

Thence, S 42°08'14" W, a distance of 2046.63 feet to a 3/4 inch iron rod with cap set in the northeasterly line of Rice Field Road;

Thence, N 47°59'25" W, with the northeasterly line of Rice Field Road, a distance of 344.35 feet to a T Rail found for corner;

Thence, N 42°05'03" E, a distance of 1924.14 feet to an angle point, from which a found 2 inch iron pipe (bent) bears N 79°02' W, a distance of 2.69 feet;

Thence, N 22°20'28" E, at a distance of 3195.31 feet pass a 1/2 inch iron pipe found in the southwesterly right-of-way line of Myers Road, continuing a total distance of 3225.31 feet to a point for corner;

Thence, S 67°49'42" E, with the centerline of Myers Road, a distance of 6569.03 feet to the POINT OF BEGINNING and containing 506.74 acres of land.

SECTION _____. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION _____. (a) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8446, Special District Local Laws Code, as added by this Act, is amended by adding Section 8446.106 to read as follows:

Sec. 8446.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(b) This section is not intended to be an expression of a legislative interpretation of the requirements of Subsection (c), Section 17, Article I, Texas Constitution.

(2) Renumber the SECTIONS of the bill appropriately.

(3) Correct cross-references in the bill accordingly.

The amendment to **HB 3954** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 2

Amend **HB 3954** (senate committee printing) as follows:

(1) Add the following appropriately numbered SECTIONS to the bill and renumber the subsequent SECTIONS accordingly:

SECTION _____. Chapter 7209, Special District Local Laws Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. BONDS

Sec. 7209.101. AUTHORITY TO ISSUE BONDS. (a) The district has the rights, powers, duties, and obligations of an issuer under Chapter 1371, Government Code.

(b) Sections 49.181 and 49.182, Water Code, do not apply to the district.

SECTION _____. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

The amendment to **HB 3954** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

On motion of Senator Hegar and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3954 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3954 ON THIRD READING

Senator Hegar moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3954** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2612 ON SECOND READING

Senator Deuell moved to suspend the regular order of business to take up for consideration **HB 2612** at this time on its second reading:

HB 2612, Relating to prohibitions and restrictions on using county roads in certain circumstances.

The motion prevailed.

Senator Uresti asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Deuell offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2612** (senate committee printing) by striking Section 3(a) (page 2, lines 1-5) and inserting the following:

(a) A commissioners court may identify an alternate route to a road and require heavy vehicles having a gross weight of more than 60,000 pounds to travel the alternate route in order to prevent excessive damage to the road due to the volume of traffic by such heavy vehicles. An alternate route identified under this subsection must be:

The amendment to **HB 2612** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Deuell and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 2612 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Uresti.

HOUSE BILL 2612 ON THIRD READING

Senator Deuell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2612** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Uresti.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

**HOUSE CONCURRENT RESOLUTION 80
ON SECOND READING**

On motion of Senator Carona and by unanimous consent, the regular order of business was suspended to take up for consideration **HCR 80** at this time on its second reading:

HCR 80, Requesting the lieutenant governor and the speaker of the house of representatives to create a joint interim committee to study the effects on international trade of wait times at points of entry between the United States and Mexico.

The resolution was read second time and was adopted by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3438 ON SECOND READING

On motion of Senator Lucio and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3438** at this time on its second reading:

HB 3438, Relating to the eligibility of a person to serve on the appraisal review board of an appraisal district.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3438 ON THIRD READING

Senator Lucio moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3438** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3439 ON SECOND READING

On motion of Senator Lucio and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3439** at this time on its second reading:

HB 3439, Relating to the representation of a property owner by an agent in a property tax matter.

The bill was read second time and was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3439 ON THIRD READING

Senator Lucio moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3439** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE**HOUSE BILL 2268 ON SECOND READING**

On motion of Senator Carona and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2268** at this time on its second reading:

CSHB 2268, Relating to search warrants issued in this state and other states for certain customer data, communications, and other related information held in electronic storage in this state and other states by providers of electronic communications services and remote computing services.

The bill was read second time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2268** (Senate Committee Printing) as follows:

(1) Strike SECTION 6 of the bill (page 2, line 64, through page 3, line 61) and substitute the following appropriately numbered SECTION:

SECTION _____. Section 4, Article 18.21, Code of Criminal Procedure, is amended to read as follows:

Sec. 4. REQUIREMENTS FOR GOVERNMENT ACCESS TO STORED COMMUNICATIONS. (a) An authorized peace officer may require a provider of an electronic communications service or a provider of a remote computing service to disclose electronic customer data ~~the contents of a wire communication or an electronic communication~~ that is [has been] in electronic storage ~~[for not longer than 180 days]~~ by obtaining a warrant under Section 5A.

~~(b) [An authorized peace officer may require a provider of electronic communications service to disclose the contents of a wire communication or an electronic communication that has been in electronic storage for longer than 180 days:~~

~~[(1) if notice is not being given to the subscriber or customer, by obtaining a warrant;~~

~~[(2) if notice is being given to the subscriber or customer, by obtaining:~~

~~[(A) an administrative subpoena authorized by statute;~~

~~[(B) a grand jury subpoena; or~~

~~[(C) a court order issued under Section 5 of this article; or~~

~~[(3) as otherwise permitted by applicable federal law.~~

~~[(e)(1) An authorized peace officer may require a provider of a remote computing service to disclose the contents of a wire communication or an electronic communication as described in Subdivision (2) of this subsection:~~

~~[(A) if notice is not being given to the subscriber or customer, by obtaining a warrant issued under this code;~~

~~[(B) if notice is being given to the subscriber or customer, by:~~

~~[(i) an administrative subpoena authorized by statute;~~

~~[(ii) a grand jury subpoena; or~~

~~[(iii) a court order issued under Section 5 of this article; or~~

~~[(C) as otherwise permitted by applicable federal law.~~

~~[(2) Subdivision (1) of this subsection applies only to a wire communication or an electronic communication that is in electronic storage:~~

~~[(A) on behalf of a subscriber or customer of the service and is received by means of electronic transmission from or created by means of computer processing of communications received by means of electronic transmission from the subscriber or customer; and~~

~~[(B) solely for the purpose of providing storage or computer processing services to the subscriber or customer if the provider of the service is not authorized to obtain access to the contents of those communications for purposes of providing any service other than storage or computer processing.]~~

~~[(d)]~~ An authorized peace officer may require a provider of an electronic communications service or a provider of a remote computing service to disclose only the following electronic customer data:

(i) information revealing the identity of customers of the applicable service;

(ii) information about a customer's use of the applicable service; ~~[records or other information pertaining to a subscriber or customer of the service, other than communications described in Subsection (c) of] this section,~~ without giving the subscriber or customer notice:

- (1) by obtaining an administrative subpoena authorized by statute;
- (2) by obtaining a grand jury subpoena;
- (3) by obtaining a warrant under Section 5A;
- (4) by obtaining the consent of the subscriber or customer to the disclosure

of the data ~~[records or information];~~

- (5) by obtaining a court order under Section 5 ~~[of this article];~~ or
- (6) as otherwise permitted by applicable federal law.

~~(c) [(e)]~~ A provider of telephonic communications service shall disclose to an authorized peace officer, without any form of legal process, subscriber listing information, including name, address, and telephone number or similar access code that:

- (1) the service provides to others in the course of providing publicly available directory or similar assistance; or
- (2) is solely for use in the dispatch of emergency vehicles and personnel responding to a distress call directed to an emergency dispatch system or when the information is reasonably necessary to aid in the dispatching of emergency vehicles and personnel for the immediate prevention of death, personal injury, or destruction of property.

~~(d) [(f)]~~ A provider of telephonic communications service shall provide an authorized peace officer with the name of the subscriber of record whose published telephone number is provided to the service by an authorized peace officer.

(2) Strike SECTION 8 of the bill (page 5, line 55, through page 6, line 54) and substitute the following appropriately numbered SECTION:

SECTION _____. Section 6, Article 18.21, Code of Criminal Procedure, is amended to read as follows:

Sec. 6. BACKUP PRESERVATION. (a) A subpoena or court order for disclosure of certain electronic customer data held [the contents of an electronic communication] in electronic storage by a provider of an electronic communications service or a provider of a remote computing service under Section 4(b) [4(e) of this article] may require that [the service] provider to [whom the request is directed] create a copy of the customer data [contents of the electronic communications] sought by the subpoena or court order for the purpose of preserving that data [those contents]. The [service] provider may not inform the subscriber or customer whose data is

~~[communications are]~~ being sought that the subpoena or court order has been issued. The ~~[service]~~ provider shall create the copy within a reasonable time as determined by the court issuing ~~not later than two business days after the date of the receipt by the service provider of the subpoena or court order.~~

(b) The provider of an electronic communications service or the provider of a remote computing service shall immediately notify the authorized peace officer who presented the subpoena or court order requesting the copy when the copy has been created.

(c) The ~~[Except as provided by Section 7 of this article, the]~~ authorized peace officer shall notify the subscriber or customer whose electronic customer data is ~~[communications are]~~ the subject of the subpoena or court order of the creation of the copy not later than three days after the date of the receipt of the notification from the applicable ~~[service]~~ provider that the copy was created.

(d) The provider of an electronic communications service or the provider of a remote computing service shall release the copy to the requesting authorized peace officer not earlier than the 14th day after the date of the peace officer's notice to the subscriber or customer if the ~~[service]~~ provider has not:

(1) initiated proceedings to challenge the request of the peace officer for the copy; or

(2) received notice from the subscriber or customer that the subscriber or customer has initiated proceedings to challenge the request.

(e) The provider of an electronic communications service or the provider of a remote computing service may not destroy or permit the destruction of the copy until the electronic customer data [information] has been delivered to the applicable ~~[designated]~~ law enforcement ~~[office or]~~ agency or until the resolution of any court proceedings, including appeals of any proceedings, relating to the subpoena or court order requesting the creation of the copy, whichever occurs last.

(f) An authorized peace officer who reasonably believes that notification to the subscriber or customer of the subpoena or court order would result in the destruction of or tampering with electronic customer data [information] sought may request the creation of a copy of the data [information]. The peace officer's belief is not subject to challenge by the subscriber or customer or by a ~~[service]~~ provider of an electronic communications service or a provider of a remote computing service.

(g)(1) A subscriber or customer who receives notification as described in Subsection (c) ~~[of this section]~~ may file a written motion to quash the subpoena or vacate the court order in the court that issued the subpoena or court order not later than the 14th day after the date of the receipt of the notice. The motion must contain an affidavit or sworn statement stating ~~[that]~~:

(A) that the applicant is a subscriber or customer of the provider of an electronic communications service or the provider of a remote computing service from which the electronic customer data held in [contents of] electronic storage [communications stored] for the subscriber or customer has ~~[have]~~ been sought; and

(B) the applicant's reasons for believing that the customer data [information] sought is not relevant to a legitimate law enforcement inquiry or that there has not been substantial compliance with the provisions of this article in some other respect.

(2) The subscriber or customer shall give written notice to the provider of an electronic communications service or the provider of a remote computing service of the challenge to the subpoena or court order. The authorized peace officer ~~[or designated law enforcement office or agency]~~ requesting the subpoena or court order must [shall] be served a copy of the papers filed by personal delivery or by registered or certified mail.

(h)(1) The court shall order the authorized peace officer to file a sworn response to the motion filed by the subscriber or customer if the court determines that the subscriber or customer has complied with the requirements of Subsection (g) ~~[of this section]~~. On request of the peace officer, the court may permit the response to be filed in camera. The court may conduct any additional proceedings the court considers appropriate if the court is unable to make a determination on the motion on the basis of the parties' initial allegations and response.

(2) The court shall rule on the motion as soon after the filing of the officer's response as practicable. The court shall deny the motion if the court finds that the applicant is not the subscriber or customer whose electronic customer data held in electronic storage is ~~[stored communications are]~~ the subject of the subpoena or court order or that there is reason to believe that the peace officer's inquiry is legitimate and that the customer data ~~[communications]~~ sought is [are] relevant to that inquiry. The court shall quash the subpoena or vacate the order if the court finds that the applicant is the subscriber or customer whose data is ~~[stored communications are]~~ the subject of the subpoena or court order and that there is not a reason to believe that the data is ~~[communications sought are]~~ relevant to a legitimate law enforcement inquiry or that there has not been substantial compliance with the provisions of this article.

(3) A court order denying a motion or application under this section is not a final order and no interlocutory appeal may be taken from the denial.

(3) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 8, Article 18.21, Code of Criminal Procedure, is amended to read as follows:

Sec. 8. PRECLUSION OF NOTIFICATION. (a) An ~~[When an]~~ authorized peace officer seeking electronic customer data ~~[information]~~ under Section 4 ~~[of this article is not required to give notice to the subscriber or customer or is delaying notification under Section 7 of this article, the peace officer]~~ may apply to the court for an order commanding the service provider to whom a warrant, subpoena, or court order is directed not to disclose to any ~~[other]~~ person the existence of the warrant, subpoena, or court order. The order is effective for the period the court considers appropriate. The court shall enter the order if the court determines that there is reason to believe that notification of the existence of the warrant, subpoena, or court order will have an adverse result ~~[as described in Section 7(c) of this article]~~.

(b) In this section, an "adverse result" means:

- (1) endangering the life or physical safety of an individual;
- (2) flight from prosecution;
- (3) destruction of or tampering with evidence;
- (4) intimidation of a potential witness; or

(5) otherwise seriously jeopardizing an investigation or unduly delaying a trial.

SECTION _____. Sections 9(a) and (b), Article 18.21, Code of Criminal Procedure, are amended to read as follows:

(a) Except as provided by Subsection (c) of this section, an authorized peace officer who obtains electronic customer data under Section 4 or other information under this article shall reimburse the person assembling or providing the data or information for all costs that are reasonably necessary and that have been directly incurred in searching for, assembling, reproducing, or otherwise providing the data or information. These costs include costs arising from necessary disruption of normal operations of a provider of an electronic communications service or a provider of a remote computing service in which the electronic customer data may be held in electronic storage or in which the other information may be stored.

(b) The authorized peace officer and the person providing the electronic customer data or other information may agree on the amount of reimbursement. If there is no agreement, the court that issued the order for production of the data or information shall determine the amount. If no court order was issued for production of the data or information, the court before which the criminal prosecution relating to the data or information would be brought shall determine the amount.

SECTION _____. Section 10, Article 18.21, Code of Criminal Procedure, is amended to read as follows:

Sec. 10. NO CAUSE OF ACTION. A subscriber or customer of a provider of an [wire or] electronic communications service or a provider of a remote computing service does not have a cause of action against a provider or [wire or electronic communications or remote computing service,] its officers, employees, or agents[-] or against other specified persons for providing information, facilities, or assistance as required by a court order, warrant, subpoena, or certification under this article.

SECTION _____. Section 12(a), Article 18.21, Code of Criminal Procedure, is amended to read as follows:

(a) Except as provided by Section 10 of this article, a provider of an electronic communications service or a provider of a remote computing service, or a subscriber or customer of that provider, that is [an electronic communications service] aggrieved by a violation of this article has a civil cause of action if the conduct constituting the violation was committed knowingly or intentionally and is entitled to:

- (1) injunctive relief;
- (2) a reasonable attorney's fee and other litigation costs reasonably incurred;

and

(3) the sum of the actual damages suffered and any profits made by the violator as a result of the violation or \$1,000, whichever is more.

SECTION _____. Section 7, Article 18.21, Code of Criminal Procedure, is repealed.

(3) Strike SECTION 7 of the bill (page 3, line 62, through page 5, line 54) and substitute the following appropriately numbered SECTION:

SECTION _____. Section 4, Article 18.21, Code of Criminal Procedure, is amended to read as follows:

Sec. 5A. WARRANT ISSUED IN THIS STATE FOR STORED CUSTOMER DATA OR COMMUNICATIONS. (a) This section applies to a warrant required under Section 4 to obtain electronic customer data, including the contents of a wire communication or electronic communication.

(b) On the filing of an application by an authorized peace officer, a district judge may issue a search warrant under this section for electronic customer data held in electronic storage, including the contents of and records and other information related to a wire communication or electronic communication held in electronic storage, by a provider of an electronic communications service or a provider of a remote computing service described by Subsection (h), regardless of whether the customer data is held at a location in this state or at a location in another state. An application made under this subsection must demonstrate probable cause for the issuance of the warrant and must be supported by the oath or affirmation of the authorized peace officer.

(c) A search warrant may not be issued under this section unless the sworn affidavit required by Article 18.01(b) sets forth sufficient and substantial facts to establish probable cause that:

(1) a specific offense has been committed; and

(2) the electronic customer data sought:

(A) constitutes evidence of that offense or evidence that a particular person committed that offense; and

(B) is held in electronic storage by the service provider on which the warrant is served under Subsection (i).

(d) Only the electronic customer data described in the sworn affidavit required by Article 18.01(b) may be seized under the warrant.

(e) A warrant issued under this section shall run in the name of "The State of Texas."

(f) Article 18.011 applies to an affidavit presented under Article 18.01(b) for the issuance of a warrant under this section, and the affidavit may be sealed in the manner provided by that article.

(g) The peace officer shall execute the warrant not later than the 11th day after the date of issuance, except that the officer shall execute the warrant within a shorter period if so directed in the warrant by the district judge. For purposes of this subsection, a warrant is executed when the warrant is served in the manner described by Subsection (i).

(h) A warrant under this section may be served only on a service provider that is a domestic entity or a company or entity otherwise doing business in this state under a contract or a terms of service agreement with a resident of this state, if any part of that contract or agreement is to be performed in this state. The service provider shall produce all electronic customer data, contents of communications, and other information sought, regardless of where the information is held and within the period allowed for compliance with the warrant, as provided by Subsection (j). A court may find any designated officer, designated director, or designated owner of a company or entity in contempt of court if the person by act or omission is responsible for the failure of the company or entity to comply with the warrant within the period allowed

for compliance. The failure of a company or entity to timely deliver the information sought in the warrant does not affect the admissibility of that evidence in a criminal proceeding.

(i) A search warrant issued under this section is served when the authorized peace officer delivers the warrant by hand, by facsimile transmission, or, in a manner allowing proof of delivery, by means of the United States mail or a private delivery service to:

(1) a person specified by Section 5.255, Business Organizations Code;

(2) the secretary of state in the case of a company or entity to which Section 5.251, Business Organizations Code, applies; or

(3) any other person or entity designated to receive the service of process.

(j) The district judge shall indicate in the warrant that the deadline for compliance by the provider of an electronic communications service or the provider of a remote computing service is the 15th business day after the date the warrant is served if the warrant is to be served on a domestic entity or a company or entity otherwise doing business in this state, except that the deadline for compliance with a warrant served in accordance with Section 5.251, Business Organizations Code, may be extended to a date that is not later than the 30th day after the date the warrant is served. The judge may indicate in a warrant that the deadline for compliance is earlier than the 15th business day after the date the warrant is served if the officer makes a showing and the judge finds that failure to comply with the warrant by the earlier deadline would cause serious jeopardy to an investigation, cause undue delay of a trial, or create a material risk of:

(1) danger to the life or physical safety of any person;

(2) flight from prosecution;

(3) the tampering with or destruction of evidence; or

(4) intimidation of potential witnesses.

(k) If the authorized peace officer serving the warrant under this section also delivers an affidavit form to the provider of an electronic communications service or the provider of a remote computing service responding to the warrant, and the peace officer also notifies the provider in writing that an executed affidavit is required, then the provider shall verify the authenticity of the customer data, contents of communications, and other information produced in compliance with the warrant by including with the information the affidavit form completed and sworn to by a person who is a custodian of the information or a person otherwise qualified to attest to its authenticity that states that the information was stored in the course of regularly conducted business of the provider and specifies whether it is the regular practice of the provider to store that information.

(l) On a service provider's compliance with a warrant under this section, an authorized peace officer shall file a return of the warrant and a copy of the inventory of the seized property as required under Article 18.10.

(m) The district judge shall hear and decide any motion to quash the warrant not later than the fifth business day after the date the service provider files the motion. The judge may allow the service provider to appear at the hearing by teleconference.

(n) A provider of an electronic communications service or a provider of a remote computing service responding to a warrant issued under this section may request an extension of the period for compliance with the warrant if extenuating circumstances exist to justify the extension. The district judge shall grant a request for an extension based on those circumstances if:

(1) the authorized peace officer who applied for the warrant or another appropriate authorized peace officer agrees to the extension; or

(2) the district judge finds that the need for the extension outweighs the likelihood that the extension will cause an adverse circumstance described by Subsection (j).

Sec. 5B. WARRANT ISSUED IN ANOTHER STATE FOR STORED CUSTOMER DATA OR COMMUNICATIONS. Any domestic entity that provides electronic communications services or remote computing services to the public shall comply with a warrant issued in another state and seeking information described by Section 5A(b), if the warrant is served on the entity in a manner equivalent to the service of process requirements provided in Section 5A(h).

(3) Strike SECTION 5 of the bill (page 2, line 42, through page 2, line 63) and substitute the following appropriately numbered SECTION:

SECTION ____. Section 1, Article 18.21, Code of Criminal Procedure, is amended to read as follows:

(3-b) "Domestic entity" has the meaning assigned by Section 1.002, Business Organizations Code.

(3-c) "Electronic customer data" means data or records that:

(A) are in the possession, care, custody or control of a provider of an electronic communications service or a remote computing service; and

(B) contain:

(i) information revealing the identity of customers of the applicable service;

(ii) information about a customer's use of the applicable service;

(iii) information that identifies the recipient or destination of a wire communication or electronic communication sent to or by the customer;

(iv) the content of a wire communication or electronic communication sent to or by the customer; and

(v) any data stored by or on behalf of the customer with the applicable service provider.

The amendment to **CSHB 2268** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Carona and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 2268 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2268 ON THIRD READING**

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2268** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

AT EASE

The Presiding Officer, Senator Eltife in Chair, at 5:25 p.m. announced the Senate would stand At Ease subject to the call of the Chair.

IN LEGISLATIVE SESSION

Senator Eltife at 5:50 p.m. called the Senate to order as In Legislative Session.

BILLS AND RESOLUTIONS SIGNED

The Presiding Officer announced the signing of the following enrolled bills and resolutions in the presence of the Senate after the captions had been read:

HB 115, HB 339, HB 432, HB 483, HB 561, HB 588, HB 646, HB 677, HB 698, HB 749, HB 843, HB 908, HB 985, HB 1018, HB 1047, HB 1081, HB 1086, HB 1183, HB 1241, HB 1358, HB 1405, HB 1442, HB 1458, HB 1503, HB 1563, HB 1593, HB 1594, HB 1607, HB 1664, HB 1721, HB 1791, HB 1800, HB 1801, HB 1819, HB 1953, HB 1970, HB 1971, HB 1979, HB 2134, HB 2155, HB 2312, HB 2356, HB 2454, HB 2478, HB 2509, HB 2512, HB 2549, HB 2610, HB 2627, HB 2649, HB 2662, HB 2673, HB 2873, HB 3017, HB 3097, HB 3102, HB 3137, HB 3176, HB 3178, HB 3212, HB 3285, HB 3307, HB 3332, HB 3355, HB 3412, HB 3668, HB 3676, HB 3795, HB 3800, HB 3896, HB 3905, HCR 41, HCR 104, HCR 129, HCR 130, HCR 131, HCR 132, HCR 133, HCR 134, HCR 135, HCR 136, HCR 137, HCR 138, HCR 139, HCR 140, HCR 141, HCR 142, HCR 143, HCR 144, HCR 145, HCR 146, HCR 147, HCR 148, HCR 149, HCR 150, HCR 151, HCR 152, HCR 153, HCR 154, HCR 155, HCR 156, HCR 157, HCR 158, HCR 159, HCR 160, HCR 161, HCR 162, HCR 163, HCR 164, HCR 165, HCR 166, HCR 167, HCR 168, HCR 169, HCR 170, HCR 171, HCR 172, HCR 173, HCR 174, HCR 175, HCR 176, HCR 177, HCR 178, HCR 179, HCR 180, HCR 181, HCR 182, HCR 183, HCR 184, HCR 185, HCR 186, HCR 187, HCR 188, HCR 189, HCR 190, HCR 191, HCR 192, HCR 193, HCR 194, HCR 195, HCR 196.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1803 ON SECOND READING**

On motion of Senator Huffman and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 1803** at this time on its second reading:

CSHB 1803, Relating to the renewal of a controlled substance registration by physicians; changing the payment schedule for a fee.

The bill was read second time.

Senator Huffman, on behalf of Senator Williams, offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 1803** by adding the appropriately numbered SECTIONS to the bill and renumbering SECTIONS of the bill accordingly:

SECTION _____. Section 168.002, Occupations Code, is amended to read as follows:

Sec. 168.002. EXEMPTIONS. This chapter does not apply to:

(1) a medical or dental school or an outpatient clinic associated with a medical or dental school;

(2) a hospital, including any outpatient facility or clinic of a hospital;

(3) a hospice established under 40 T.A.C. Section 97.403 or defined by 42 C.F.R. Section 418.3;

(4) a facility maintained or operated by this state;

(5) a clinic maintained or operated by the United States;

(6) a health organization certified by the board under Section 162.001;

(7) a clinic owned or operated by a physician who treats patients within the physician's area of specialty and who personally uses other forms of treatment, including surgery, with the issuance of a prescription for a majority of the patients; or

(8) a clinic owned or operated by an advanced practice nurse licensed in this state who treats patients in the nurse's area of specialty and who personally uses other forms of treatment with the issuance of a prescription for a majority of the patients.

SECTION _____. Section 168.201, Occupations Code, is amended by adding Subsection (d) to read as follows:

(d) A person who owns or operates a pain management clinic is engaged in the practice of medicine.

The amendment to **CSHB 1803** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Huffman and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 1803 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1803 ON THIRD READING**

Senator Huffman moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1803** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3433 ON SECOND READING

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3433** at this time on its second reading:

HB 3433, Relating to the regulation of certain private security companies and occupations; creating an offense.

The bill was read second time.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 3433** (senate committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Section 1702.105, Occupations Code, is amended to read as follows:

Sec. 1702.105. ALARM SYSTEMS COMPANY. (a) A person acts as an alarm systems company for the purposes of this chapter if the person sells, installs, services, monitors, or responds to an alarm system or detection device.

(b) An alarm systems company may sell, install, maintain, or service, or offer to sell, install, maintain, or service, an electronic access control device or a mechanical security device that is capable of activation through a wireless signal. An alarm systems company may not rekey an electronic access control device or mechanical security device that can be activated by a key. This subsection does not apply to a mechanical security device or electronic access control device installed in a motor vehicle.

SECTION ____ . Section 1702.223(b), Occupations Code, is amended to read as follows:

(b) An alarm systems installer may sell, install, maintain, ~~or~~ repair, or service an electronic access control device or a mechanical security device that is capable of activation through a wireless signal. An alarm systems installer may not rekey an electronic access control device or mechanical security device that can be activated by a key. This subsection does not apply to a mechanical security device or electronic access control device installed in a motor vehicle.

SECTION ____ . Section 1702.324(b), Occupations Code, is amended to read as follows:

(b) This chapter does not apply to:

(1) a manufacturer or a manufacturer's authorized distributor while selling equipment intended for resale;

(2) a person engaged exclusively in the business of obtaining and providing information to:

(A) determine creditworthiness;

(B) collect debts; or

(C) ascertain the reliability of information provided by an applicant for property, life, or disability insurance or an indemnity or surety bond;

(3) a person engaged exclusively in the business of repossessing property that is secured by a mortgage or other security interest;

(4) a person who is engaged in the business of psychological testing or other testing and interviewing services, including services to determine attitudes, honesty, intelligence, personality, and skills, for preemployment purposes;

(5) a person who:

(A) is engaged in obtaining information that is a public record under Chapter 552, Government Code, regardless of whether the person receives compensation;

(B) is not a full-time employee, as defined by Section 61.001, Labor Code, of a person licensed under this chapter; and

(C) does not perform any other act that requires a license under this chapter;

(6) a licensed engineer practicing engineering or directly supervising engineering practice under Chapter 1001, including forensic analysis, burglar alarm system engineering, and necessary data collection;

(7) an employee of a cattle association who inspects livestock brands under the authority granted to the cattle association by the Grain Inspection, Packers and Stockyards Administration of the United States Department of Agriculture;

(8) a landman performing activities in the course and scope of the landman's business;

(9) an attorney while engaged in the practice of law;

(10) a person who obtains a document for use in litigation under an authorization or subpoena issued for a written or oral deposition;

(11) an admitted insurer, insurance adjuster, agent, or insurance broker licensed by the state, performing duties in connection with insurance transacted by that person;

(12) a person who on the person's own property or on property owned or managed by the person's employer:

(A) installs, changes, or repairs a mechanical security device;

(B) repairs an electronic security device; or

(C) cuts or makes a key for a security device;

(13) security personnel, including security contract personnel, working at a commercial nuclear power plant licensed by the United States Nuclear Regulatory Commission;

(14) a person or firm licensed as an accountant or accounting firm under Chapter 901, an owner of an accounting firm, or an employee of an accountant or accounting firm while performing services regulated under Chapter 901;

(15) a retailer, wholesaler, or other person who sells mechanical security devices, including locks and deadbolts, but who does not:

(A) service mechanical security devices for the public outside of the person's premises; or

(B) claim to act as a locksmith;

(16) an employee while performing investigative services that would otherwise be subject to this chapter for an entity regulated by the:

(A) Texas Department of Insurance;

- (B) Office of Thrift Supervision;
- (C) Securities and Exchange Commission;
- (D) Federal Deposit Insurance Corporation; or
- (E) Financial Industry Regulatory Authority;

(17) a social worker who holds a license issued under Chapter 505 who is engaged in the practice of social work;

(18) persons licensed under Chapter 1101, Occupations Code, an association thereof, their authorized agents, or a multiple listing service, engaged in the business of selling, maintaining, repairing, programming, or placing lockboxes used for accessing real property; or

(19) an automobile club that holds a certificate of authority under Chapter 722, Transportation Code, its subcontractor, or a business that provides similar services, that unlocks a vehicle at the request of the owner or operator of the vehicle and that does not otherwise perform a locksmith service.

The amendment to **HB 3433** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Estes offered the following amendment to the bill:

Floor Amendment No. 2

Amend **HB 3433** (senate committee report) as follows:

(1) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 1702.288, Occupations Code, is amended by adding Subsection (f) to read as follows:

(f) A license holder acting as an alarm systems company does not have to provide the notice required under Subsection (d) if the contact information, including the address and the telephone numbers for the alarm systems company, has not changed.

(2) In SECTION 10 of the bill, in added Section 1702.3841, Occupations Code (page 4, line 16), between "notice" and "and", insert "from the department".

The amendment to **HB 3433** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 3

Amend **HB 3433** (senate committee report) by adding the following appropriately numbered SECTION to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 1302, Occupations Code, is amended by adding Section 1302.064 to read as follows:

Sec. 1302.064. TECHNOLOGY INTEGRATION. This chapter does not apply to a person licensed under Chapter 1702 of this code or Chapter 6002, Insurance Code, who sells, designs, or offers to sell or design a product or technology, including

a burglar alarm or fire alarm, that is integrated with an air conditioning or refrigeration system if the sale, design, or offer does not include the installation of any part of an air conditioning or refrigeration system by that person.

The amendment to **HB 3433** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 3.

On motion of Senator Estes and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3433 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3433 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3433** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

(President in Chair)

HOUSE BILL 2862 ON SECOND READING

On motion of Senator West and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2862** at this time on its second reading:

HB 2862, Relating to procedures related to juvenile cases.

The bill was read second time.

Senator West offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2862** (senate committee printing) as follows:

(1) In the recital to SECTION 4 of the bill (page 2, lines 23-24), strike "adding Subsection (s)" and substitute "adding Subsections (h-1) and (s) and amending Subsections (k) and (l)".

(2) Immediately following the recital to SECTION 4 of the bill (page 2, between lines 24 and 25), insert the following:

(h-1) If the juvenile court orders a person detained in a certified juvenile detention facility under Subsection (h), the juvenile court shall set or deny bond for the person as required by the Code of Criminal Procedure and other law applicable to the pretrial detention of adults accused of criminal offenses.

(k) The petition and notice requirements of Sections 53.04, 53.05, 53.06, and 53.07 of this code must be satisfied, and the summons must state that the hearing is for the purpose of considering waiver of jurisdiction under Subsection (j) [~~of this~~

~~section~~]. The person's parent, custodian, guardian, or guardian ad litem is not considered a party to a proceeding under Subsection (j) and it is not necessary to provide the parent, custodian, guardian, or guardian ad litem with notice.

(l) The juvenile court shall conduct a hearing without a jury to consider waiver of jurisdiction under Subsection (j) ~~[of this section]~~. Except as otherwise provided by this subsection, a waiver of jurisdiction under Subsection (j) may be made without the necessity of conducting the diagnostic study or complying with the requirements of discretionary transfer proceedings under Subsection (d). If requested by the attorney for the person at least 10 days before the transfer hearing, the court shall order that the person be examined pursuant to Section 51.20(a) and that the results of the examination be provided to the attorney for the person and the attorney for the state at least five days before the transfer hearing.

(3) IN SECTION 14 of the bill (page 5, lines 48-59), add the following appropriately lettered subsections to that SECTION and reletter subsequent subsections accordingly:

() Article 4.19, Code of Criminal Procedure, and Section 51.07, Family Code, as amended by this Act, apply to a juvenile case transfer that occurs on or after the effective date of this Act, regardless of whether the delinquent conduct or conduct indicating a need for supervision that is the basis of the case occurred before, on, or after the effective date of this Act.

() Article 24.011, Code of Criminal Procedure, and Section 52.0151, Family Code, as amended by this Act, apply to the detention of a witness that occurs on or after the effective date of this Act, regardless of whether any prior event connected to the proceeding, action, or decision occurred before the effective date of this Act.

() Section 51.072, Family Code, as amended by this Act, applies to a request for interim supervision that is initiated on or after the effective date of this Act, regardless of whether the child was placed on probation before, on, or after the effective date of this Act.

() Section 243.005, Human Resources Code, as amended by this Act, applies to a child who is committed to the Texas Juvenile Justice Department on or after the effective date of this Act, regardless of whether the delinquent conduct or conduct indicating a need for supervision for which the child was committed occurred before, on, or after the effective date of this Act.

(4) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Article 4.19, Code of Criminal Procedure, is amended to read as follows:

Art. 4.19. TRANSFER OF PERSON CERTIFIED TO STAND TRIAL AS AN ADULT ~~[CHILD]~~. (a) Notwithstanding the order of a juvenile court to detain a person under the age of 17 who has been certified to stand trial as an adult ~~[child]~~ in a certified juvenile detention facility under Section 54.02(h), Family Code, the judge of the criminal court having jurisdiction over the person ~~[child]~~ may order the person ~~[child]~~ to be transferred to an adult ~~[another]~~ facility ~~[and treated as an adult as provided by this code]~~. A child who is transferred to an adult facility must be detained under conditions meeting the requirements of Section 51.12, Family Code.

(b) On the 17th birthday of a person described by Subsection (a) who is detained in a certified juvenile detention facility under Section 54.02(h), Family Code, the judge of the criminal court having jurisdiction over the person shall order the person to be transferred to an adult facility.

SECTION _____. Article 24.011, Code of Criminal Procedure, is amended by amending Subsection (c) and adding Subsection (d-1) to read as follows:

(c) If the witness is in a placement in the custody of the Texas Juvenile Justice Department [~~Youth Commission~~], a juvenile secure detention facility, or a juvenile secure correctional facility, the court may issue a bench warrant or direct that an attachment issue to require a peace officer or probation officer to secure custody of the person at the placement and produce the person in court. When the person is no longer needed as a witness or the period prescribed by Subsection (d-1) has expired without extension, the court shall order the peace officer or probation officer to return the person to the placement from which the person was released.

(d-1) A witness younger than 17 years of age held in custody under this article may be placed in a certified juvenile detention facility for a period not to exceed 30 days. The length of placement may be extended in increments of 30 days by the court that issued the original bench warrant. If the placement is not extended, the period under this article expires and the witness may be returned as provided by Subsection (c).

SECTION _____. Subsection (f), Article 45.0216, Code of Criminal Procedure, is amended to read as follows:

(f) The court shall order the conviction, together with all complaints, verdicts, sentences, and prosecutorial and law enforcement records, and any other documents relating to the offense, expunged from the person's record if the court finds that:

(1) for a person applying for the expunction of a conviction for an offense described by Section 8.07(a)(4) or (5), Penal Code, the person was not convicted of any other offense described by Section 8.07(a)(4) or (5), Penal Code, while the person was a child; and

(2) for a person applying for the expunction of a conviction for an offense described by Section 43.261, Penal Code, the person was not found to have engaged in conduct indicating a need for supervision described by Section 51.03(b)(8) [~~51.03(b)(7)~~], Family Code, while the person was a child.

SECTION _____. Subsection (b), Section 51.03, Family Code, as amended by Chapters 1150 (H.B. 2015) and 1322 (S.B. 407), Acts of the 82nd Legislature, Regular Session, 2011, is reenacted and amended to read as follows:

(b) Conduct indicating a need for supervision is:

(1) subject to Subsection (f), conduct, other than a traffic offense, that violates:

(A) the penal laws of this state of the grade of misdemeanor that are punishable by fine only; or

(B) the penal ordinances of any political subdivision of this state;

(2) the absence of a child on 10 or more days or parts of days within a six-month period in the same school year or on three or more days or parts of days within a four-week period from school;

(3) the voluntary absence of a child from the child's home without the consent of the child's parent or guardian for a substantial length of time or without intent to return;

(4) conduct prohibited by city ordinance or by state law involving the inhalation of the fumes or vapors of paint and other protective coatings or glue and other adhesives and the volatile chemicals itemized in Section 485.001, Health and Safety Code;

(5) an act that violates a school district's previously communicated written standards of student conduct for which the child has been expelled under Section 37.007(c), Education Code;

(6) conduct that violates a reasonable and lawful order of a court entered under Section 264.305; ~~[or]~~

(7) notwithstanding Subsection (a)(1), conduct described by Section 43.02(a)(1) or (2), Penal Code; or

(8) notwithstanding Subsection (a)(1), [(7)] conduct that violates Section 43.261, Penal Code.

SECTION _____. Section 51.0412, Family Code, is amended to read as follows:

Sec. 51.0412. JURISDICTION OVER INCOMPLETE PROCEEDINGS. The court retains jurisdiction over a person, without regard to the age of the person, who is a respondent in an adjudication proceeding, a disposition proceeding, a proceeding to modify disposition, a proceeding for waiver of jurisdiction and transfer to criminal court under Section 54.02(a), or a motion for transfer of determinate sentence probation to an appropriate district court if:

(1) the petition or motion ~~[to modify]~~ was filed while the respondent was younger than 18 ~~[years of age]~~ or ~~[the motion for transfer was filed while the respondent was younger than]~~ 19 years of age, as applicable;

(2) the proceeding is not complete before the respondent becomes 18 or 19 years of age, as applicable; and

(3) the court enters a finding in the proceeding that the prosecuting attorney exercised due diligence in an attempt to complete the proceeding before the respondent became 18 or 19 years of age, as applicable.

SECTION _____. Section 51.07, Family Code, is amended to read as follows:

Sec. 51.07. TRANSFER TO ANOTHER COUNTY FOR DISPOSITION.

(a) When a child has been found to have engaged in delinquent conduct or conduct indicating a need for supervision under Section 54.03, the juvenile court may transfer the case and transcripts of records and documents to the juvenile court of the county where the child resides for disposition of the case under Section 54.04. Consent by the court of the county where the child resides is not required.

(b) For purposes of Subsection (a), while a child is the subject of a suit under Title 5, the child is considered to reside in the county in which the court of continuing exclusive jurisdiction over the child is located.

SECTION _____. Section 51.072, Family Code, is amended by amending Subsection (f) and adding Subsections (f-2), (j-1), and (j-2) to read as follows:

(f) Not later than 10 business days after a receiving county has agreed to provide interim supervision of a child, the juvenile probation department of the sending county shall provide the juvenile probation department of the receiving county with a copy of the following documents:

- (1) the petition and the adjudication and disposition orders for the child, including the child's thumbprint;
- (2) the child's conditions of probation;
- (3) the social history report for the child;
- (4) any psychological or psychiatric reports concerning the child;
- (5) the Department of Public Safety CR 43J form or tracking incident number concerning the child;
- (6) any law enforcement incident reports concerning the offense for which the child is on probation;
- (7) any sex offender registration information concerning the child;
- (8) any juvenile probation department progress reports concerning the child and any other pertinent documentation for the child's probation officer;
- (9) case plans concerning the child;
- (10) the Texas Juvenile Justice Department ~~[Probation Commission]~~ standard assessment tool results for the child;
- (11) the computerized referral and case history for the child, including case disposition;
- (12) the child's birth certificate;
- (13) the child's social security number or social security card, if available;
- (14) the name, address, and telephone number of the contact person in the sending county's juvenile probation department;
- (15) Title IV-E eligibility screening information for the child, if available;
- (16) the address in the sending county for forwarding funds collected to which the sending county is entitled;
- (17) any of the child's school or immunization records that the juvenile probation department of the sending county possesses; ~~[and]~~
- (18) any victim information concerning the case for which the child is on probation; and
- (19) if applicable, documentation that the sending county has required the child to provide a DNA sample to the Department of Public Safety under Section 54.0405 or 54.0409 or under Subchapter G, Chapter 411, Government Code.

(f-2) On initiating a transfer of probation supervision under this section, for a child ordered to submit a DNA sample as a condition of probation, the sending county shall provide to the receiving county documentation of compliance with the requirements of Section 54.0405 or 54.0409 or of Subchapter G, Chapter 411, Government Code, as applicable. If the sending county has not provided the documentation required under this section within the time provided by Subsection (f), the receiving county may refuse to accept interim supervision until the sending county has provided the documentation.

(j-1) Notwithstanding Subsection (j), the sending county may request interim supervision from the receiving county that issued a directive under Subsection (i)(2). Following the conclusion of any judicial proceedings in the sending county or on the

completion of any residential placement ordered by the juvenile court of the sending county, the sending and receiving counties may mutually agree to return the child to the receiving county. The sending and receiving counties may take into consideration whether:

(1) the person having legal custody of the child resides in the receiving county;

(2) the child has been ordered by the juvenile court of the sending county to reside with a parent, guardian, or other person who resides in the sending county or any other county; and

(3) the case meets the statutory requirements for collaborative supervision.

(j-2) The period of interim supervision under Subsection (j-1) may not exceed the period under Subsection (m).

SECTION _____. Subsections (d) and (e), Section 51.13, Family Code, are amended to read as follows:

(d) An adjudication under Section 54.03 that a child engaged in conduct that occurred on or after January 1, 1996, and that constitutes a felony offense resulting in commitment to the Texas Juvenile Justice Department [~~Youth Commission~~] under Section 54.04(d)(2), (d)(3), or (m) or 54.05(f) is a final felony conviction only for the purposes of Sections 12.42(a), (b), and (c)(1), [~~and (e)~~], Penal Code.

(e) A finding that a child engaged in conduct indicating a need for supervision as described by Section 51.03(b)(8) [~~51.03(b)(7)~~] is a conviction only for the purposes of Sections 43.261(c) and (d), Penal Code.

SECTION _____. Subsection (c), Section 51.17, Family Code, is amended to read as follows:

(c) Except as otherwise provided by this title, the Texas Rules of Evidence applicable [~~apply~~] to criminal cases and Articles 33.03 and 37.07 and Chapter 38, Code of Criminal Procedure, apply in a judicial proceeding under this title.

SECTION _____. Section 52.0151, Family Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) If a witness is in a placement in the custody of the Texas Juvenile Justice Department [~~Youth Commission~~], a juvenile secure detention facility, or a juvenile secure correctional facility, the court may issue a bench warrant or direct that an attachment issue to require a peace officer or probation officer to secure custody of the person at the placement and produce the person in court. Once the person is no longer needed as a witness or the period prescribed by Subsection (c) has expired without extension, the court shall order the peace officer or probation officer to return the person to the placement from which the person was released.

(c) A witness held in custody under this section may be placed in a certified juvenile detention facility for a period not to exceed 30 days. The length of placement may be extended in 30-day increments by the court that issued the original bench warrant. If the placement is not extended, the period under this section expires and the witness may be returned as provided by Subsection (a).

SECTION _____. The heading to Section 53.045, Family Code, is amended to read as follows:

Sec. 53.045. OFFENSES ELIGIBLE FOR DETERMINATE SENTENCE [~~VIOLENT OR HABITUAL OFFENDERS~~].

SECTION _____. Subsection (e), Section 54.011, Family Code, is amended to read as follows:

(e) A status offender may be detained for a necessary period, not to exceed the period allowed under the Interstate Compact for Juveniles [~~five days~~], to enable the child's return to the child's home in another state under Chapter 60.

SECTION _____. Subsection (a), Section 54.0404, Family Code, is amended to read as follows:

(a) If a child is found to have engaged in conduct indicating a need for supervision described by Section 51.03(b)(8) [~~51.03(b)(7)~~], the juvenile court may enter an order requiring the child to attend and successfully complete an educational program described by Section 37.218, Education Code, or another equivalent educational program.

SECTION _____. The heading to Section 56.03, Family Code, is amended to read as follows:

Sec. 56.03. APPEAL BY STATE IN CASES OF OFFENSES ELIGIBLE FOR DETERMINATE SENTENCE [~~VIOLENT OR HABITUAL OFFENDER~~].

SECTION _____. Subsection (c-3), Section 58.003, Family Code, as added by Chapter 1322 (S.B. 407), Acts of the 82nd Legislature, Regular Session, 2011, is redesignated as Subsection (c-5), Section 58.003, Family Code, to read as follows:

(c-5) [~~(c-3)~~] Notwithstanding Subsections (a) and (c) and subject to Subsection (b), a juvenile court may order the sealing of records concerning a child found to have engaged in conduct indicating a need for supervision that violates Section 43.261, Penal Code, or taken into custody to determine whether the child engaged in conduct indicating a need for supervision that violates Section 43.261, Penal Code, if the child attends and successfully completes an educational program described by Section 37.218, Education Code, or another equivalent educational program. The court may:

- (1) order the sealing of the records immediately and without a hearing; or
- (2) hold a hearing to determine whether to seal the records.

SECTION _____. Subsection (c-4), Section 58.003, Family Code, as added by Chapter 1322 (S.B. 407), Acts of the 82nd Legislature, Regular Session, 2011, is redesignated as Subsection (c-6), Section 58.003, Family Code, and amended to read as follows:

(c-6) [~~(c-4)~~] A prosecuting attorney or juvenile probation department may maintain until a child's 17th birthday a separate record of the child's name and date of birth and the date on which the child successfully completed the educational program, if the child's records are sealed under Subsection (c-5) [~~(c-3)~~]. The prosecuting attorney or juvenile probation department, as applicable, shall send the record to the court as soon as practicable after the child's 17th birthday to be added to the child's other sealed records.

SECTION _____. Subsection (d), Section 58.003, Family Code, as amended by Chapters 1150 (H.B. 2015) and 1322 (S.B. 407), Acts of the 82nd Legislature, Regular Session, 2011, is reenacted and amended to read as follows:

(d) The court may grant to a child the relief authorized in Subsection (a), (c-1), [~~or~~] (c-3), or (c-5) at any time after final discharge of the child or after the last official action in the case if there was no adjudication, subject, if applicable, to Subsection (e). If the child is referred to the juvenile court for conduct constituting any offense

and at the adjudication hearing the child is found to be not guilty of each offense alleged, the court shall immediately and without any additional hearing order the sealing of all files and records relating to the case.

SECTION _____. Subsection (g-1), Section 58.003, Family Code, is amended to read as follows:

(g-1) Statistical data [~~Any records~~] collected or maintained by the Texas Juvenile Justice Department, including statistical data submitted under Section 221.007, Human Resources Code, is [~~are~~] not subject to a sealing order issued under this section.

SECTION _____. Subsection (a), Section 58.203, Family Code, is amended to read as follows:

(a) The department shall certify to the juvenile probation department to which a referral was made that resulted in information being submitted to the juvenile justice information system that the records relating to a person's juvenile case are subject to automatic restriction of access if:

- (1) the person is at least 17 years of age;
- (2) the juvenile case did not include [~~violent or habitual felony~~] conduct resulting in determinate sentence proceedings in the juvenile court under Section 53.045; and
- (3) the juvenile case was not certified for trial in criminal court under Section 54.02.

SECTION _____. Subsection (b), Section 58.204, Family Code, is amended to read as follows:

(b) On certification of records in a case under Section 58.203, the department may permit access to the information in the juvenile justice information system relating to the case of an individual only:

- (1) by a criminal justice agency for a criminal justice purpose, as those terms are defined by Section 411.082, Government Code; [~~or~~]
- (2) for research purposes, by the Texas Juvenile Justice Department;
- (3) by the person who is the subject of the records on an order from the juvenile court granting the petition filed by or on behalf of the person who is the subject of the records;
- (4) with the permission of the juvenile court at the request of the person who is the subject of the records; or
- (5) with the permission of the juvenile court, by a party to a civil suit if the person who is the subject of the records has put facts relating to the person's records at issue in the suit [~~Probation Commission, the Texas Youth Commission, or the Criminal Justice Policy Council~~].

SECTION _____. Section 58.207, Family Code, is amended to read as follows:

Sec. 58.207. JUVENILE COURT ORDERS ON CERTIFICATION. (a) On certification of records in a case under Section 58.203, the juvenile court shall order:

(1) that the following records relating to the case may be accessed only as provided by Section 58.204(b):

(A) if the respondent was committed to the Texas Juvenile Justice Department [~~Youth Commission~~], records maintained by the department [~~commission~~];

- (B) records maintained by the juvenile probation department;
- (C) records maintained by the clerk of the court;
- (D) records maintained by the prosecutor's office; and
- (E) records maintained by a law enforcement agency; and

(2) the juvenile probation department to make a reasonable effort to notify the person who is the subject of records for which access has been restricted of the action restricting access and the legal significance of the action for the person, but only if the person has requested the notification in writing and has provided the juvenile probation department with a current address.

(b) Except as provided by Subsection (c), on [On] receipt of an order under Subsection (a)(1), the agency maintaining the records:

(1) may allow access only as provided by Section 58.204(b); and

(2) shall respond to a request for information about the records by stating that the records do not exist.

(c) Subsection (b) does not apply if:

(1) the subject of an order issued under Subsection (a)(1) is under the jurisdiction of the juvenile court or the Texas Juvenile Justice Department; or

(2) the agency has received notice that the records are not subject to restricted access under Section 58.211.

(d) Notwithstanding Subsection (b) and Section 58.206(b), with the permission of the subject of the records, an agency listed in Subsection (a)(1) may permit the state military forces or the United States military forces to have access to juvenile records held by that agency. On receipt of a request from the state military forces or the United States military forces, an agency may provide access to juvenile records held by that agency in the same manner authorized by law for records that have not been restricted under Subsection (a).

SECTION _____. Section 58.209, Family Code, is amended to read as follows:

Sec. 58.209. INFORMATION TO CHILD BY PROBATION OFFICER OR TEXAS JUVENILE JUSTICE DEPARTMENT [~~YOUTH COMMISSION~~].

(a) When a child is placed on probation for an offense that may be eligible for automatic restricted access at age 17 or when a child is received by the Texas Juvenile Justice Department [~~Youth Commission~~] on an indeterminate commitment, a probation officer or an official at the Texas Juvenile Justice Department [~~Youth Commission~~] reception center, as soon as practicable, shall explain the substance of the following information to the child:

(1) if the child was adjudicated as having committed delinquent conduct for a felony or jailable misdemeanor, that the child probably has a juvenile record with the department and the Federal Bureau of Investigation;

(2) that the child's juvenile record is a permanent record that is not destroyed or erased unless the record is eligible for sealing and the child or the child's family hires a lawyer and files a petition in court to have the record sealed;

(3) that the child's juvenile record, other than treatment records made confidential by law, can be accessed by police, sheriff's officers, prosecutors, probation officers, correctional officers, and other criminal and juvenile justice officials in this state and elsewhere;

(4) that the child's juvenile record, other than treatment records made confidential by law, can be accessed by employers, educational institutions, licensing agencies, and other organizations when the child applies for employment or educational programs;

(5) if the child's juvenile record is placed on restricted access when the child becomes 17 years of age, that access will be denied to employers, educational institutions, and others except for criminal justice agencies; ~~and~~

(6) that restricted access does not require any action by the child or the child's family, including the filing of a petition or hiring of a lawyer, but occurs automatically at age 17; and

(7) that if the child is under the jurisdiction of the juvenile court or the Texas Juvenile Justice Department on or after the child's 17th birthday, the law regarding restricted access will not apply until the person is discharged from the jurisdiction of the court or department, as appropriate.

(b) The probation officer or Texas Juvenile Justice Department [~~Youth Commission~~] official shall:

(1) give the child a written copy of the explanation provided; and

(2) communicate the same information to at least one of the child's parents or, if none can be found, to the child's guardian or custodian.

(c) The Texas Juvenile Justice Department [~~Probation Commission and the Texas Youth Commission~~] shall adopt rules to implement this section and to facilitate the effective explanation of the information required to be communicated by this section.

SECTION _____. Subsection (a), Section 23.101, Government Code, is amended to read as follows:

(a) The trial courts of this state shall regularly and frequently set hearings and trials of pending matters, giving preference to hearings and trials of the following:

(1) temporary injunctions;

(2) criminal actions, with the following actions given preference over other criminal actions:

(A) criminal actions against defendants who are detained in jail pending trial;

(B) criminal actions involving a charge that a person committed an act of family violence, as defined by Section 71.004, Family Code;

(C) an offense under:

(i) Section 21.02 or 21.11, Penal Code;

(ii) Chapter 22, Penal Code, if the victim of the alleged offense is younger than 17 years of age;

(iii) Section 25.02, Penal Code, if the victim of the alleged offense is younger than 17 years of age;

(iv) Section 25.06, Penal Code;

(v) Section 43.25, Penal Code; or

(vi) Section 20A.03, Penal Code;

(D) an offense described by Article 62.001(6)(C) or (D), Code of Criminal Procedure; and

(E) criminal actions against persons [~~children~~] who are detained as provided by Section 51.12, Family Code, after transfer for prosecution in criminal court under Section 54.02, Family Code;

(3) election contests and suits under the Election Code;

(4) orders for the protection of the family under Subtitle B, Title 4, Family Code;

(5) appeals of final rulings and decisions of the division of workers' compensation of the Texas Department of Insurance regarding workers' compensation claims and claims under the Federal Employers' Liability Act and the Jones Act;

(6) appeals of final orders of the commissioner of the General Land Office under Section 51.3021, Natural Resources Code;

(7) actions in which the claimant has been diagnosed with malignant mesothelioma, other malignant asbestos-related cancer, malignant silica-related cancer, or acute silicosis; and

(8) appeals brought under Section 42.01 or 42.015, Tax Code, of orders of appraisal review boards of appraisal districts established for counties with a population of less than 175,000.

SECTION _____. Section 243.005, Human Resources Code, is amended to read as follows:

Sec. 243.005. INFORMATION PROVIDED BY COMMITTING COURT. In addition to the information provided under Section 243.004, a court that commits a child to the department shall provide the department with a copy of the following documents:

(1) the petition and the adjudication and disposition orders for the child, including the child's thumbprint;

(2) if the commitment is a result of revocation of probation, a copy of the conditions of probation and the revocation order;

(3) the social history report for the child;

(4) any psychological or psychiatric reports concerning the child;

(5) the contact information sheet for the child's parents or guardian;

(6) any law enforcement incident reports concerning the offense for which the child is committed;

(7) any sex offender registration information concerning the child;

(8) any juvenile probation department progress reports concerning the child;

(9) any assessment documents concerning the child;

(10) the computerized referral and case history for the child, including case disposition;

(11) the child's birth certificate;

(12) the child's social security number or social security card, if available;

(13) the name, address, and telephone number of the court administrator in the committing county;

(14) Title IV-E eligibility screening information for the child, if available;

(15) the address in the committing county for forwarding funds collected to which the committing county is entitled;

(16) any of the child's school or immunization records that the committing county possesses;

(17) any victim information concerning the case for which the child is committed; ~~and~~

(18) any of the child's pertinent medical records that the committing court possesses;

(19) the Texas Juvenile Justice Department standard assessment tool results for the child;

(20) the Department of Public Safety CR-43J form or tracking incident number concerning the child; and

(21) documentation that the committing court has required the child to provide a DNA sample to the Department of Public Safety.

SECTION _____. The heading to Section 244.014, Human Resources Code, is amended to read as follows:

Sec. 244.014. REFERRAL OF DETERMINATE SENTENCE [~~VIOLENT AND HABITUAL~~] OFFENDERS FOR TRANSFER.

SECTION _____. To the extent of any conflict, this Act prevails over another Act of the 83rd Legislature, Regular Session, 2013, relating to nonsubstantive additions to and corrections in enacted codes.

The amendment to **HB 2862** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Van de Putte offered the following amendment to the bill:

Floor Amendment No. 2

Amend **HB 2862** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Chapter 203, Human Resources Code, is amended by adding Section 203.016 to read as follows:

Sec. 203.016. DATA REGARDING PLACEMENT IN DISCIPLINARY SECLUSION. (a) In this section:

(1) "Disciplinary seclusion" means the separation of a resident from other residents for disciplinary reasons and the placement of the resident alone in an area from which egress is prevented for more than 90 minutes.

(2) "Juvenile facility" means a facility that serves juveniles under juvenile court jurisdiction and that is operated as a pre-adjudication secure detention facility, a short-term detention facility, or a post-adjudication secure correctional facility.

(b) The department shall collect the following data during the annual registration of juvenile facilities and make the data publicly available:

(1) the number of placements in disciplinary seclusion lasting at least 90 minutes but less than 24 hours;

(2) the number of placements in disciplinary seclusion lasting 24 hours or more but less than 48 hours; and

(3) the number of placements in disciplinary seclusion lasting 48 hours or more.

The amendment to **HB 2862** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

On motion of Senator West and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 2862 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2862 ON THIRD READING

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2862** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

SENATE BILL 351 WITH HOUSE AMENDMENT

Senator Hegar called **SB 351** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 351** (house committee report) by striking page 1, lines 18 through 20, and substituting the following:

Sec. 8413.003. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

The amendment was read.

Senator Hegar moved to concur in the House amendment to **SB 351**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 514 WITH HOUSE AMENDMENT

Senator Davis called **SB 514** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 514** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the installation, maintenance, operation, and relocation of saltwater pipeline facilities.

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

SECTION 1. Chapter 91, Natural Resources Code, is amended by adding Subchapter T to read as follows:

SUBCHAPTER T. SALTWATER PIPELINES

Sec. 91.901. DEFINITIONS. In this subchapter:

(1) "Saltwater pipeline facility" means a pipeline facility that conducts water containing salt and other substances produced during drilling or operating an oil, gas, or other type of well. The term includes a pipeline facility that conducts flowback and produced water from an oil or gas well on which a hydraulic fracturing treatment has been performed to an oil and gas waste disposal well for disposal.

(2) "Saltwater pipeline operator" means a person who owns, installs, manages, operates, leases, or controls a saltwater pipeline facility.

Sec. 91.902. PIPELINE ON PUBLIC ROAD. A saltwater pipeline operator is entitled to install, maintain, and operate a saltwater pipeline facility through, under, along, across, or over a public road only if:

(1) the pipeline facility complies with applicable rules adopted by the Texas Transportation Commission and applicable county and municipal regulations regarding the accommodation of utility facilities on a public road or right-of-way, including regulations relating to the horizontal or vertical placement of the pipeline facility;

(2) the saltwater pipeline operator ensures that the public road and associated facilities are promptly restored to their former condition of usefulness after the installation or maintenance of the pipeline facility is complete; and

(3) the saltwater pipeline operator leases the right-of-way or area in which the pipeline facility is installed and pays to the applicable governmental entity the fair market value of the operator's use of the right-of-way or area, unless the operator is authorized by other law to install, maintain, and operate the pipeline facility through, under, along, across, or over the public road.

Sec. 91.903. RELOCATION OF SALTWATER PIPELINE FACILITY FOR CERTAIN PURPOSES. (a) Except as provided by Section 203.092, Transportation Code, the Texas Transportation Commission, the commissioners court of a county, or the governing body of a municipality, as applicable, may require a saltwater pipeline operator to relocate a saltwater pipeline facility at the cost of the saltwater pipeline operator to accommodate construction or expansion of a public road or for any other public work unless the saltwater pipeline operator has a property interest in the land occupied by the facility to be relocated.

(b) The Texas Transportation Commission, the commissioners court of a county, or the governing body of a municipality, as applicable, shall give to the saltwater pipeline operator 30 days' written notice of the requirement. The notice must identify the pipeline facility to be relocated and indicate the approximate location on the new right-of-way where the saltwater pipeline operator may place the facility.

Sec. 91.904. CONSTRUCTION OF SUBCHAPTER. This subchapter may not be construed to:

(1) limit the authority of a saltwater pipeline facility to use a public right-of-way under any other law;

(2) affect the authority of a municipality to:

(A) regulate the use of a public right-of-way by a saltwater pipeline operator under any other law; or

(B) require payment of any applicable charge under Section 182.025, Tax Code; or

(3) require a county or municipality to:

(A) grant a right to a saltwater pipeline operator that applies to a public road or right-of-way and that is broader than the county's or municipality's legal interest in the public road or right-of-way; or

(B) grant more than a surface right to a saltwater pipeline operator in a right-of-way acquired by prescription.

Sec. 91.905. APPLICATION OF OTHER LAW. Section 212.153(e), Local Government Code, and Sections 203.092, 224.008, and 502.1981(c)(4), Transportation Code, apply to saltwater pipeline operators and saltwater pipeline facilities in the same manner as they apply to utilities and utility facilities.

SECTION 2. 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, 2013.

The amendment was read.

Senator Davis moved to concur in the House amendment to **SB 514**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 763 WITH HOUSE AMENDMENT

Senator Watson called **SB 763** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 763** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to motorcycle training, the enforcement of certification standards for motorcycles, and the license requirements for a three-wheeled motorcycle; creating an offense.

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

SECTION 1. Section 521.148(a), Transportation Code, is amended to read as follows:

(a) An applicant for an original Class M license or Class A, B, or C driver's license that includes an authorization to operate a motorcycle must furnish to the department evidence satisfactory to the department that the applicant has successfully completed a [basic] motorcycle operator training course approved by the department under Chapter 662. The department shall issue a Class M license that is restricted to the operation of a three-wheeled motorcycle if the motorcycle operator training course completed by the applicant is specific to the operation of a three-wheeled motorcycle.

SECTION 2. Section 662.002(b), Transportation Code, is amended to read as follows:

(b) The program shall include curricula approved by the state agency administering the program [~~developed by the Motorcycle Safety Foundation~~].

SECTION 3. Section 662.006, Transportation Code, is amended to read as follows:

Sec. 662.006. UNAUTHORIZED TRAINING PROHIBITED. (a) A person may not offer or conduct training in motorcycle operation for [a] consideration unless the person is licensed by or contracts with the designated state agency.

(b) A person who violates Subsection (a) commits an offense. An offense under this subsection is a Class B misdemeanor, except that the offense is a Class A misdemeanor if it is shown on the trial of the offense that the defendant has been previously convicted of an offense under this section.

SECTION 4. Section 662.008(b), Transportation Code, is amended to read as follows:

(b) Following denial, suspension, or cancellation of [~~Before the designated state agency may deny, suspend, or cancel~~] the approval of a program sponsor or an instructor, notice and opportunity for a hearing must be given as provided by:

- (1) Chapter 2001, Government Code; and
- (2) Chapter 53, Occupations Code.

SECTION 5. Section 521.227, Transportation Code, is repealed.

SECTION 6. This Act takes effect September 1, 2013.

The amendment was read.

Senator Watson moved to concur in the House amendment to **SB 763**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 946 WITH HOUSE AMENDMENT

Senator Nelson called **SB 946** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Committee Amendment No. 1

Amend **SB 946** on page 4, line 6 (senate engrossed version) by striking "September 1, 2013" and substituting "January 1, 2014".

The amendment was read.

Senator Nelson moved to concur in the House amendment to **SB 946**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 1237 WITH HOUSE AMENDMENT

Senator Schwertner called **SB 1237** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1237** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to referral of disputes for alternative dispute resolution, including victim-directed referrals; authorizing a fee.

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

SECTION 1. Subsection (b), Section 152.002, Civil Practice and Remedies Code, is amended to read as follows:

(b) The commissioners court may do all necessary acts to make the alternative dispute resolution system effective, including:

(1) contracting with a private nonprofit corporation, a political subdivision, a public corporation, or a combination of these entities for the purpose of administering the system;

(2) making reasonable rules relating to the system, including rules specifying whether criminal cases may be referred to the system; and

(3) vesting management of the system in a committee selected by the county bar association.

SECTION 2. Section 152.003, Civil Practice and Remedies Code, is amended to read as follows:

Sec. 152.003. REFERRAL OF CASES. (a) A judge of a district court, county court, statutory county court, probate court, or justice of the peace court in a county in which an alternative dispute resolution system has been established may, on motion of a party or on the judge's or justice's own motion, refer a civil or, if the system accepts criminal cases and on the request of an attorney representing the state, a criminal case to the system regardless of whether the defendant in the criminal case has been formally charged. Referral under this section does not prejudice the case.

(b) Before requesting a referral of a criminal case under this section, an attorney representing the state must obtain the consent of the victim and the defendant to the referral.

(c) A criminal case may not be referred to the system if the defendant is charged with or convicted of an offense listed in Section 3g(a)(1), Article 42.12, Code of Criminal Procedure, or convicted of an offense, the judgment for which contains an affirmative finding under Section 3g(a)(2), Article 42.12, Code of Criminal Procedure.

SECTION 3. Section 152.006, Civil Practice and Remedies Code, is amended to read as follows:

Sec. 152.006. FEE FOR ALTERNATIVE DISPUTE RESOLUTION CENTERS. An entity described by Section 152.002(a) or (b)(1) [152.002(b)(1)] that provides services for the resolution of disputes [in a county that borders the Gulf of Mexico with a population of 250,000 or more but less than 300,000] may collect a reasonable fee [in any amount] set by the commissioners court [from a person who receives the services. This section may not be construed to affect the collection of a fee by any other entity described by Section 152.002(b)(1)].

SECTION 4. Chapter 152, Civil Practice and Remedies Code, is amended by adding Section 152.007 to read as follows:

Sec. 152.007. PARTICIPANT FEE FOR CRIMINAL DISPUTE RESOLUTION. (a) An entity that provides services for the resolution of criminal disputes under this chapter may collect a reasonable fee set by the commissioners court from a person who receives the services, not to exceed \$350, except that a fee may not be collected from an alleged victim of the crime.

(b) Fees collected under this section may be paid on a periodic basis or on a deferred payment schedule at the discretion of the judge, magistrate, or program director administering the pretrial victim-offender mediation program. The fees must be based on the defendant's ability to pay.

SECTION 5. (a) The changes in law made by this Act with respect to criminal cases apply only to a criminal case in which the defendant is arrested for or charged with an offense that occurs on or after the effective date of this Act. A criminal case in which the defendant is arrested for or charged with an offense that occurs before the effective date of this Act is governed by the law in effect when the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense was committed before that date.

(b) The changes in law made by this Act with respect to civil cases apply only to a civil case referred to a county alternative dispute resolution system on or after the effective date of this Act. A civil case referred before the effective date of this Act is governed by the law applicable to the case immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 6. This Act takes effect September 1, 2013.

The amendment was read.

Senator Schwertner moved to concur in the House amendment to **SB 1237**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 948 WITH HOUSE AMENDMENT

Senator Nelson called **SB 948** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 948** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to management of a coordinated county transportation authority.

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

SECTION 1. Section 431.003(3), Transportation Code, is amended to read as follows:

- (3) "Local government" means:
 - (A) a municipality;
 - (B) a county; or
 - (C) for purposes of Subchapter D:
 - (i) [] a navigation district, hospital district, or hospital authority;

(ii) [~~or~~] a regional transportation authority governed by Chapter 452; or

(iii) a coordinated county transportation authority governed by Chapter 460 [as described by Section 452.001].

SECTION 2. Section 460.054(b), Transportation Code, is amended to read as follows:

(b) The interim executive committee is composed of:

(1) one member appointed by the governing body of each municipality with a population of 12,000 or more that is located in the county;

(2) three members appointed by the commissioners court, two of whom must reside in the unincorporated area of the county; ~~and~~

(3) three members to be designated by the remaining municipalities with a population of more than 500 but less than 12,000 located in the county; and

(4) one member appointed by the governing body of each municipality in the county with a population of more than 500 but less than 12,000 that:

(A) designates a public transportation financing area under Section 460.603;

(B) enters into an agreement with the authority to provide public transportation services in the public transportation financing area under Subchapter I; and

(C) did not approve the designation of any member designated under Subdivision (3).

SECTION 3. Section 460.105, Transportation Code, is amended by adding Subsection (c) to read as follows:

(c) A private operator who contracts with an authority under this chapter is not a public entity for purposes of any law of this state except that an independent contractor of the authority that performs a function of the authority is liable for damages only to the extent that the authority would be liable if the authority or entity itself were performing the function.

SECTION 4. Section 460.1092(a), Transportation Code, is amended to read as follows:

(a) An authority may employ or contract for persons to serve as fare enforcement officers to enforce the payment of fares for use of the public transportation system by:

(1) requesting and inspecting evidence showing payment of the appropriate fare from a person using the public transportation system; and

(2) issuing a citation to a person described by Section 460.1091(d).

SECTION 5. Section 460.2015(a), Transportation Code, is amended to read as follows:

(a) The board of directors of an authority confirmed under Subchapter B may increase the population amount stated by Section 460.054(b)(1) in increments of up to 5,000. If the board increases that population amount, the board shall also increase each population amount stated by Sections 460.054(b)(3), (b)(4), and (c) [460.054(c)] by the same amount.

SECTION 6. Section 460.202, Transportation Code, is amended to read as follows:

Sec. 460.202. ELIGIBILITY. To be eligible for appointment to the board of directors, a person must:

(1) have professional experience in the field of transportation, business, government, engineering, or law; and

(2) reside:

(A) in the territory of the authority; or

(B) outside the territory of the authority in a municipality that is located partly in the territory of the authority.

SECTION 7. Section 460.406(c), Transportation Code, is amended to read as follows:

(c) The board of directors may authorize the negotiation of a contract without competitive sealed bids or proposals if:

(1) the aggregate amount involved in the contract is \$50,000 or less;

(2) the contract is for construction for which not more than one bid or proposal is received;

(3) the contract is for services or property for which there is only one source or for which it is otherwise impracticable to obtain competition;

(4) the contract is to respond to an emergency for which the public exigency does not permit the delay incident to the competitive process;

(5) the contract is for personal or professional services or services for which competitive bidding is precluded by law;

(6) the contract, without regard to form and which may include bonds, notes, loan agreements, or other obligations, is for the purpose of borrowing money or is a part of a transaction relating to the borrowing of money, including:

(A) a credit support agreement, such as a line or letter of credit or other debt guaranty;

(B) a bond, note, debt sale or purchase, trustee, paying agent, remarketing agent, indexing agent, or similar agreement;

(C) an agreement with a securities dealer, broker, or underwriter; and

(D) any other contract or agreement considered by the board of directors to be appropriate or necessary in support of the authority's financing activities;

(7) the contract is for work that is performed and paid for by the day as the work progresses;

(8) the contract is for the lease or purchase of an interest in land [~~or a right of way~~];

(9) the contract is for the purchase of personal property sold:

(A) at an auction by a state licensed auctioneer;

(B) at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; or

(C) by a political subdivision of this state, a state agency, or an entity of the federal government;

(10) the contract is for services performed by blind or severely disabled persons;

(11) the contract is for the purchase of electricity; [~~or~~]

(12) the contract is one for an authority project and awarded for alternate project delivery using the procedures under Subchapters E, F, ~~and~~ G, and I, Chapter 2267, Government Code, as added by Chapter 1129 (H.B. 628), Acts of the 82nd Legislature, Regular Session, 2011; or

(13) the contract is for fare enforcement officer services under Section 460.1092.

SECTION 8. Section 460.105(c), Transportation Code, as added by this Act, applies only to a cause of action that accrues on or after the effective date of this Act. A cause of action that accrues before the effective date of this Act is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

SECTION 9. This Act takes effect September 1, 2013.

The amendment was read.

Senator Nelson moved to concur in the House amendment to **SB 948**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 503 WITH HOUSE AMENDMENT

Senator West called **SB 503** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 503** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the establishment of the Expanded Learning Opportunities Council to study and make recommendations concerning expanded learning opportunities for public school students.

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

SECTION 1. Chapter 33, Education Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. EXPANDED LEARNING OPPORTUNITIES COUNCIL

Sec. 33.251. DEFINITION. In this chapter, "council" means the Expanded Learning Opportunities Council.

Sec. 33.252. EXPANDED LEARNING OPPORTUNITIES. (a) Expanded learning opportunities may be provided during:

- (1) an extended school day;
- (2) an extended school year; or
- (3) structured learning programs outside of the regular school day, including

before- and after-school programs and summer programs.

(b) Expanded learning opportunities may be provided by offering:

- (1) rigorous coursework;
- (2) mentoring;
- (3) tutoring;
- (4) physical activity;

(5) academic support; or

(6) educational enrichment in one or more subjects, including fine arts, civic engagement, science, technology, engineering, and mathematics.

Sec. 33.253. ESTABLISHMENT; PURPOSES. (a) The Expanded Learning Opportunities Council is established to:

(1) study issues concerning expanded learning opportunities for this state's public school students, including:

(A) issues related to creating safe places for children outside of the regular school day, improving the academic success of students who participate in expanded learning opportunities programs, and assisting working families; and

(B) other issues prescribed under Section 33.258; and

(2) make recommendations as provided by Section 33.259 to address issues studied under this subchapter.

(b) In conducting studies under this subchapter, the council shall focus on innovative, hands-on learning approaches that complement rather than replicate the regular school curriculum.

Sec. 33.254. SUNSET PROVISION. The council is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the council is abolished and this subchapter expires September 1, 2017.

Sec. 33.255. COMPOSITION. The council is composed of 13 members appointed by the commissioner as follows:

(1) two members of the public, including one representing the business community and one parent of a public school student participating in an expanded learning opportunities program in this state;

(2) two members who are involved in research-based expanded learning opportunities efforts in this state so that at least one is involved in efforts to extend the school day or school year and at least one is involved in efforts to provide out of school time before or after the regular school day or during the period in which school is recessed for the summer;

(3) one member representing law enforcement;

(4) one member representing the agency;

(5) one member who is an educator, other than a superintendent, at the elementary school level;

(6) one member who is an educator, other than a superintendent, at the middle or junior high school level;

(7) one member who is an educator, other than a superintendent, at the high school level;

(8) one member who is a public school superintendent;

(9) one member representing a foundation that invests in expanded learning opportunities;

(10) one member representing a nonprofit organization that provides programs concerning good nutrition and prevention of or intervention to address childhood obesity; and

(11) one member who is a provider representing summer camps.

Sec. 33.256. MEETINGS. (a) The council shall meet in person at least three times each year and may hold additional meetings by conference call if necessary.

(b) Section 551.125, Government Code, applies to a meeting held by conference call under this section, except that Section 551.125(b), Government Code, does not apply.

Sec. 33.257. COMPENSATION. A member of the council may not receive compensation for service on the council.

Sec. 33.258. POWERS AND DUTIES. (a) The council shall:

(1) study issues related to expanded learning opportunities for public school students;

(2) study current research and best practices related to meaningful expanded learning opportunities;

(3) analyze the availability of and unmet needs for state and local programs for expanded learning opportunities for public school students;

(4) analyze opportunities to create incentives for businesses to support expanded learning opportunities programs for public school students;

(5) analyze opportunities to maximize charitable support for public and private partnerships for expanded learning opportunities programs for public school students;

(6) analyze opportunities to promote science, technology, engineering, and mathematics in expanded learning opportunities programs for public school students;

(7) study the future workforce needs of this state's businesses and other employers; and

(8) perform other duties consistent with this subchapter.

(b) In carrying out its powers and duties under this section, the council may request reports and other information relating to expanded learning opportunities and students in expanded learning opportunities programs from the Texas Education Agency and any other state agency.

Sec. 33.259. STATEWIDE EXPANDED LEARNING OPPORTUNITIES PLAN; REPORT. (a) The council shall develop a comprehensive statewide action plan for the improvement of expanded learning opportunities for public school students in this state, including a timeline for implementation of the plan.

(b) The council shall submit to both houses of the legislature, the governor, and the agency on or before November 1 of each even-numbered year a written report concerning:

(1) the status of the development or implementation of the council's statewide action plan, as applicable;

(2) any action taken to further development or implementation of the plan;

(3) any area that needs improvement in implementing the plan;

(4) any recommended change to the plan; and

(5) programs and services that address expanded learning opportunities outside of the regular school day.

Sec 33.260. GIFTS, GRANTS, AND DONATIONS. The agency may accept on behalf of the council a gift, grant, or donation from any source to carry out the purposes of this subchapter.

SECTION 2. (a) The Expanded Learning Opportunities Council shall submit the initial report required under Subchapter G, Chapter 33, Education Code, as added by this Act, not later than November 1, 2014.

(b) Not later than December 31, 2013, the commissioner of education shall appoint the members of the Expanded Learning Opportunities Council under Subchapter G, Chapter 33, Education Code, as added by this Act.

SECTION 3. 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, 2013.

The amendment was read.

Senator West moved to concur in the House amendment to **SB 503**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 1386 WITH HOUSE AMENDMENT

Senator Hancock called **SB 1386** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1386** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the nonforfeiture requirements of certain life insurance policies.

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

SECTION 1. Subchapter A, Chapter 1105, Insurance Code, is amended by adding Section 1105.0015 to read as follows:

Sec. 1105.0015. DEFINITION. In this chapter, "operative date of the valuation manual" means the date, if any, on which the valuation manual described by Subchapter B, Chapter 425 (Standard Valuation Law), becomes operative as provided by that subchapter.

SECTION 2. Section 1105.055, Insurance Code, is amended by amending Subsections (h) and (i) and adding Subsections (j), (k), (l), and (m) to read as follows:

(h) For a policy issued before the operative date of the valuation manual, any [Any] ordinary mortality table adopted after 1980 by the National Association of Insurance Commissioners that is approved by rules adopted by the commissioner for use in determining the minimum nonforfeiture standard may be substituted for:

(1) the Commissioners 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors; or

(2) the Commissioners 1980 Extended Term Insurance Table.

(i) For a policy issued before the operative date of the valuation manual, any [Any] industrial mortality table adopted after 1980 by the National Association of Insurance Commissioners that is approved by rules adopted by the commissioner for use in determining the minimum nonforfeiture standard may be substituted for:

(1) the Commissioners 1961 Standard Industrial Mortality Table; or

(2) the Commissioners 1961 Industrial Extended Term Insurance Table.

(j) Except as provided by Subsection (k), for a policy described by Subsection (h) issued on or after the operative date of the valuation manual, the valuation manual must provide the commissioners' standard ordinary mortality table for use in determining the minimum nonforfeiture standard that may be substituted for:

(1) the Commissioners 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors; or

(2) the Commissioners 1980 Extended Term Insurance Table.

(k) If the commissioner by rule adopts a commissioners' standard ordinary mortality table adopted by the National Association of Insurance Commissioners for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the valuation manual, the minimum nonforfeiture standard determined in accordance with that table supersedes the standard provided by the valuation manual.

(l) Except as provided by Subsection (m), for a policy described by Subsection (i) issued on or after the operative date of the valuation manual, the valuation manual must include the commissioners' standard industrial mortality table for use in determining the minimum nonforfeiture standard that may be substituted for:

(1) the 1961 Standard Industrial Mortality Table; or

(2) the Commissioners 1961 Industrial Extended Term Insurance Table.

(m) If the commissioner by rule adopts a commissioners' standard industrial mortality table adopted by the National Association of Insurance Commissioners for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the valuation manual, the minimum nonforfeiture standard determined in accordance with that table supersedes the standard provided by the valuation manual.

SECTION 3. Section 1105.056, Insurance Code, is amended to read as follows:

Sec. 1105.056. NONFORFEITURE INTEREST RATE. (a) For a policy issued before the operative date of the valuation manual, the ~~[The]~~ annual nonforfeiture interest rate for a policy issued in a particular calendar year is equal to 125 percent of the calendar year statutory valuation interest rate for that policy as defined by Subchapter B, Chapter 425, rounded to the nearest one-fourth of one percent, except that the commissioner by rule may adopt a different nonforfeiture interest rate.

(b) For a policy issued on or after the operative date of the valuation manual, the annual nonforfeiture interest rate for any policy issued in a particular calendar year is provided by the valuation manual.

SECTION 4. The commissioner of insurance may not implement this Act before the operative date of the valuation manual described by Section 1105.0015, Insurance Code, as added by this Act.

SECTION 5. This Act takes effect only if an Act of the 83rd Legislature, Regular Session, 2013, that amends Chapter 425, Insurance Code, to authorize the commissioner of insurance to adopt a standard valuation manual and provide an operative date for that manual is enacted and becomes law. If an Act of the 83rd Legislature, Regular Session, 2013, amending Chapter 425, Insurance Code, to authorize the commissioner of insurance to adopt a standard valuation manual and provide an operative date for that manual does not become law, this Act has no effect.

SECTION 6. This Act takes effect January 1, 2014.

The amendment was read.

Senator Hancock moved to concur in the House amendment to **SB 1386**.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Nichols.

SENATE BILL 718 WITH HOUSE AMENDMENT

Senator West called **SB 718** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 718** (house committee report) as follows:

(1) On page 1, lines 22 through 23, strike "or provider of outpatient mental health services".

(2) On page 1, line 23, strike "older than".

(3) On page 1, line 24, between "age" and "and", insert "or older".

(4) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Chapter 572, Health and Safety Code, is amended by adding Section 572.0051 to read as follows:

Sec. 572.0051. TRANSPORTATION OF PATIENT TO ANOTHER STATE. A person may not transport a patient to a mental health facility in another state for inpatient mental health services under this chapter unless transportation to that facility is authorized by a court order.

The amendment was read.

Senator West moved to concur in the House amendment to **SB 718**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 939 WITH HOUSE AMENDMENT

Senator West called **SB 939** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 939** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill as appropriate:

SECTION _____. Subchapter A, Chapter 38, Education Code, is amended by adding Section 38.0042 to read as follows:

Sec. 38.0042. POSTING CHILD ABUSE HOTLINE TELEPHONE NUMBER. (a) Each public school and open-enrollment charter school shall post in a clearly visible location in a public area of the school that is readily accessible to students a sign in English and in Spanish that contains the toll-free telephone number operated by the Department of Family and Protective Services to receive reports of child abuse or neglect.

(b) The commissioner may adopt rules relating to the size and location of the sign required by Subsection (a).

The amendment was read.

Senator West moved to concur in the House amendment to **SB 939**.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Hegar.

SENATE BILL 869 WITH HOUSE AMENDMENT

Senator Van de Putte called **SB 869** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 869** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the regulation of the practice of pharmacy; authorizing fees.

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

SECTION 1. Section 353.204(e), Occupations Code, is amended to read as follows:

(e) The Texas State Board of Pharmacy is responsible for enforcing this chapter with regard to a violation of this chapter by a pharmacist. A violation of this chapter by a pharmacist is considered to be a violation of Subtitle J[, ~~other than Chapter 567~~].

SECTION 2. Section 551.001, Occupations Code, is amended to read as follows:

Sec. 551.001. SHORT TITLE. ~~This [The chapters of this] subtitle[, other than Chapter 567,]~~ may be cited as the Texas Pharmacy Act.

SECTION 3. Section 551.003, Occupations Code, is amended by amending Subdivision (32) and adding Subdivision (32-a) to read as follows:

(32) "Pharmacy technician" means an individual employed by a pharmacy whose responsibility is to provide technical services that do not require professional judgment regarding preparing and distributing drugs and who works under the direct supervision of and is responsible to a pharmacist. The term does not include a pharmacy technician trainee.

(32-a) "Pharmacy technician trainee" means an individual who is registered with the board as a pharmacy technician trainee and is authorized to participate in a pharmacy technician training program.

SECTION 4. Section 554.002, Occupations Code, is amended to read as follows:

Sec. 554.002. REGULATION OF PRACTICE OF PHARMACY. The board shall regulate the practice of pharmacy in this state by:

(1) issuing a license after examination or by reciprocity to an applicant qualified to practice pharmacy and issuing a license to a pharmacy under this subtitle;

(2) renewing a license to practice pharmacy and a license to operate a pharmacy;

(3) determining and issuing standards for recognizing and approving degree requirements of colleges of pharmacy whose graduates are eligible for a license in this state;

(4) specifying and enforcing requirements for practical training, including an internship;

(5) enforcing the provisions of this subtitle relating to:

(A) the conduct or competence of a pharmacist practicing in this state and the conduct of a pharmacy operating in this state; and

(B) the suspension, revocation, retirement, or restriction of a license to practice pharmacy or to operate a pharmacy or the imposition of an administrative penalty or reprimand on a license holder;

(6) regulating the training, qualifications, and employment of a pharmacist-intern, ~~and~~ pharmacy technician, and pharmacy technician trainee; and

(7) determining and issuing standards for recognizing and approving a pharmacy residency program for purposes of Subchapter W, Chapter 61, Education Code.

SECTION 5. Section 554.007(b), Occupations Code, is amended to read as follows:

(b) The board may receive and spend money, or use gifts, grants, and other funds and assets ~~[from a party, other than the state]~~, in addition to money collected under Subsection (a), in accordance with state law.

SECTION 6. The heading to Section 554.053, Occupations Code, is amended to read as follows:

Sec. 554.053. RULEMAKING: PHARMACY TECHNICIAN AND PHARMACY TECHNICIAN TRAINEE.

SECTION 7. Sections 554.053(a) and (b), Occupations Code, are amended to read as follows:

(a) The board shall establish rules for the use and the duties of a pharmacy technician and pharmacy technician trainee in a pharmacy licensed by the board. A pharmacy technician and pharmacy technician trainee shall be responsible to and must be directly supervised by a pharmacist.

(b) The board may not adopt a rule establishing a ratio of pharmacists to pharmacy technicians and pharmacy technician trainees in a Class C pharmacy or limiting the number of pharmacy technicians or pharmacy technician trainees that may be used in a Class C pharmacy.

SECTION 8. Section 557.004, Occupations Code, is amended to read as follows:

Sec. 557.004. LIMITATIONS ON REGISTRATION. (a) The board may:

(1) refuse to issue a registration to an applicant; or

(2) restrict, suspend, or revoke a pharmacist-intern registration for a violation of this subtitle.

(b) The board may take disciplinary action against an applicant for a pharmacist-intern registration or the holder of a current or expired pharmacist-intern registration in the same manner as against an applicant for a license or a license holder by imposing a sanction authorized under Section 565.051 if the board finds that the applicant or registration holder has engaged in conduct described by Section 565.001.

SECTION 9. Section 559.003, Occupations Code, is amended by adding Subsection (e) to read as follows:

(e) A person may not renew a license to practice pharmacy if the person holds a license to practice pharmacy in another state that has been suspended, revoked, canceled, or subject to an action that prohibits the person from practicing pharmacy in that state.

SECTION 10. Section 560.052(b), Occupations Code, is amended to read as follows:

(b) To qualify for a pharmacy license, an applicant must submit to the board:

- (1) a license fee set by the board, except as provided by Subsection (d); and
- (2) a completed application that:

(A) is on a form prescribed by the board;

(B) is given under oath; ~~and~~

(C) includes proof that a license held in this state or another state, if applicable, has not been restricted, suspended, revoked, or surrendered for any reason; and

(D) includes a statement of:

(i) the ownership;

(ii) the location of the pharmacy;

(iii) the license number of each pharmacist who is employed by the pharmacy, if the pharmacy is located in this state, or who is licensed to practice pharmacy in this state, if the pharmacy is a Class E pharmacy;

(iv) the license number of the pharmacist-in-charge; and

(v) any other information the board determines necessary.

SECTION 11. Section 561.003, Occupations Code, is amended by adding Subsection (f) to read as follows:

(f) A pharmacy may not renew a license under this section if the pharmacy's license to operate in another state has been suspended, revoked, canceled, or subject to an action that prohibits the pharmacy from operating in that state.

SECTION 12. Section 562.012, Occupations Code, is amended to read as follows:

Sec. 562.012. SUBSTITUTION OF DOSAGE FORM PERMITTED. With the patient's consent ~~[and notification to the practitioner]~~, a pharmacist may dispense a dosage form of a drug different from that prescribed, such as a tablet instead of a capsule or a liquid instead of a tablet, if the dosage form dispensed:

(1) contains the identical amount of the active ingredients as the dosage prescribed for the patient;

(2) is not an enteric-coated or timed release product; and

(3) does not alter desired clinical outcomes.

SECTION 13. Section 562.056, Occupations Code, is amended by adding Subsection (a-1) and amending Subsection (b) to read as follows:

(a-1) To be a valid prescription, a prescription for a controlled substance must be issued for a legitimate medical purpose by a practitioner acting in the usual course of the practitioner's professional practice. The responsibility for the proper prescribing and dispensing of controlled substances is on the prescribing practitioner, but a corresponding responsibility rests with the pharmacist who fills the prescription.

(b) This section [~~Subsection (a)~~] does not prohibit a pharmacist from dispensing a prescription when a valid practitioner-patient relationship is not present in an emergency.

SECTION 14. Section 562.103, Occupations Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) A Class A or Class C pharmacy that serves the public shall:

(1) display the word "pharmacy" or a similar word or symbol as determined by the board in a prominent place on the front of the pharmacy; and

(2) display in public view the license of the pharmacist-in-charge of [~~each pharmacist employed in~~] the pharmacy.

(c) A pharmacy shall maintain and make available to the public on request proof that each pharmacist, pharmacist-intern, pharmacy technician, and pharmacist technician trainee working in the pharmacy holds the appropriate license or registration.

SECTION 15. Section 565.001(a), Occupations Code, is amended to read as follows:

(a) The board may discipline an applicant for or the holder of a current or expired license to practice pharmacy if the board finds that the applicant or license holder has:

(1) violated this subtitle or a board rule adopted under this subtitle;

(2) engaged in unprofessional conduct as defined by board rule;

(3) engaged in gross immorality as defined by board rule;

(4) developed an incapacity that prevents or could prevent the applicant or license holder from practicing pharmacy with reasonable skill, competence, and safety to the public;

(5) engaged in fraud, deceit, or misrepresentation, as defined by board rule, in practicing pharmacy or in seeking a license to practice pharmacy;

(6) been convicted of or placed on deferred adjudication community supervision or deferred disposition or the applicable federal equivalent for:

(A) a misdemeanor:

(i) involving moral turpitude; or

(ii) under Chapter 481 or 483, Health and Safety Code, or the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. Section 801 et seq.); or

(B) a felony;

(7) used alcohol or drugs in an intemperate manner that, in the board's opinion, could endanger a patient's life;

(8) failed to maintain records required by this subtitle or failed to maintain complete and accurate records of purchases or disposals of drugs listed in Chapter 481 or 483, Health and Safety Code, or the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. Section 801 et seq.);

(9) violated any provision of:

(A) Chapter 481 or 483, Health and Safety Code, or the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. Section 801 et seq.), or rules relating to one of those laws; or

(B) Section 485.031, 485.032, 485.033, or 485.034, Health and Safety Code;

(10) aided or abetted an unlicensed person in the practice of pharmacy if the pharmacist knew or reasonably should have known that the person was unlicensed at the time;

(11) refused entry into a pharmacy for an inspection authorized by this subtitle if the pharmacist received notification from which the pharmacist knew or reasonably should have known that the attempted inspection was authorized;

(12) violated any pharmacy or drug statute or rule of this state, another state, or the United States;

(13) been negligent in the practice of pharmacy;

(14) failed to submit to an examination after hearing and being ordered to do so by the board under Section 565.052;

(15) dispensed a prescription drug while acting outside the usual course and scope of professional practice;

(16) been disciplined by a pharmacy board or by another health [the] regulatory board of this state or another state for conduct substantially equivalent to conduct described under this subsection;

(17) violated a disciplinary order, including a confidential order or contract under the program to aid impaired pharmacists and pharmacy students under Chapter 564;

(18) failed to adequately supervise a task delegated to a pharmacy technician or pharmacy technician trainee;

(19) inappropriately delegated a task delegated to a pharmacy technician or pharmacy technician trainee; [or]

(20) been responsible for a drug audit shortage; or

(21) been convicted or adjudicated of a criminal offense that requires registration as a sex offender under Chapter 62, Code of Criminal Procedure.

SECTION 16. Section 565.055(c), Occupations Code, is amended to read as follows:

(c) Notwithstanding Subsection (b), information or material compiled by the board in connection with an investigation may be disclosed:

(1) during any proceeding conducted by the State Office of Administrative Hearings, to the board, or a panel of the board, or in a subsequent trial or appeal of a board action or order;

(2) to a person providing a service to the board, including an expert witness, investigator, or employee of an entity that contracts with the board, related to a disciplinary proceeding against an applicant or license holder, or a subsequent trial or appeal, if the information is necessary for preparation for, or a presentation in, the proceeding;

(3) to an entity in another jurisdiction that:

(A) licenses or disciplines pharmacists or pharmacies; or

(B) registers or disciplines pharmacy technicians or pharmacy technician trainees;

(4) to a pharmaceutical or pharmacy peer review committee as described under Chapter 564;

(5) to a law enforcement agency;

(6) to a person engaged in bona fide research, if all information identifying a specific individual has been deleted; or

(7) to an entity that administers a board-approved pharmacy technician certification examination ~~[under a court order]~~.

SECTION 17. Section 565.101(a), Occupations Code, is amended to read as follows:

(a) A person whose pharmacy license, license to practice pharmacy, ~~[or]~~ pharmacy technician registration, or pharmacy technician trainee registration in this state has been revoked or restricted under this subtitle, whether voluntarily or by board action, may, after the first anniversary of the effective date of the revocation or restriction, petition the board for reinstatement or removal of the restriction of the license or registration.

SECTION 18. The heading to Chapter 568, Occupations Code, is amended to read as follows:

CHAPTER 568. PHARMACY TECHNICIANS AND PHARMACY
TECHNICIAN TRAINEES

SECTION 19. Section 568.001, Occupations Code, is amended to read as follows:

Sec. 568.001. RULES; QUALIFICATIONS ~~[RELATING TO PHARMACY TECHNICIANS]~~. (a) In establishing rules under Section 554.053(c), the board shall require that:

(1) a pharmacy technician:

(A) ~~[(1)]~~ have a high school diploma or a high school equivalency certificate or be working to achieve an equivalent diploma or certificate; and

(B) ~~[(2)]~~ have passed a board-approved pharmacy technician certification examination; and

(2) a pharmacy technician trainee ~~have a high school diploma or a high school equivalency certificate or be working to achieve an equivalent diploma or certificate.~~

(b) The board shall adopt rules that permit a pharmacy technician and pharmacy technician trainee to perform only nonjudgmental technical duties under the direct supervision of a pharmacist.

SECTION 20. Section 568.002, Occupations Code, is amended to read as follows:

Sec. 568.002. ~~[PHARMACY TECHNICIAN]~~ REGISTRATION REQUIRED.

(a) A person must register with the board before beginning work in a pharmacy in this state as a pharmacy technician or a pharmacy technician trainee ~~[pharmacy technician must register with the board annually or biennially, as determined by board rule, on a form prescribed by the board].~~

(b) The board may allow a pharmacy technician to petition the board for a special exemption from the pharmacy technician certification requirement if the pharmacy technician~~±~~

~~[(1)]~~ is in a county with a population of less than 50,000~~± or~~

~~[(2)] on September 1, 2001, has been employed as a pharmacy technician in this state for at least 10 years and the technician's employer approves the petition].~~

(c) An applicant for registration as a pharmacy technician or a pharmacy technician trainee must:

(1) be of good moral character; and

(2) submit an application on a form prescribed by the board.

(d) A person's registration as a pharmacy technician or pharmacy technician trainee remains in effect as long as the person meets the qualifications established by board rule.

SECTION 21. Section 568.003(a), Occupations Code, is amended to read as follows:

(a) The board may take disciplinary action under Section 568.0035 against an applicant for or the holder of a current or expired pharmacy technician or pharmacy technician trainee registration if the board determines that the applicant or registrant has:

(1) violated this subtitle or a rule adopted under this subtitle;

(2) engaged in gross immorality, as that term is defined by the rules of the board;

(3) engaged in any fraud, deceit, or misrepresentation, as those terms are defined by the rules of the board, in seeking a registration to act as a pharmacy technician or pharmacy technician trainee;

(4) been convicted of or placed on deferred adjudication community supervision or deferred disposition or the applicable federal equivalent for:

(A) a misdemeanor:

(i) involving moral turpitude; or

(ii) under Chapter 481 or 483, Health and Safety Code, or the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. Section 801 et seq.); or

(B) a felony;

(5) developed an incapacity that prevents the applicant or registrant from practicing as a pharmacy technician or pharmacy technician trainee with reasonable skill, competence, and safety to the public;

(6) violated:

(A) Chapter 481 or 483, Health and Safety Code, or rules relating to those chapters;

(B) Sections 485.031-485.035, Health and Safety Code; or

(C) a rule adopted under Section 485.011, Health and Safety Code;

(7) violated the pharmacy or drug laws or rules of this state, another state, or the United States;

(8) performed duties in a pharmacy that only a pharmacist may perform, as defined by the rules of the board;

(9) used alcohol or drugs in an intemperate manner that, in the board's opinion, could endanger a patient's life;

(10) engaged in negligent, unreasonable, or inappropriate conduct when working in a pharmacy;

(11) violated a disciplinary order;

(12) been convicted or adjudicated of a criminal offense that requires registration as a sex offender under Chapter 62, Code of Criminal Procedure; or

(13) been disciplined by a pharmacy or other health regulatory board of this state or another state for conduct substantially equivalent to conduct described by this subsection.

SECTION 22. Section 568.0035(a), Occupations Code, is amended to read as follows:

(a) On a determination that a ground for discipline exists under Section 568.003, the board may:

(1) suspend the person's registration;

(2) revoke the person's registration;

(3) restrict the person's registration to prohibit the person from performing certain acts or from practicing as a pharmacy technician or pharmacy technician trainee in a particular manner for a term and under conditions determined by the board;

(4) impose an administrative penalty under Chapter 566;

(5) refuse to issue or renew the person's registration;

(6) place the offender's registration on probation and supervision by the board for a period determined by the board and impose a requirement that the registrant:

(A) report regularly to the board on matters that are the basis of the probation;

(B) limit practice to the areas prescribed by the board;

(C) continue or review professional education until the registrant attains a degree of skill satisfactory to the board in each area that is the basis of the probation; or

(D) pay the board a probation fee to defray the costs of monitoring the registrant during the period of probation;

(7) reprimand the person;

(8) retire the person's registration as provided by board rule; or

(9) impose more than one of the sanctions listed in this section.

SECTION 23. Section 568.0037(a), Occupations Code, is amended to read as follows:

(a) The president of the board shall appoint a disciplinary panel consisting of three board members to determine whether a registration under this chapter should be temporarily suspended or restricted. If a majority of the panel determines from evidence or information presented to the panel that the registrant by continuation in practice as a pharmacy technician or pharmacy technician trainee would constitute a continuing threat to the public welfare, the panel shall temporarily suspend or restrict the registration as provided by Subsection (b).

SECTION 24. Section 568.004, Occupations Code, is amended to read as follows:

Sec. 568.004. RENEWAL OF REGISTRATION. The board may adopt a system in which the registrations of pharmacy technicians and pharmacy technician trainees expire on various dates during the year.

SECTION 25. Section 568.005, Occupations Code, is amended to read as follows:

Sec. 568.005. FEES. The board may adopt fees as necessary for the registration of pharmacy technicians and pharmacy technician trainees.

SECTION 26. Section 568.006, Occupations Code, is amended to read as follows:

Sec. 568.006. RATIO OF PHARMACISTS TO PHARMACY TECHNICIANS AND PHARMACY TECHNICIAN TRAINEES. The ratio of pharmacists to pharmacy technicians and pharmacy technician trainees in a Class A pharmacy must be at least one pharmacist for every five pharmacy technicians or pharmacy technician trainees if the Class A pharmacy dispenses not more than 20 different prescription drugs and does not produce intravenous or intramuscular drugs on-site.

SECTION 27. The heading to Section 568.008, Occupations Code, is amended to read as follows:

Sec. 568.008. PHARMACY TECHNICIANS IN HOSPITALS WITH CLINICAL PHARMACY PROGRAM.

SECTION 28. Chapter 568, Occupations Code, is amended by adding Section 568.009 to read as follows:

Sec. 568.009. CHANGE OF ADDRESS OR EMPLOYMENT. Not later than the 10th day after the date of a change of address or employment, a pharmacy technician or a pharmacy technician trainee shall notify the board in writing of the change.

SECTION 29. Sections 569.001(a) and (c), Occupations Code, are amended to read as follows:

(a) Every insurer or other entity providing pharmacist's professional liability insurance, pharmacy technician professional and supplemental liability insurance, or druggist's professional liability insurance covering a pharmacist, pharmacy technician, pharmacy technician trainee, or pharmacy license holder in this state shall submit to the board the information described in Section 569.002 at the time prescribed.

(c) If a pharmacist, pharmacy technician, pharmacy technician trainee, or pharmacy licensed in this state does not carry or is not covered by pharmacist's professional liability insurance, pharmacy technician professional and supplemental liability insurance, or druggist's professional liability insurance and is insured by a nonadmitted carrier or other entity providing pharmacy professional liability insurance that does not report under this subtitle, the duty to report information under Section 569.002 is the responsibility of the pharmacist, pharmacy technician, pharmacy technician trainee, or pharmacy license holder.

SECTION 30. Section 569.002(a), Occupations Code, is amended to read as follows:

(a) The following information must be furnished to the board not later than the 30th day after receipt by the insurer of the notice of claim letter or complaint from the insured:

- (1) the name of the insured and the insured's state pharmacy technician registration number, pharmacy technician trainee registration number, or pharmacist or pharmacy license number;
- (2) the policy number; and
- (3) a copy of the notice of claim letter or complaint.

SECTION 31. Section 569.005(b), Occupations Code, is amended to read as follows:

(b) The board shall review the information relating to a pharmacist, pharmacy technician, pharmacy technician trainee, or pharmacy license holder against whom at least three professional liability claims have been reported within a five-year period in the same manner as if a complaint against the pharmacist, pharmacy technician, pharmacy technician trainee, or pharmacy license holder had been made under Chapter 555.

SECTION 32. Section 411.081(i), Government Code, is amended to read as follows:

(i) A criminal justice agency may disclose criminal history record information that is the subject of an order of nondisclosure under Subsection (d) to the following noncriminal justice agencies or entities only:

- (1) the State Board for Educator Certification;
- (2) a school district, charter school, private school, regional education service center, commercial transportation company, or education shared service arrangement;
- (3) the Texas Medical Board;
- (4) the Texas School for the Blind and Visually Impaired;
- (5) the Board of Law Examiners;
- (6) the State Bar of Texas;
- (7) a district court regarding a petition for name change under Subchapter B, Chapter 45, Family Code;
- (8) the Texas School for the Deaf;
- (9) the Department of Family and Protective Services;
- (10) the Texas Juvenile Justice Department [~~Youth Commission~~];
- (11) the Department of Assistive and Rehabilitative Services;
- (12) the Department of State Health Services, a local mental health service, a local mental retardation authority, or a community center providing services to persons with mental illness or retardation;
- (13) the Texas Private Security Board;
- (14) a municipal or volunteer fire department;
- (15) the Texas Board of Nursing;
- (16) a safe house providing shelter to children in harmful situations;
- (17) a public or nonprofit hospital or hospital district;
- (18) [~~the Texas Juvenile Probation Commission~~];
- ~~(19)~~ the securities commissioner, the banking commissioner, the savings and mortgage lending commissioner, the consumer credit commissioner, or the credit union commissioner;
- (19) ~~(20)~~ the Texas State Board of Public Accountancy;
- (20) ~~(21)~~ the Texas Department of Licensing and Regulation;
- (21) ~~(22)~~ the Health and Human Services Commission;
- (22) ~~(23)~~ the Department of Aging and Disability Services;
- (23) ~~(24)~~ the Texas Education Agency;
- (24) ~~(25)~~ the Guardianship Certification Board;

(25) [(26)] a county clerk's office in relation to a proceeding for the appointment of a guardian under Chapter XIII, Texas Probate Code;

(26) [(27)] the Department of Information Resources but only regarding an employee, applicant for employment, contractor, subcontractor, intern, or volunteer who provides network security services under Chapter 2059 to:

(A) the Department of Information Resources; or

(B) a contractor or subcontractor of the Department of Information Resources;

(27) [(28)] the Court Reporters Certification Board;

(28) [(29)] the Texas Department of Insurance; ~~and~~

(29) [(30)] the Teacher Retirement System of Texas; and

(30) the Texas State Board of Pharmacy.

SECTION 33. The following provisions of the Occupations Code are repealed:

(1) Chapter 567; and

(2) Section 568.007.

SECTION 34. 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, 2013.

The amendment was read.

Senator Van de Putte moved to concur in the House amendment to **SB 869**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 1074 WITH HOUSE AMENDMENT

Senator Hegar called **SB 1074** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 1074** (house committee report) as follows:

(1) On page 2, strike lines 26-27 and substitute the following:

SECTION 2. Chapter 35, Insurance Code, is amended by amending Section 35.004 and adding Section 35.0045 to read as follows:

(2) On page 3, lines 2 through 5, strike the text of Subsection (a) and redesignate subsections and cross-references in the bill to those subsections accordingly.

(3) On page 6, line 6, strike "January 1, 2014" and substitute "September 1, 2013".

(4) On page 6, strike lines 24-25 and substitute the following:
signature or written communication.

Sec. 35.0045. RULES. [(a)] The commissioner shall adopt rules necessary to implement and enforce this chapter.

The amendment was read.

Senator Hegar moved to concur in the House amendment to **SB 1074**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 1200 WITH HOUSE AMENDMENT

Senator Van de Putte called **SB 1200** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 1200** (house committee report) as follows:

(1) In SECTION 6 of the bill, in added Section 436.105(a), Government Code (page 7, line 8), strike "may" and substitute "shall".

(2) In SECTION 6 of the bill, in added Section 436.105(b), Government Code (page 7, line 12), strike "A task force" and substitute "The task force".

(3) In SECTION 6 of the bill, in added Section 436.105(c), Government Code (page 7, line 16), strike "A task force" and substitute "The task force".

The amendment was read.

Senator Van de Putte moved to concur in the House amendment to **SB 1200**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 499 WITH HOUSE AMENDMENT

Senator Lucio called **SB 499** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 499** (house committee printing) by striking lines 12-17 and substituting the following:

SECTION 2. The change in law made by this Act applies only to a complaint under Section 1201.406(a), Occupations Code, that is pending on the effective date of this Act or is filed on or after the effective date of this Act. A complaint that is filed before the effective date of this Act and is not pending on the effective date of this Act is covered by the law in effect on the date the complaint was filed, and that law is continued in effect for that purpose.

The amendment was read.

Senator Lucio moved to concur in the House amendment to **SB 499**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 562 WITH HOUSE AMENDMENT

Senator Carona called **SB 562** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 562** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the license qualifications and continuing education requirements for polygraph examiners.

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

SECTION 1. Subdivision (3), Section 1703.003, Occupations Code, is amended to read as follows:

(3) "Instrument" means a device used to test a subject to detect deception or verify the truth of a statement including by recording visually, permanently, and simultaneously a subject's cardiovascular and respiratory patterns. The term includes a lie detector, polygraph, deceptograph, or any other similar or related device used to detect deception or verify the truth of a statement.

SECTION 2. Subsection (a), Section 1703.201, Occupations Code, is amended to read as follows:

(a) A person may not use or offer to use, for compensation or for a law enforcement purpose, an instrument, including a polygraph, to detect deception or verify the truth of a statement unless the person is licensed under this chapter.

SECTION 3. Subsection (a), Section 1703.203, Occupations Code, is amended to read as follows:

(a) A person is qualified for a polygraph examiner license if the person:

(1) has not been convicted of an offense that directly relates to the duties and responsibilities of a polygraph examiner;

(2) either:

(A) holds a baccalaureate degree from a college or university accredited by an organization designated by the department that the department determines has accreditation standards ensuring a high level of student scholarship; or

(B) has active investigative experience during the five years preceding the date of application;

(3) has completed an acceptable ~~either:~~

~~[(A) is a graduate of a department approved]~~ polygraph examiner ~~[examiners]~~ course of study taught by a school recognized by the department and has satisfactorily completed at least six months of a polygraph examiner internship; ~~or~~

~~[(B) has satisfactorily completed at least 12 months of a polygraph examiner internship;]~~ and

(4) has passed an examination conducted by, under the supervision of, or approved by the department to determine the person's competency for a license.

SECTION 4. Section 1703.207, Occupations Code, is amended to read as follows:

Sec. 1703.207. WAIVER OF LICENSE REQUIREMENTS FOR APPLICANT WITH OUT-OF-STATE LICENSE OR OTHER RECOGNIZED EDUCATION OR EXPERIENCE. The executive director may waive any license requirement for an applicant who:

(1) holds a license from another state that has license requirements substantially equivalent to those of this state;

(2) has verified service, training, or experience in using an instrument to detect deception or verify the truth of a statement while serving in the military;

(3) has verified service, training, or experience in using an instrument to detect deception or verify the truth of a statement while employed by the federal government; or

(4) has a combination of education and experience the executive director determines to be substantially equivalent to that required under Section 1703.203.

SECTION 5. Section 1703.255, Occupations Code, is amended to read as follows:

Sec. 1703.255. CONTINUING EDUCATION. (a) The department may recognize, prepare, or implement continuing education programs for polygraph examiners ~~and trainees~~.

(b) Participation in a continuing education program is mandatory ~~voluntary~~.

(c) The commission by rule shall provide continuing education requirements for license holders.

SECTION 6. Section 1703.305, Occupations Code, is amended to read as follows:

Sec. 1703.305. INSTRUMENTS AND MINIMUM INSTRUMENTATION REQUIREMENTS. (a) An instrument used by a polygraph examiner, in addition to recording visually, permanently, and simultaneously a subject's cardiovascular and respiratory patterns, may also record patterns of other physiological changes. The commission may adopt rules to identify other instruments and instrumentation requirements that are acceptable for use in this state.

(b) A polygraph examiner who uses an instrument that does not comply with the instrumentation requirements of Subsection (a) or commission rule is subject to penalties and may be enjoined in the manner provided by this chapter.

SECTION 7. Not later than January 1, 2014, the Texas Commission of Licensing and Regulation shall adopt rules necessary to implement the changes in law made by this Act.

SECTION 8. (a) Subsection (a), Section 1703.203, Occupations Code, as amended by this Act, applies only to an initial license application that is submitted to the Texas Department of Licensing and Regulation on or after March 1, 2014. An initial license application that is submitted before that date is governed by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose.

(b) Section 1703.207, Occupations Code, as amended by this Act, applies only to an initial license application that is submitted to the Texas Department of Licensing and Regulation on or after January 1, 2014. An initial license application that is submitted before that date is governed by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose.

(c) Section 1703.255, Occupations Code, as amended by this Act, and the rules adopted under Subsection (c), Section 1703.255, Occupations Code, as added by this Act, apply only to the renewal of a license that expires on or after December 1, 2014. The renewal of a license that expires before that date is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 9. This Act takes effect September 1, 2013.

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 562**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 697 WITH HOUSE AMENDMENT

Senator Carona called **SB 697** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 697** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the qualifications of certain nonresident individuals to hold a surplus lines agent license.

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

SECTION 1. Section 981.203, Insurance Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) Notwithstanding Subsection (a)(1)(B), an individual is not required to obtain a general property and casualty agent license to hold a surplus lines agent license if:

(1) the home state of each insured is Texas;
(2) the individual is a nonresident of this state;
(3) the individual is licensed as a surplus lines agent in the individual's state of residence;

(4) the individual is not required by the individual's state of residence to hold a general property and casualty agent license to become licensed as a surplus lines agent;

(5) the individual has provided information acceptable to the commissioner that the individual's state of residence does not require a general property and casualty agent license for a surplus lines agent license;

(6) the individual's state of residence does not require a surplus lines agent to search for the availability of insurance in the individual's state of residence before the insurance is placed through a surplus lines agent;

(7) the individual's state of residence allows a licensed general property and casualty agent to search for the availability of insurance in the individual's state of residence;

(8) the individual has a professional relationship with, and each transaction is conducted through, a person who:

(A) is a licensed general property and casualty agent in this state or in the state of each transaction; and

(B) searches for the availability of insurance in this state before the insurance is placed through a surplus lines agent; and

(9) each transaction complies with the laws of the state in which it occurs.

SECTION 2. The change in law made by this Act applies to a license application submitted on or after the effective date of this Act. A license application submitted before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect January 1, 2014.

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 697**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 893 WITH HOUSE AMENDMENT

Senator Carona called **SB 893** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 893** (house committee printing) as follows:

(1) On page 6, lines 11 and 12, strike "to the local law enforcement agency" and substitute an underlined comma.

(2) On page 6, line 13, strike "and entered" and substitute the following:
, to:

(A) the victim or, if the victim is deceased, a close relative of the victim; and

(B) the local law enforcement agency for entry

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 893**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

SENATE BILL 1035 WITH HOUSE AMENDMENT

Senator Carona called **SB 1035** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1035** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED

AN ACT

relating to alcoholic beverage license applications and fees.

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

SECTION 1. Section 61.09, Alcoholic Beverage Code, is amended to read as follows:

Sec. 61.09. CHANGE OF LOCATION. If a licensee desires to change the licensee's [his] place of business, the licensee [he] may do so by applying to the commission [county judge] on a form prescribed by the commission and obtaining the

commission's ~~his~~ consent. The application may be subject to protest and hearing in the same way as an application for an original license. In the case of a required protest hearing, the ~~The~~ county judge may deny the application for any cause for which an original license application may be denied. No additional license fee for the unexpired term of the license shall be required in the case of an application for a change of location.

SECTION 2. Subsections (a), (b), and (c), Section 61.31, Alcoholic Beverage Code, are amended to read as follows:

(a) A person may file an application for a license to manufacture, distribute, store, or sell beer with the commission on forms prescribed by the commission. On receipt of an application, the commission or administrator shall determine whether a protest has been filed against the application. If a protest against the application has been filed, the commission or administrator shall investigate the protest. If the commission or administrator finds that no reasonable grounds exist for the protest, or if no protest has been filed, the commission or administrator shall issue a license if the commission or administrator finds that all facts stated in the application are true and no legal ground to refuse a license exists. If the commission or administrator finds that reasonable grounds exist for the protest, the commission or administrator shall reject the protested application and require the applicant to file the application with the county judge of the county in which the applicant desires to conduct business and submit to a hearing ~~in termtime or vacation with the county judge of the county in which he desires to conduct business. He shall file the application in duplicate~~.

(b) The county judge shall set a protested ~~the~~ application for a hearing to be held not less than 5 nor more than 10 days after the date the county judge receives the protested application ~~is filed~~.

(c) Each applicant for an original license, other than a branch or temporary license, shall pay a hearing fee of \$25 ~~[\$5]~~ to the county clerk at the time of the hearing. The county clerk shall deposit the fee in the county treasury. The applicant is liable for no other fee except the annual license fee prescribed by this code.

SECTION 3. The heading to Section 61.32, Alcoholic Beverage Code, is amended to read as follows:

Sec. 61.32. PROTEST HEARING BY COUNTY JUDGE.

SECTION 4. Subsection (b), Section 61.32, Alcoholic Beverage Code, is amended to read as follows:

(b) If the county judge enters an order favorable to the applicant, the applicant shall present a copy of the order to the ~~commission~~ ~~assessor and collector of taxes of the county and pay that officer the appropriate license fee. The assessor and collector of taxes then shall report to the commission on a form prescribed by the commission, certifying that the application was approved and that all required fees have been paid and furnishing any other information the commission requires. The assessor and collector of taxes shall attach a copy of the original application to the report~~.

SECTION 5. Section 61.33, Alcoholic Beverage Code, is amended to read as follows:

Sec. 61.33. ACTION BY COMMISSION OR ADMINISTRATOR AFTER PROTEST HEARING. (a) On receiving an order ~~a report~~ from the county judge ~~assessor and collector of taxes~~ under Section 61.32(b) ~~of this code~~, the commission

or administrator shall issue the appropriate license if the commission or administrator finds that the applicant is entitled to a license. The license shall show the class of business the applicant is authorized to conduct, the amount of fees paid, the address of the place of business, the date the license is issued and the date it expires, and any other information the commission considers proper.

(b) The commission or administrator may refuse to issue a license after receiving the order from [report of] the county judge [assessor and collector of taxes] if the commission or administrator possesses information from which it is determined that any statement in the license application is false or misleading or that there is other legal reason why a license should not be issued. If the commission or administrator refuses to issue a license, the commission [~~it~~] or administrator [~~he~~] shall enter an order accordingly and the applicant is entitled to a refund of any license fee the applicant [he] paid [the assessor and collector of taxes] in connection with the application.

SECTION 6. Subsection (b), Section 61.34, Alcoholic Beverage Code, is amended to read as follows:

(b) If the judgment of the district court is in favor of the applicant, regardless of whether an appeal is taken, the applicant shall present a copy of the judgment [shall be presented] to the commission [assessor and collector of taxes of the county where the application was made. The assessor and collector of taxes shall accept the fees required by this code and proceed as provided under Section 61.32 of this code as if the county judge had approved the application].

SECTION 7. Section 61.35, Alcoholic Beverage Code, is amended by amending Subsections (b) and (d) and adding Subsection (e) to read as follows:

(b) All license fees, except those for temporary licenses, shall be deposited as provided in Section 205.02 [~~of this code~~]. Each license application must be accompanied by a cashier's check, a teller's check, a check drawn on the account of a corporation applying for a license or on the account of a corporation that is an agent for the person applying for a license, a money order, or payment by credit card, charge card, or other electronic form of payment approved by commission rule for the amount of the state fee, payable to the order of the comptroller. [The assessor and collector of taxes shall make statements of the amounts collected by him under this code to the commission at the times and in the manner required by the commission or administrator.]

(d) The commissioner may not refund a license fee except when the [~~If a~~] licensee [~~engaged in selling beer~~] is prevented from continuing in business by a local option election or when an application for a license is rejected by the commission or administrator [~~he is entitled to a refund of a proportionate amount of the license fees he has paid covering the unexpired term of his license~~]. As much of the proceeds from license fees [derived under the provisions of this subtitle] as is necessary may be appropriated for that purpose.

(e) The commission by rule shall establish a method for transmitting five percent of the license fee to the assessor and collector of taxes of the county in which the applicant's business is located.

SECTION 8. Section 61.38, Alcoholic Beverage Code, is amended to read as follows:

Sec. 61.38. NOTICE OF APPLICATION. (a) Every original applicant [~~When an application~~] for a license to manufacture, ~~[or] distribute, or [beer is filed, the~~ county clerk shall post at the courthouse door a written notice containing the substance of the application and the date set for hearing.

~~[(b) When an original application to sell beer at retail at a location previously licensed is filed, the county clerk shall post at the courthouse door a written notice containing the substance of the application and the date set for hearing.~~

~~[(c) When an original application to] sell beer at retail shall give notice of the application by electronic or nonelectronic publication at the applicant's own expense in [at a location not previously licensed is filed, the county clerk shall publish notice for] two consecutive issues of [in] a newspaper of general circulation published in the city or town in which the applicant's place of business is [to be] located. If no newspaper [of general circulation] is published in that city or town, the notice must [shall] be published in a newspaper of general circulation published in the county where the applicant's business is [to be] located. If no newspaper [of general circulation] is published in that county, the notice must [shall] be published in a qualified newspaper [which is] published in the closest neighboring county and [is] circulated in the county where the applicant's business is located [license is sought].~~

(b) The notice must ~~[shall]~~ be printed in 10-point boldface type and must include:

- (1) ~~[shall set forth]~~ the type of license applied for;
- (2) the exact location of the business for which the license is sought;
- (3) the name of each ~~[the]~~ owner of the business and, if the business is operated under an assumed name, ~~[or owners;]~~ the trade name together with the name of each owner~~[-, if operating under an assumed name];~~ and
- (4) if ~~[in]~~ the ~~[case of a corporate]~~ applicant is a corporation, the names and titles of all officers ~~[of the corporation].~~

~~(c) An applicant for a renewal license is not required to publish notice. [At the time the application is filed, the applicant shall deposit with the clerk the cost of publishing notice, which the clerk shall use to pay for the publication.]~~

SECTION 9. Subsection (c), Section 61.41, Alcoholic Beverage Code, is amended to read as follows:

(c) If the holder of the existing license has made a declaration required by the commission that the license holder will no longer use the license, the license holder may not manufacture or sell beer or possess it for the purpose of sale until the license has been reinstated. The holder may apply to the commission ~~[county judge]~~ for the reinstatement of the license in the same manner and according to the same procedure as in the case of an original license application. The county judge or the commission or administrator may deny reinstatement of the license for any cause for which an original license application may be denied.

SECTION 10. Section 61.48, Alcoholic Beverage Code, is amended to read as follows:

Sec. 61.48. RENEWAL APPLICATION. An application to renew a license shall be filed with the commission ~~[in writing with the assessor and collector of taxes of the county in which the licensed premises are located]~~ no earlier than 30 days before the license expires but not after it expires. The application shall be signed by the applicant

and shall contain complete information required by the commission showing that the applicant is not disqualified from holding a license. The application shall be accompanied by the appropriate license fee ~~[plus a filing fee of \$2. The assessor and collector of taxes shall deposit the \$2 filing fee in the county treasury and shall account for it as a fee of office]~~. No applicant for a renewal may be required to pay any fee other than license fees and the filing fee unless the applicant [he] is required by the commission or administrator to submit to a renewal hearing before the county judge.

SECTION 11. Section 61.49, Alcoholic Beverage Code, is amended to read as follows:

Sec. 61.49. ACTION ON RENEWAL APPLICATION BY [TRANSMITTED TO] COMMISSION; REFUND OF FEE. When the renewal application has been filed in accordance with Section 61.48 ~~[of this code, the assessor and collector of taxes shall transmit to the commission the original copy of the application plus a certification that all required fees have been paid for the ensuing license period. On receiving the application and certification]~~, the commission or administrator may in its discretion issue a renewal license or if an application for a renewal is protested, reject the application and require the applicant to file an application with the county judge and submit to a hearing as is required by Section 61.31 ~~[in the case of an original application]. [When an application for renewal is rejected, the applicant is entitled to a refund of any license fee that was paid to the assessor and collector of taxes at the time the renewal application was filed.]~~

SECTION 12. Subsection (a), Section 62.03, Alcoholic Beverage Code, is amended to read as follows:

(a) Except as provided by Section 62.14, each applicant for a manufacturer's license shall file with an application a sworn statement that the applicant will be engaged in the business of brewing and packaging beer in this state in quantities sufficient to make the applicant's operation a bona fide brewing manufacturer within three years of the issuance of the original license. If the applicant is a corporation, the statement must be signed by one of its principal officers. The commission, administrator, or county judge may not approve an application unless it is accompanied by the required sworn statement.

SECTION 13. Section 74.05, Alcoholic Beverage Code, is amended to read as follows:

Sec. 74.05. STATEMENT OF INTENT. An applicant for a brewpub license shall file with the application a sworn statement that the applicant shall be engaged in the business of brewing and packaging malt liquor, ale, or beer in this state in quantities sufficient to operate a brewpub not later than six months after the date of issuance of the original license. If the applicant is a corporation, the statement must be signed by a principal corporate officer. The commission, administrator, or [A] county judge may not issue a brewpub license to an applicant who does not submit the required sworn statement with the application for a license.

SECTION 14. The change in law made by this Act applies only to a license application filed on or after the effective date of this Act. A license application filed before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 15. This Act takes effect September 1, 2013.

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 1035**.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Hancock.

SENATE BILL 1053 WITH HOUSE AMENDMENT

Senator Carona called **SB 1053** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1053** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the notice provided to an owner or lienholder of a vehicle towed to a vehicle storage facility or provided to an owner or operator of a vehicle by a parking facility owner.

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

SECTION 1. Section 2303.153(a), Occupations Code, is amended to read as follows:

(a) A notice by mail provided under Section 2303.151 must include:

- (1) the date the vehicle was accepted for storage;
- (2) the first day for which a storage fee is assessed;
- (3) the daily storage rate;
- (4) the type and amount of any other charge to be paid when the vehicle is claimed;
- (5) the full name, street address, and telephone number of the vehicle storage facility;
- (6) the hours during which the owner may claim the vehicle; and
- (7) the facility license number preceded by "Texas Department of Licensing and Regulation [~~Transportation~~] Vehicle Storage Facility License Number[-]" or

"TDLR VSF Lic. No."

SECTION 2. Section 2308.252(b), Occupations Code, is amended to read as follows:

(b) A parking facility owner is considered to have given notice under Subsection (a)(3) if:

- (1) a conspicuous notice has been attached to the vehicle's front windshield or, if the vehicle has no front windshield, to a conspicuous part of the vehicle stating:

(A) that the vehicle is in a parking space in which the vehicle is not authorized to be parked;

(B) a description of all other unauthorized areas in the parking facility;

(C) that the vehicle will be towed at the expense of the owner or operator of the vehicle if it remains in an unauthorized area of the parking facility; and

(D) a telephone number that is answered 24 hours a day to enable the owner or operator of the vehicle to locate the vehicle; and

(2) a notice is mailed after the notice is attached to the vehicle as provided by Subdivision (1) to the owner of the vehicle by certified mail, return receipt requested, to the last address shown for the owner according to the vehicle registration records of the Texas Department of Motor Vehicles [~~Transportation~~], or if the vehicle is registered in another state, the appropriate agency of that state.

SECTION 3. The changes in law made by this Act apply only to a notice mailed on or after September 1, 2013. A notice mailed before September 1, 2013, is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2013.

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 1053**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2935 ON SECOND READING

On motion of Senator Ellis and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2935** at this time on its second reading:

HB 2935, Relating to the interlocutory appeal of a denial of a motion to dismiss in an action involving the exercise of certain constitutional rights.

The bill was read second time.

Senator Whitmire offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2935** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 27.004, Civil Practice and Remedies Code, is amended to read as follows:

Sec. 27.004. HEARING. (a) A hearing on a motion under Section 27.003 must be set not later than the 60th ~~[30th]~~ day after the date of service of the motion unless the docket conditions of the court require a later hearing, upon a showing of good cause, or by agreement of the parties, but in no event shall the hearing occur more than 90 days after service of the motion under Section 27.003, except as provided by Subsection (c).

(b) In the event that the court cannot hold a hearing in the time required by Subsection (a), the court may take judicial notice that the court's docket conditions required a hearing at a later date, but in no event shall the hearing occur more than 90 days after service of the motion under Section 27.003, except as provided by Subsection (c).

(c) If the court allows discovery under Section 27.006(b), the court may extend the hearing date to allow discovery under that subsection, but in no event shall the hearing occur more than 120 days after the service of the motion under Section 27.003.

SECTION ____ . Section 27.005, Civil Practice and Remedies Code, is amended by adding Subsection (d) to read as follows:

(d) Notwithstanding the provisions of Subsection (c), the court shall dismiss a legal action against the moving party if the moving party establishes by a preponderance of the evidence each essential element of a valid defense to the nonmovant's claim.

SECTION ____ . Section 27.010, Civil Practice and Remedies Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

(b) This chapter does not apply to a legal action brought against a person primarily engaged in the business of selling or leasing goods or services, if the statement or conduct arises out of the sale or lease of goods, services, or an insurance product, insurance services, or a commercial transaction in which the intended audience is an actual or potential buyer or customer.

(d) This chapter does not apply to a legal action brought under the Insurance Code or arising out of an insurance contract.

WHITMIRE
ELTIFE

The amendment to **HB 2935** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Ellis and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 2935 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2935 ON THIRD READING

Senator Ellis moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2935** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time.

Senator Ellis moved to temporarily postpone further consideration of **HB 2935**.

The motion prevailed.

Question — Shall **HB 2935** be finally passed?

**COMMITTEE SUBSTITUTE
HOUSE BILL 437 ON SECOND READING**

On motion of Senator Seliger and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 437** at this time on its second reading:

CSHB 437, Relating to career and technical education and workforce development grant programs.

The bill was read second time.

Senator Seliger offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 437** (Senate Committee Printing) in SECTION 3 of the bill, on page 3, lines 58 and 59 by striking subsection (c).

The amendment to **CSHB 437** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Seliger and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 437 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 437 ON THIRD READING**

Senator Seliger moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 437** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Wednesday, May 22, 2013 - 1

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

- SB 21** Williams Sponsor: Creighton
Relating to drug screening or testing as a condition for the receipt of unemployment compensation benefits by certain individuals.
(Committee Substitute/Amended)
- SB 107** West Sponsor: Johnson
Relating to the disclosure by a court of criminal history record information that is the subject of an order of nondisclosure.
(Amended)
- SB 126** Nelson Sponsor: Davis, John
Relating to the creation of a mental health and substance abuse public reporting system.
(Amended)
- SB 141** Huffman Sponsor: Davis, Sarah
Relating to the requirements for issuance of a license to practice orthotics and prosthetics.
- SB 220** Birdwell Sponsor: Anchia
Relating to the abolition of the office of the fire fighters' pension commissioner and the transfer and disposition of its functions relating to the Texas Emergency Services Retirement System and the Texas local firefighters retirement systems.
- SB 347** Seliger Sponsor: Lewis
Relating to funding for the operations of the Texas Low-Level Radioactive Waste Disposal Compact Commission.
(Amended)
- SB 460** Deuell Sponsor: Coleman
Relating to inclusion of instruction in the detection and education of students with mental or emotional disorders in the requirements for educator training programs.
(Amended)
- SB 485** Ellis Sponsor: Parker
Relating to the sales tax exemption period for clothing and footwear.
- SB 492** Lucio Sponsor: Sheffield, J. D.
Relating to the licensing and regulation of prescribed pediatric extended care centers; providing penalties; imposing fees.
(Committee Substitute/Amended)
- SB 549** Williams Sponsor: Carter
Relating to penalties for engaging in organized criminal activity.
(Amended)
- SB 646** Deuell Sponsor: Naishtat
Relating to court-ordered outpatient mental health services.
(Committee Substitute)
- SB 736** Watson Sponsor: Smithee
Relating to insurance rating and underwriting practices and declinations based on certain consumer inquiries.

SB 976 West Sponsor: Branch
Relating to the temporary approval of an institution to participate in the tuition equalization grant program.

SB 987 Hegar Sponsor: Harless
Relating to allowing the attorney general to obtain an injunction against a municipality or county that adopts prohibited regulations regarding firearms, ammunition, or firearm supplies.

SB 993 Deuell Sponsor: King, Susan
Relating to the creation of the Texas Nonprofit Council to assist with faith-based and community-based initiatives.
(Amended)

SB 1003 Carona Sponsor: Guillen
Relating to a review of and report regarding the use of adult and juvenile administrative segregation in facilities in this state.
(Committee Substitute/Amended)

SB 1044 Rodríguez Sponsor: Walle
Relating to access to criminal history record information by certain entities, including certain local government corporations, public defender's offices, and the office of capital writs, and to an exemption for those offices from fees imposed for processing inquiries for that information.

SB 1173 West Sponsor: White
Relating to procedures for the sentencing and placement on community supervision of defendants charged with the commission of a state jail felony.
(Committee Substitute/Amended)

SB 1216 Eltife Sponsor: Davis, Sarah
Relating to the creation of a standard request form for prior authorization of medical care or health care services.
(Amended)

SB 1234 Whitmire Sponsor: Price
Relating to the prevention of truancy and the offense of failure to attend school.
(Committee Substitute/Amended)

SB 1292 Ellis Sponsor: Turner, Sylvester
Relating to DNA testing of biological evidence in certain capital cases.
(Amended)

SB 1368 Davis Sponsor: Alvarado
Relating to contracts by certain state governmental entities that involve the exchange or creation of public information.
(Amended)

SB 1388 Carona Sponsor: Bohac
Relating to identity recovery services; imposing a fee.
(Committee Substitute)

SB 1475 Duncan Sponsor: Zerwas
Relating to a jail-based restoration of competency pilot program.

SB 1567 Davis Sponsor: Eiland
Relating to coverage of certain persons under an automobile insurance policy.

- SB 1643** Williams Sponsor: Alvarado
Relating to the monitoring of prescriptions for certain controlled substances; providing penalties.
(Committee Substitute/Amended)
- SB 1672** Taylor Sponsor: Eiland
Relating to the business of travel insurance; authorizing penalties.
- SB 1702** Taylor Sponsor: Bonnen, Dennis
Relating to residential property insured by the Texas Windstorm Insurance Association.
(Amended)
- SB 1705** Campbell Sponsor: Parker
Relating to the administration of certain examinations required to obtain a driver's license.
- SB 1747** Uresti Sponsor: Keffer
Relating to funding and donations for county transportation projects, including projects of county energy transportation reinvestment zones.
(Committee Substitute/Amended)
- SB 1769** Rodríguez Sponsor: White
Relating to the creation of an advisory committee to examine the fingerprinting practices of juvenile probation departments.
- SB 1771** Campbell Sponsor: Kuempel
Relating to the expansion of the boundaries of the Cibolo Creek Municipal Authority.
- SB 1795** Watson Sponsor: Guillen
Relating to the regulation of navigators for health benefit exchanges.
(Amended)
- SB 1812** Duncan Sponsor: Otto
Relating to the determination of state contributions for participation by certain junior college employees in the state employees group benefits program, the Teacher Retirement System of Texas, and the Optional Retirement Program.

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

BILLS AND RESOLUTIONS SIGNED

The President announced the signing of the following enrolled bills and resolutions in the presence of the Senate after the captions had been read:

HB 4, HB 124, HB 217, HB 343, HB 705, HB 719, HB 724, HB 978, HB 1133, HB 1228, HB 1294, HB 1297, HB 1318, HB 1494, HB 1712, HB 1752, HB 1775, HB 1843, HB 2020, HB 2473, HB 2636, HB 2766, HB 2792, HB 2840, HB 3086, HB 3105, HB 3116, HB 3233, HB 3256, HB 3805, HB 3941, HCR 112, HCR 120, HCR 125, HCR 126, HJR 87.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1128 ON SECOND READING**

Senator Garcia moved to suspend the regular order of business to take up for consideration **CSHB 1128** at this time on its second reading:

CSHB 1128, Relating to posting suggestions and ideas on cost-efficiency on certain state agency websites.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Campbell, Carona, Davis, Deuell, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Patrick, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Duncan, Nelson, Nichols, Paxton, Williams.

The bill was read second time and was passed to third reading by the following vote: Yeas 23, Nays 8.

Yeas: Campbell, Carona, Davis, Deuell, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Lucio, Patrick, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Duncan, Hancock, Huffman, Nelson, Nichols, Paxton, Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1128 ON THIRD READING**

Senator Garcia moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1128** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Campbell, Carona, Davis, Deuell, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Patrick, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Duncan, Nelson, Nichols, Paxton, Williams.

The bill was read third time and was passed by the following vote: Yeas 23, Nays 8.

Yeas: Campbell, Carona, Davis, Deuell, Ellis, Eltife, Estes, Fraser, Garcia, Hegar, Hinojosa, Lucio, Patrick, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Duncan, Hancock, Huffman, Nelson, Nichols, Paxton, Williams.

SENATE BILL 24 WITH HOUSE AMENDMENTS

Senator Hinojosa called **SB 24** from the President's table for consideration of the House amendments to the bill.

The President laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 24** by adding an appropriately numbered SECTION to the bill, to read as follows:

(1) On page 2, line 5, between "Chapter 74" and ";", insert ", subject to the provisions of that subchapter regarding the location of certain facilities and programs of the health science center".

(2) Strike SECTION 2 of the bill (page 10, lines 10 to 20) and substitute the following SECTION 2:

SECTION 2. CONFORMING AMENDMENT. Section 74.751(a), Education Code, is amended to read as follows:

(a) The board of regents of The University of Texas System may operate The University of Texas Health Science Center–South Texas as provided by Section 79.02 [~~a component institution of The University of Texas System~~] with its [~~main campus and~~] administrative offices to be located in Hidalgo and Cameron Counties [~~County~~]. The health science center shall [~~may~~] consist of a medical school, as provided by Section 74.752, other health and health-related degree programs, and related programs and facilities as the board considers appropriate.

(3) SECTION _____. Section 74.752, Education Code, is amended to read as follows:

Sec. 74.752. MEDICAL SCHOOL. (a) The medical school [~~If The University of Texas Health Science Center–South Texas is established under Section 74.751, The University of Texas Medical School–South Texas may be~~] established as a component of the health science center and as a component institution of The University of Texas System under the management and control of the board of regents of The University of Texas System is subject to this section. The offices overseeing undergraduate medical education shall be located in Hidalgo County and the offices overseeing graduate medical education shall be located in Cameron County. The board shall ensure that educational programs for first-year and second-year students shall be primarily located in Hidalgo County, and the educational programs for third-year and fourth-year students shall be primarily located in Cameron County; and the educational programs for all medical students shall take full advantage of the existing educational facilities and programs at The University of Texas–Pan American's Edinburg campus or successor campus, The University of Texas at Brownsville campus or successor campus, and the Lower Rio Grande Valley Regional Academic Health Center established under Subchapter L, Chapter 74, in Harlingen and Edinburg. Graduate medical education programs and activities shall be conducted throughout the region.

(4) Strike SECTION 5 of the bill (page 12, line 24, to page 13, line 26) and renumber subsequent SECTION of the bill accordingly.

Floor Amendment No. 2

Amend **SB 24** (house committee report) as follows:

On page 2, between lines 23 and 24, by adding the following:

(f) The board has all the powers and duties provided by prior law, as that law existed at the time the applicable university or other entity was abolished, in regard to:

(1) The University of Texas at Brownsville, The University of Texas–Pan American, and any other institution, college, school, or entity abolished under the Act authorizing creation of the university; and

(2) any facility, operation, or program that is transferred to the university under that Act.

(g) The board may impose and collect any fee authorized by prior law, as that law existed at the time the applicable university was abolished, for The University of Texas at Brownsville or The University of Texas–Pan American, as determined by the board and subject to the limitations provided by the prior law authorizing the fee. The abolition of The University of Texas at Brownsville and The University of Texas–Pan American does not affect any pledge of revenue from a fee made by or on behalf of either of those universities to pay obligations issued in connection with facilities for which the fee was imposed and the obligations were issued.

The amendments were read.

Senator Hinojosa moved to concur in the House amendments to **SB 24**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

REMARKS ORDERED PRINTED

On motion of Senator Lucio and by unanimous consent, the remarks by Senators Hinojosa, Lucio, and Zaffirini regarding **SB 24** were ordered reduced to writing and printed in the *Senate Journal* as follows:

Senator Hinojosa: Thank you, Mr. President and Members. Senate Bill 24 is the bill that merged and created a new university in South Texas by merging The University of Texas–Pan American and The University of Texas Brownsville. And the amendment that we have is the amendment that reflects the agreement reached by the Rio Grande Valley delegation which sets up a medical school in South Texas. The amendment adds language that now states a specific location for the offices and educational programs of the medical school. And at this time, I would like to yield to my good friend, Senator Eddie Lucio, who worked very closely with the Valley delegation to make this a reality. Senator Lucio.

Senator Lucio: Thank you, Mr. President. Thank you, Senator Hinojosa. Members, I want to say I'm extremely delighted to rise and join my colleagues today in concurring in House changes to Senate Bill 24. As you all know, the creation of a new, first-class university in the Rio Grande Valley has been our biggest priority this session. We started this session with a goal of creating a new university that will span the entire Rio Grande Valley. Along the way, we had some contentious details to work out, but we resolved them. I need to commend our Rio Grande Valley delegation for working so hard through the legislative process to resolve any differences. In particular, I want to thank my colleagues in the House for forging today's compromise language. The passage of Senate Bill 24, Members, will mark a historic day for the Rio Grande Valley. The Rio Grande Valley will soon become a center for multinational education, medicine, and industry. This legislation is the first step toward creating the Valley's only Tier One research university. The UT system and our delegation envision a university with state-of-the-art resources and the ability to attract top-notch faculty. The impact this legislation will have in creating educational

opportunities in the Valley cannot be overstated. Currently, no UT system emerging research university has a medical school integrated into its campus. I expect that this new school will quickly become eligible for national research grant dollars. This school will also be eligible for the Permanent University Fund money, which can be applied to building new lecture space and cutting-edge research facilities. All of these factors will make this new campus highly sought after by research faculty from all over the globe. This legislation, Members, may also mark the start of emerging industry related to the university. The Rio Grande Valley is already one of the largest and fastest growing areas of the state. I fully expect the new university will attract students and professionals interested in international and bicultural programs. From this, for example, a vibrant health care industry or port industry may be strengthened. The inclusion of the future South Texas School of Medicine as part of this new university marks the culmination of decades of work expanding higher education and, in particular, medical education in the Rio Grande Valley. I take great pride in the fact that the bill to create The University of Texas at Brownsville was one of the first bills I passed when I took office in the Senate. To improve access to quality health care in the Valley, I also was very fortunate to author legislation to create the Regional Academic Health Center in Harlingen. Finally, during the 81st session, I authored legislation to transition to RAHC, the Regional Academic Health Center, into a stand-alone medical school and health science center, with your help. Today, I'm proud to join Senator Hinojosa and Senator Seliger, Zaffirini, as a joint author on Senate Bill 24. Today also marks a culmination of an entire session's worth of hard work from the UT system and members of the Valley's legislative delegation. I would like to thank Chairman Gene Powell, Chancellor Francisco Cigarroa, and the UT system for setting us a bold new vision of the Valley and for pledging to support the new university with a \$100 million investment over the next 10 years to accelerate the pace of creating the future South Texas School of Medicine. I want to thank UT Brownsville President Juliet Garcia and UT Pan American President Robert Nelsen for their tireless advocacy on behalf of the new university. I'd also like to thank our local government and business leaders for supporting this legislation. There's so many to list right now, but they know who they are and I hope to God they're listening. I'm grateful to our leadership, Governor Perry, Governor Dewhurst, Speaker Straus, Chairmen Seliger and Branch, for their assistance. I also need to thank my good friend, Senator Chuy Hinojosa, as well as State Representative René Oliveira, the Dean of the Valley delegation in the House, Ryan Guillen, Armando Martinez, Sergio Muñoz, Jr., Terry Canales, Bobby Guerra, and Oscar Longoria for their hard work and leadership. Finally, Members, I'm thankful to my son, Representative Eddie Lucio III, who in the darkest and most challenging moments of this development demonstrated incredible leadership by bringing stakeholders together to achieve consensus. I'm humbled that the next generation of leaders have become the torchbearers of higher education. Building the medical school and expanding the RAHC was always intended to be a regional project. I'm so happy that we stand united as a delegation today. Again, Members, passage of Senate Bill 24 will mark the beginning of a new day for the Rio Grande Valley. Today, people come to the Valley because of our history. Tomorrow they will come, be coming to the Valley to watch us make history. Thank you, Mr. President and Members. Thank you, and I yield to Senator Zaffirini.

Senator Zaffirini: Thank you, Mr. President. Mr. President and Members, it is with great joy that I rise to join Senator Hinojosa and Senator Lucio in thanking all of you, Governor Dewhurst, and every Member of this body for your support in passing this historic legislation. This is really about Texas. The focus is on South Texas, but what is good for South Texas is good for our great state. And while the focus has been on Cameron and Hidalgo counties, I'm proud that it also includes Starr County, which is in my district, and we'll have an academic center as part of this effort and, of course, our campus in Laredo that's affiliated with the UT Health Science Center at San Antonio. It's a great day for South Texas. It's a great day for the State of Texas, and thank each of you from the bottom of our hearts for your role in making this day a reality. Thank you, Mr. President and Members.

Senator Hinojosa: Today, May 22nd, 2013, I am making a formal motion to concur with the changes made to Senate Bill 24 in the House of Representatives in support of a compromise plan that merges UT Pan American and UT Brownsville and creates a freestanding medical school. SB 24 was amended last week to reflect the negotiated plan reached by the Valley delegation that specifies the medical school educational programs for first-year and second-year programs shall be primarily located in Hidalgo County, and the educational programs for third-year and fourth-year students shall be primarily located in Cameron County. Also, offices overseeing undergraduate medical education should be located in Hidalgo County, and offices overseeing the graduates' residency programs should be located in Cameron County. Finally, the language ensures that educational programs for all medical students will take full advantage of the existing educational facilities at UT Pan American, UT Brownsville, and the Lower Rio Grande Valley Regional Academic Health Center. Senate Bill 24 has been our priority all session long. I thank Chairman Kel Seliger for letting me manage this bill through the legislative process. I thank my colleagues, Senator Eddie Lucio, Jr., and Senator Judith Zaffirini, who are my joint authors, for their counsel and guidance. I express sincere thanks to Chairman Powell and Chancellor Cigarroa of The University of Texas System. I also express gratitude to Governor Rick Perry and Lieutenant Governor David Dewhurst for their support throughout the entire process. I am proud of the tremendous bipartisan support we had in both the House and the Senate; legislators have come together to invest in education and in the people of South Texas. Although there were contentious issues, it was no different than other legislation that is complicated with various moving parts. Negotiating, the "give and take," is part of the process when various stakeholders are involved. In the end, we all came together on an agreement that takes a regional approach and maximizes the RAHC, UT Brownsville in Cameron County, and UT Pan American in Hidalgo County to the benefit of not only South Texas but the whole State of Texas. I thank the entire Valley delegation, especially the Hidalgo County legislators for advocating and supporting this legislation. Representatives Mando Martinez, Sergio Muñoz, Terry Canales, Bobby Guerra, and Oscar Longoria proved themselves through their hard work, perseverance, and leadership. I also thank Chairman René Oliveira and Representative Eddie Lucio III for their leadership and willingness to negotiate and compromise by doing what is best for all of South Texas. The expansion of educational opportunities will create greater access to health care, and the related health care businesses that the medical school will attract will be a

great boost to our quality of life in the Valley. There will be more jobs, lower poverty levels, higher educational levels, more health care services, more doctors, more access to those doctors, and more resources to serve the unique and critical needs of the people of the Valley. I am proud that we stand united as a delegation embracing a regional mindset. The vision of a new university and a medical school has united our Valley community proving that we can transform a dream into a reality.

HOUSE BILL 2935 ON THIRD READING

The President laid before the Senate **HB 2935** by Senator Ellis on its third reading. The bill had been read third time and further consideration temporarily postponed:

HB 2935, Relating to the interlocutory appeal of a denial of a motion to dismiss in an action involving the exercise of certain constitutional rights.

Question — Shall **HB 2935** be finally passed?

HB 2935 was finally passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE HOUSE BILL 1025 ON SECOND READING

Senator Williams moved to suspend the regular order of business to take up for consideration **CSHB 1025** at this time on its second reading:

CSHB 1025, Relating to making supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Patrick, Paxton.

The bill was read second time.

Senator Williams offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 1025** (senate committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. APPROPRIATION REDUCTION: TEXAS PUBLIC FINANCE AUTHORITY. The unencumbered appropriations from undedicated or dedicated portions of the general revenue fund to the Texas Public Finance Authority for use during the state fiscal biennium ending August 31, 2013, for bond debt service payments made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), including appropriations authorized under Rider 2 to the bill pattern of the appropriations to the authority, are reduced by a

total aggregate reduction of \$22,601,012. The Texas Public Finance Authority shall identify the strategies and objectives out of which the indicated reduction is to be made.

SECTION 2. APPROPRIATION REDUCTION: TEXAS DEPARTMENT OF TRANSPORTATION. The unencumbered appropriations from the general revenue fund to the Texas Department of Transportation for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy G.1.1, General Obligation Bonds, are reduced by the amount of \$110,000,000.

SECTION 3. APPROPRIATION REDUCTION: DEBT SERVICE PAYMENTS - NON-SELF SUPPORTING GENERAL OBLIGATION WATER BONDS. The unencumbered appropriations from the general revenue fund to the Water Development Board for Debt Service Payments for Non-Self Supporting G.O. Water Bonds for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), are reduced by the following amounts:

- (1) \$2,263,813 from Strategy A.1.1, EDAP Debt Service; and
- (2) \$5,271,541 from Strategy A.1.3, WIF Debt Service.

SECTION 4. APPROPRIATION REDUCTION: DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES. The unencumbered appropriations from the general revenue fund to the Department of Family and Protective Services for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy B.1.11, Foster Care Payments, are reduced by the amount of \$2,365,481.

SECTION 5. APPROPRIATION REDUCTION: HEALTH AND HUMAN SERVICES COMMISSION. The unencumbered appropriations from the general revenue fund to the Health and Human Services Commission for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy D.1.1, TANF (Cash Assistance) Grants, are reduced by the amount of \$2,671,850.

SECTION 6. APPROPRIATION REDUCTION: HIGHER EDUCATION EMPLOYEES GROUP INSURANCE CONTRIBUTIONS. The unencumbered appropriations from the general revenue fund to the Higher Education Employees Group Insurance Contributions for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy A.1.11, UT Medical - Galveston, are reduced by the amount of \$1,400,437.

SECTION 7. APPROPRIATION REDUCTION: UNIVERSITY OF TEXAS AT AUSTIN. The unencumbered appropriations from the general revenue fund to the University of Texas at Austin for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy C.4.1, Institutional Enhancement, are reduced by the amount of \$2,000,000.

SECTION 8. APPROPRIATION REDUCTION: UNIVERSITY OF TEXAS AT DALLAS. The unencumbered appropriations from the general revenue fund to the University of Texas at Dallas for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy A.1.1, Operations Support, are reduced by the amount of \$890,622.

SECTION 9. APPROPRIATION REDUCTION: TEXAS A&M AGRILIFE RESEARCH. The unencumbered appropriations from general revenue account number 151, Clean Air, to Texas A&M AgriLife Research for use during the state fiscal biennium ending August 31, 2013, by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for Strategy A.1.1, Agricultural/Life Sciences Research, are reduced by the amount of \$12,500.

SECTION 10. FACILITIES COMMISSION: UTILITY COSTS. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$1,400,000 is appropriated out of the general revenue fund to the Facilities Commission for Strategy B.2.1, Facilities Operation, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act for the purpose of providing for payment of increased utility costs as a result of an increase in utility rates.

(b) Money appropriated by this section may not be used by the commission for a purpose other than payment of utility expenses without the prior written approval of the Legislative Budget Board.

SECTION 11. VETERANS COMMISSION: STRIKE FORCE TEAMS; REPAYMENT OF DEFICIENCY. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$1,546,003 is appropriated out of the general revenue fund to the Veterans Commission for the state fiscal year ending August 31, 2013, for the purpose of creating two state strike force teams to address the backlog of claims in Houston and Waco and to hire additional counselors to be located in hospitals and clinics operated by the United States Department of Veterans Affairs.

(b) In addition to the number of full-time equivalent employees (FTEs) the Veterans Commission is authorized by other law to employ during the state fiscal year ending August 31, 2013, the commission may employ an additional 16.0 FTEs during that state fiscal year.

(c) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$500,000 is appropriated out of the general revenue fund to the Veterans Commission for the state fiscal year ending August 31, 2013, for the purpose of repaying a deficiency grant made under Section 403.075, Government Code.

SECTION 12. UNIVERSITY OF HOUSTON - CLEAR LAKE. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$200,000 is appropriated out of the general revenue fund to the University of Houston - Clear Lake for Strategy A.1.4, Workers' Compensation

Insurance, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the state fiscal year ending August 31, 2013, for the purpose of current operations.

SECTION 13. TEXAS A&M ENGINEERING EXTENSION SERVICE. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$1,678,703 is appropriated out of the economic stabilization fund to the Texas A&M Engineering Extension Service for the state fiscal year ending August 31, 2013, for the purpose of reimbursing the agency for state-directed deployments for natural disasters.

SECTION 14. TEXAS A&M AGRILIFE RESEARCH. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$162,500 is appropriated out of the general revenue fund to Texas A&M AgriLife Research for the state fiscal year ending August 31, 2013, for the purpose of current operations.

SECTION 15. JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$475,000 is appropriated out of the general revenue fund to the Judiciary Section, Comptroller's Department, for Strategy D.1.8, Juror Pay, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the state fiscal year ending August 31, 2013, for the purpose of reimbursing the agency for a transfer to Strategy D.1.10, Indigent Inmate Defense, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), to cover costs of providing legal representation for an inmate in a capital murder trial.

SECTION 16. TEXAS DEPARTMENT OF CRIMINAL JUSTICE: CERTAIN RIDERS. Rider 62 to the bill pattern of the appropriations to the Department of Criminal Justice in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), is repealed, and the department is not required to comply with that rider on and after the effective date of this Act.

SECTION 17. COMMISSION ON ENVIRONMENTAL QUALITY: ELEPHANT BUTTE LITIGATION EXPENSES. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$500,000 is appropriated out of general revenue account number 153, Water Resource Management, to the Commission on Environmental Quality for the two-year period beginning on the effective date of this Act for the purpose of paying for Elephant Butte litigation expenses.

SECTION 18. PARKS AND WILDLIFE DEPARTMENT: REVENUE SHORTFALL. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$889,000 is appropriated out of the economic stabilization fund to the Parks and Wildlife Department for the two-year period beginning on the effective date of this Act for the purpose of providing for state park operations as a result of a revenue shortfall.

SECTION 19. LIBRARY AND ARCHIVES COMMISSION: DIRECTOR-LIBRARIAN SALARY. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of

\$35,500 is appropriated out of the general revenue fund to the Library and Archives Commission for the fiscal year ending August 31, 2013, for the purpose of providing a salary rate increase for the Director-Librarian.

(b) Notwithstanding the rate of salary in the bill pattern of the Library and Archives Commission in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), the rate of salary for the Director-Librarian is \$140,000 for the state fiscal year ending August 31, 2013.

SECTION 20. TEXAS A&M FOREST SERVICE: APPROPRIATIONS FOR GENERAL COSTS CAUSED BY WILDFIRES. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$161,065,711 is appropriated out of the economic stabilization fund to the Texas A&M Forest Service for the state fiscal year ending August 31, 2013, for the purpose of paying for, or reimbursing payments made for, costs incurred by the Texas A&M Forest Service associated with wildfires.

SECTION 21. DEPARTMENT OF PUBLIC SAFETY: APPROPRIATIONS FOR GENERAL COSTS CAUSED BY WILDFIRES. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$2,700,000 is appropriated out of the economic stabilization fund to the Department of Public Safety for the state fiscal year ending August 31, 2013, for the purpose of paying for, or reimbursing payments made for, costs incurred by the Department of Public Safety associated with wildfires.

SECTION 22. PARKS AND WILDLIFE DEPARTMENT: APPROPRIATIONS FOR COSTS CAUSED BY WILDFIRES AT THE BASTROP STATE PARK AND BASTROP REGIONAL PARK OFFICE. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$4,892,440 is appropriated out of the economic stabilization fund to the Parks and Wildlife Department for the two-year period beginning on the effective date of this Act for the purpose of paying for, or reimbursing payments made for, costs incurred by the Parks and Wildlife Department associated with wildfires that occurred at the Bastrop State Park and Bastrop regional park office.

SECTION 23. RAILROAD COMMISSION: INFORMATION TECHNOLOGY MODERNIZATION. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$16,711,989 is appropriated out of general revenue dedicated account number 5155, Oil and Gas Regulation and Cleanup Account, to the Railroad Commission for the two-year period beginning on the effective date of this Act for the purpose of modernization of information technology.

(b) In addition to the number of full-time equivalent employees (FTEs) the Railroad Commission is authorized by other law to employ during the two-year period beginning on the effective date of this Act, the commission may employ an additional 11.0 FTEs in each of those years.

SECTION 24. DEPARTMENT OF STATE HEALTH SERVICES: DISPROPORTIONATE SHARE HOSPITAL PROGRAM. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$137,860,100 is appropriated out of general revenue dedicated account number 5111, Trauma Facility and EMS Account, to the Department of State Health

Services for the state fiscal year ending August 31, 2013, for the purpose of entering into an interagency contract to transfer money from that account from that department to the Health and Human Services Commission to provide for the non-federal share for the Medicaid disproportionate share hospital program.

SECTION 25. TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR: DISASTER RECOVERY. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$15,000,000 is appropriated out of the economic stabilization fund to the Trusteed Programs within the Office of the Governor for the two-year period beginning on the effective date of this Act for purposes of:

(1) wildfire recovery, remediation, and mitigation activities related to wildfires in Bastrop, Cass, and Marion Counties;

(2) addressing the needed repair and rehabilitation of roads, bridges, culverts, and parks, and to complete hazardous debris removal and fire risk-mitigation activities in Bastrop County;

(3) recovery activities related to the plant explosion in West; and

(4) other disaster-related expenses.

(b) Money appropriated by this section shall be allocated to specific projects to maximize the receipt of federal money available for similar purposes. Money appropriated by this section may be spent on activities conducted on private property, with the consent of the property owner, only for a public purpose.

SECTION 26. APPROPRIATIONS TO INSTITUTIONS OF HIGHER EDUCATION: HAZLEWOOD EXEMPTION. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$30,000,000 is appropriated out of the general revenue fund to the Higher Education Coordinating Board for the two-year period beginning on the effective date of this Act for the purpose of funding the proportionate share of the total cost to each institution for the Hazlewood exemption.

(b) The Higher Education Coordinating Board shall allocate the appropriations made in subsection (a) according to the proportion of each institution's respective share of the aggregate cost of the exemption for students under the Legacy Program in Education Code, Section 54.341 subject to input by institutions for their respective share and present a plan for allocation to the Legislative Budget Board no later than August 1, 2013.

(c) Appropriations made in subsection (a) may not be expended without the prior written approval of the Legislative Budget Board.

SECTION 27. HEALTH AND HUMAN SERVICES COMMISSION: CERTAIN RIDERS. Rider 26 to the bill pattern of the appropriations to the Health and Human Services Commission in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), is repealed, and the commission is not required to comply with that rider on and after the effective date of this Act.

SECTION 28. BENEFITS PAID PROPORTIONAL BY FUND. (a) This section applies to each item of appropriation made by this Act.

(b) In order to maximize balances in the general revenue fund, payment for benefits paid from funds appropriated by this Act, including "local funds" and "educational and general funds," as those terms are defined by Sections 51.009(a) and (c), Education Code, must be proportional to the source of the funds except for payments for higher education employees group insurance contributions for public community or junior colleges.

(c) Money appropriated by this Act out of the general revenue fund may not be used to pay employee benefit costs or other indirect costs associated with the payment of salaries or wages of employees if the salaries or wages are paid from a source other than the general revenue fund. A public community or junior college may spend money appropriated by this Act for employee benefit costs for any employee who is eligible to participate in an offered group benefits program and is an instructional or administrative employee whose entire salary may be paid from money appropriated by this Act, regardless of whether the salary is actually paid by that money. Payments for employee benefit costs associated with salaries and wages paid from sources other than the general revenue fund, including payments received under interagency agreement or as contract receipts, must be made in proportion to the source of the funds from which the salary or wage is paid. If the comptroller of public accounts determines that achieving proportionality as required by this section at the time a payment is made is impractical or inefficient, then the general revenue fund shall be reimbursed for any payment of employee benefit costs made out of the general revenue fund.

(d) A state agency or institution of higher education that receives an appropriation by this Act from the general revenue fund or any other source of financing shall file with the comptroller of public accounts and the state auditor a report demonstrating proportionality. The report is due on November 20th of each year and must cover the state fiscal year ending on August 31st of the year in which the report is due. The report shall be in the format prescribed by the comptroller, the Legislative Budget Board, and the State Auditor's Office. The state auditor may audit a state agency's or institution's compliance with this section if the agency or institution is appropriated money by this Act. The state auditor shall notify the comptroller of any amount disproportionately paid from general revenue fund appropriations. On receipt of that notice, the comptroller shall reduce the state agency's or institution's current year general revenue fund appropriations until the general revenue fund is reimbursed for the amounts disproportionately paid out of that fund.

(e) Contingent on SB 1812 or similar legislation relating to the determination of state contributions for participation by certain junior college employees in the state employees group benefits program, the Teacher Retirement System of Texas, and the Optional Retirement Program and limiting General Revenue related funds for benefit contributions to 50 percent of the state contributions for Public Community/Junior Colleges, not being enacted by the Eighty-third Legislature, Regular Session, 2013, this section shall apply to Public Community/Junior Colleges.

SECTION 29. JUDICIARY SECTION, COMPTROLLER'S DEPARTMENT: REVENUE SHORTFALL. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, an amount (estimated to be \$7,495,137)

is appropriated out of the general revenue fund to the Judiciary Section, Comptroller's Department, for Strategy A.1.1, District Judges, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the state fiscal year ending August 31, 2013, for the purpose of paying salaries for district judges and prosecuting attorneys.

SECTION 30. TEXAS EDUCATION AGENCY: DATA CENTER SERVICES. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$517,000 is appropriated out of the general revenue fund to the Texas Education Agency for Strategy B.3.5, Information Systems - Technology, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the state fiscal year ending August 31, 2013, for the purpose of costs related to data center services.

SECTION 31. ADJUTANT GENERAL'S DEPARTMENT: MENTAL HEALTH COUNSELING. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$200,000 is appropriated out of the general revenue fund to the Adjutant General's Department for the two year period beginning on the effective date of this Act for the purpose of providing mental health counseling.

(b) In addition to the number of full-time equivalent employees (FTEs) the Adjutant General's Department is authorized by other law to employ during the two year period beginning on the effective date of this Act, the commission may employ an additional 2.0 FTEs in each fiscal year.

SECTION 32. TEXAS EDUCATION AGENCY: CERTAIN APPROPRIATIONS. (a) Section 5 of HB 10, Acts of the 83rd Legislature, Regular Session, 2013 is repealed and shall not take effect.

(b) Contingent on the enactment and becoming law of H.B. S.B 758 or similar legislation of the 83rd Legislature, Regular Session, 2013, relating to the established schedule of payments from the foundation school fund of the yearly entitlement of certain school districts:

(1) there is appropriated to the Texas Education Agency from the economic stabilization fund, \$1,750,000,000 for the state fiscal year ending August 31, 2013, for payment of the installment to be paid on or before August 30, 2013, as provided by Sections 42.259(c-1) and (d-1), Education Code, as added by that legislation; and

(2) notwithstanding Rider 3 to the bill pattern of the appropriations to the Texas Education Agency in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), the sum certain appropriation to the Foundation School Program for the state fiscal year ending August 31, 2013, is increased by the amount of \$1,750,000,000 in addition to the amount by which that sum certain appropriation is increased in accordance with Section 4(c) of House Bill 10, Eighty Third Legislature, Regular Session, 2013.

SECTION 33. CONTINGENCY FOR SJR1 AND HB4. (a) Contingent on passage and adoption by an election of the voters of SJR1, or similar legislation relating to proposing constitutional amendments creating the State Water Implementation Fund for Texas and the State Water Implementation Revenue Fund for Texas by the 83rd Legislature, Regular Session, 2013 and also contingent on the enactment of HB4 or similar legislation relating to the administration and functions of

the Texas Water Development Board and establishment of the state water implementation fund, by the 83rd Legislature, Regular Session, 2013, \$2,000,000,000 is appropriated out of the economic stabilization fund to the state water implementation fund of Texas to implement the provisions of the legislation.

(b) Appropriations made in this section shall be available to the Water Development Board for the purposes described in HB 4, or similar legislation to finance projects in the state water plan according to the provisions of the legislation.

SECTION 34. HEALTH AND HUMAN SERVICES COMMISSION: CHILDRENS HEALTH INSURANCE. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$4,109,935 is appropriated out of the general revenue fund for the state fiscal year ending August 31, 2013, to the Health and Human Services Commission under Goal C, CHIP, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the purpose of providing services under the CHIP program.

(b) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$10,351,951 is appropriated out of federal funds for the state fiscal year ending August 31, 2013, to the Health and Human Services Commission under Goal C, CHIP, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the purpose of providing services under the CHIP program.

SECTION 35. DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES: ADOPTION SUBSIDIES. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$394,675 is appropriated out of the general revenue fund for the state fiscal year ending August 31, 2013, to the Department of Family and Protective Services under Strategy B.1.12. Adoption/PCA Payments, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the purpose of providing adoption subsidies.

SECTION 36. PARKS AND WILDLIFE DEPARTMENT: CEDAR BAYOU RESTORATION. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013 and contingent on the Parks and Wildlife Department receiving funds from units of local government for the purpose described in this section, the amount of \$3,000,000 is appropriated out of general revenue dedicated account number 9, Game, Fish, and Water Safety, to the Parks and Wildlife Department for Strategy A.2.3, Coastal Fisheries Management, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of the Cedar Bayou Restoration Project in Aransas County.

SECTION 37. TEXAS EDUCATION AGENCY: FOUNDATION SCHOOL PROGRAM. (a) Contingent on the enactment of HB7 or similar legislation relating to returning money from general revenue dedicated account number 5100, System Benefit Fund, to payers of the fee imposed under Section 39.903 of the Utilities Code, by the 83rd Legislature, Regular Session, 2013, and also contingent of the passage of SJR1, or similar legislation relating to proposing constitutional amendments providing for the transfer of existing money from the economic stabilization fund to assist in the

financing of priority water infrastructure projects by the 83rd Legislature, Regular Session, 2013, the Texas Education Agency is appropriated \$101,346,715 from the Foundation School Fund No. 193 in the fiscal year ending August 31, 2014 and \$100,387,174 is appropriated from Foundation School Fund No. 193 in the fiscal year ending August 31, 2015 for the purpose of funding the Foundation School Program. Appropriations made in SB1, Eighty-third Legislature, Regular Session, 2013 (the General Appropriations Act) to the Texas Education Agency in Strategy A.1.1, FSP - Equalized Operations, out of Appropriated Receipts are reduced by \$8,586,715 in the fiscal year ending August 31, 2014 and by \$8,227,174 in the fiscal year ending August 31, 2015.

(b) Notwithstanding Rider 3 to the bill pattern of the appropriations to the Texas Education Agency in SB1, Eighty-third Legislature, Regular Session, 2013 (the General Appropriations Act), the sum certain appropriation to the Foundation School Program is \$19,909,737,000 in the fiscal year ending August 31, 2014 and \$20,489,435,000 in the fiscal year ending August 31, 2015.

(c) For purposes of distributing the Foundation School Program basic tier state aid appropriated in this Act and in SB1, Eighty-third Legislature, Regular Session, 2013 (the General Appropriations Act) in accordance with §42.101 of the Texas Education Code, the Basic Allotment is established at \$4,950 in fiscal year 2014 and \$5,040 in fiscal year 2015. If this Section conflicts with provisions in other legislation enacted by the Eighty-third Legislature, Regular Session, 2013, this Section prevails.

SECTION 38. HIGHER EDUCATING COORDINATING BOARD: GRADUATE MEDICAL EDUCATION EXPANSION. (a) In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$9,250,000 is appropriated out of the general revenue fund to the Higher Education Coordinating Board for the two-year period beginning on the effective date of this Act for the purpose of expansion of first-year residency positions. Money appropriated by this section must be allocated as provided by this section.

(b) \$1,875,000 of the money appropriated under this section must be used to provide funding for one-time planning grants of \$150,000 each to entities that do not currently operate, and have not previously operated, a graduate medical education (GME) program and are therefore eligible for Medicare GME funding. The grants described by this subsection are intended to provide support for those entities to establish GME programs in order to increase the number of first-year residency positions in this state. The application for a grant described by this subsection must be submitted to the Higher Education Coordinating Board on or before November 15 of each year, and the board must determine the grant recipients on or before December 15 of each year. The grants must be awarded based on a competitive application process. Unless additional money is made available as provided by Subsection (f) of this section, not more than 12 planning grants may be awarded. An entity that receives a grant under this subsection, becomes accredited, and fills residency positions is eligible to apply for the grants provided under Subsections (c) and (d) of this section, but may not receive more than \$35,000 per resident.

(c) A portion of the money appropriated under this section must be used to provide grants of \$65,000 per resident to currently accredited GME programs for the purpose of filling currently accredited but unfilled first-year residency positions. The

grants described by this subsection are intended to assist the applicants by providing money to pay for direct resident costs, including resident stipends and benefits. An application for a grant described by this subsection must be made by submitting to the Higher Education Coordinating Board proof of the number of accredited but unfilled positions in the applicant's program on or before October 1 of each year, and the board must determine the grant recipients on or before January 1 of the following year. The board may disburse the money to the applicant only after the applicant verifies with the board that the residency position has been filled. An applicant awarded a grant under this subsection in the state fiscal year ending August 31, 2014, shall receive an equivalent grant in the state fiscal year ending August 31, 2015.

(d) A portion of the money appropriated under this section must be used to provide grants of \$65,000 per resident to currently accredited GME programs to provide support to expand existing or establish new GME programs with first-year residency positions. The grants described by this subsection are intended to assist the applicants by providing money to pay for direct resident costs, including resident stipends and benefits. An application for a grant described by this subsection must be made by submitting a plan for receiving accreditation for the expanded or new GME program to the Higher Education Coordinating Board on or before October 1 of each year, and the board must determine the grant recipients on or before January 1 of the following year. The board may disburse the money to the applicant only after the applicant verifies with the board that a residency position created by the expanded or new GME program has been filled. An applicant awarded a grant under this subsection in the state fiscal year ending August 31, 2014, shall receive an equivalent grant in the state fiscal year ending August 31, 2015.

(e) The Higher Education Coordinating Board may award not more than 25 grants described by Subsections (c) and (d) of this section in the state fiscal year ending August 31, 2014. The number of grants to be awarded in the fiscal year ending August 31, 2015 is based on available appropriations in this section. If in either state fiscal year the number of applications for grants described by Subsections (c) and (d) of this section exceeds the limitation on the number of awards established by this subsection, the board may give priority for up to 50 percent to be awarded to first-year positions in primary care and other critical shortage areas in this state. The board may not reduce the amount of a grant under this section, but may reduce the number of first-year positions funded to each grant recipient on a pro rata basis.

(f) If the Higher Education Coordinating Board determines, based on the number of applications for grants described by Subsections (c) and (d) of this section received by the board by October 2014, that the entire appropriation made by Subsection (a) of this section will not be used, the board may adjust the number of planning grants authorized under Subsection (b) of this section so that the entire appropriation to the board is spent.

SECTION 39. HIGHER EDUCATING COORDINATING BOARD: FAMILY PRACTICE RESIDENCY PROGRAM. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$7,750,000 is appropriated out of the general revenue fund to the Higher Education Coordinating

Board for the two-year period beginning on the effective date of this Act for Strategy D.1.3 Family Practice Residency Program for the purpose of awarding grants to family practice residency programs.

SECTION 40. TEXAS DEPARTMENT OF TRANSPORTATION: ROAD REPAIRS IN ENERGY SECTORS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$450,000,000 is appropriated out of the general revenue fund to the Texas Department of Transportation for the two-year period beginning on the effective date of this Act to be transferred to State Highway Fund 6 for the purposes for which amounts appropriated by that Act to the department for Strategy C.1.2, New Maintenance Contracts, may be used for maintenance and safety, including repairs to roadways and bridges within the state highway system for damage caused by oversize vehicles or overweight loads used in the development and production of energy or by above normal usage of roadways and bridges within the state highway system by vehicles used in the development and production of energy. It is the intent of the legislature that projects be prioritized by according to safety issues, traffic volumes, pavement widths and pavement conditions.

SECTION 41. CONTINGENCY FOR SB 16: TUITION REVENUE BOND DEBT SERVICE. (a) Contingent upon enactment of SB16 or similar legislation relating to tuition revenue bonds for institutions of higher education by the Eighty-third Legislature, Regular Session, \$175,000,000, is appropriated out of the general revenue fund to the Higher Education Coordinating Board for the fiscal year ending August 31, 2015 for distribution to university systems for debt service on tuition revenue bonds for their component institutions.

(b) The Higher Education Coordinating Board shall present a plan for allocation of the appropriations made in subsection (a) to the Legislative Budget Board.

(c) Appropriations made in subsection (a) may not be expended without the prior written approval of the Legislative Budget Board.

(d) The Higher Education Coordinating Board may not expend appropriations made in subsection (a) for administrative expenses.

SECTION 42. FISCAL PROGRAMS - COMPTROLLER OF PUBLIC ACCOUNTS: APPROPRIATION FOR ENDANGERED SPECIES RESEARCH. (a) The Fiscal Programs - Comptroller of Public Accounts is appropriated \$5,000,000 out of the general revenue fund for transfer to the Habitat Protection and Research Fund, as established in Government Code, Section 490F.004 by H.B. 3509, Eighty-third Legislature, Regular Session, 2013 (the General Appropriations Act), for the purposes of threatened or endangered species research.

(b) The money appropriated in this section shall be held by the Comptroller for the use of the Task Force on Economic Growth and Endangered Species as described in Government Code, Chapter 490E.

SECTION 43. TEXAS EDUCATION AGENCY: STUDENT SUCCESS INITIATIVE. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013 to the Texas Education Agency, \$10,000,000 is appropriated out of the general revenue fund to the Texas Education Agency for the two year period beginning on the effective date of this Act for the purpose of funding the Student Success Initiative.

SECTION 44. HIGHER EDUCATION COORDINATING BOARD: TEXAS RESEARCH INCENTIVE PROGRAM. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$34,400,000 is appropriated out of the general revenue fund to the Higher Education Coordinating Board for Strategy B.1.16, Texas Research Incentive Program, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of distributing money to emerging research universities based on a match for certain private donations.

SECTION 45. TEXAS FACILITIES COMMISSION: HEALTH AND SAFETY PROJECTS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$20,000,000 is appropriated out of the general revenue fund to the Facilities Commission for Strategy B.2.1, Facilities Operation, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of funding health and safety repairs.

SECTION 46. DEPARTMENT OF AGING AND DISABILITY SERVICES: CERTAIN REPAIRS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$23,000,000 is appropriated out of the general revenue fund to the Department of Aging and Disability Services for Strategy A.9.1, Capital Repairs and Renovations, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of funding repairs at State Supported Living Centers.

SECTION 47. DEPARTMENT OF STATE HEALTH SERVICES: CERTAIN REPAIRS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$20,000,000 is appropriated out of the general revenue fund to the Department of State Health Services for Strategy F.1.2, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of funding repairs at state hospitals.

SECTION 48. DEPARTMENT OF CRIMINAL JUSTICE: CERTAIN REPAIRS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$5,000,000 is appropriated out of the general revenue fund to the Department of Criminal Justice for Strategy D.1.1, Facilities Construction, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of funding repairs and renovation.

SECTION 49. PARKS AND WILDLIFE DEPARTMENT: CERTAIN REPAIRS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$5,000,000 is appropriated out of the general revenue fund to the Parks and Wildlife Department for Strategy D.1.1, Facilities, Improvements and Major Repairs, as listed in Chapter 1355 (H.B. 1), Acts

of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two-year period beginning on the effective date of this Act, for the purpose of funding repairs at state parks.

SECTION 50. SECRETARY OF STATE. CAPITAL BUDGET AUTHORITY. Notwithstanding the limitations of Section 14.03 in Article IX, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), and in addition to existing capital budget authority authorized in the bill pattern of the Secretary of State, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), \$5,000,000 may be expended by the Secretary of State for capital outlay for the two year period beginning on the effective date of this Act for the purpose of transitioning the information technology supporting statewide voter registration.

SECTION 51. UNIVERSITY OF NORTH TEXAS AT DALLAS: NEW UNIVERSITY MODEL START-UP. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$1,000,000 is appropriated out of the general revenue fund to the University of North Texas at Dallas for Strategy C.1.1, Transitional Funding, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two year period beginning on the effective date of this Act ending August 31, 2013, for the purpose of new university innovation.

SECTION 52. CONSTRUCTION OF FACILITIES FOR STATE AGENCIES. (a) In accordance with Government Code Chapters 1232 and 2166, the Texas Public Finance Authority (TFPA) shall issue revenue bonds on behalf of the Texas Facilities Commission (TFC) in an amount not to exceed \$325,586,000 for the purpose of constructing one office building in the Capitol Complex, as defined by Government Code, Chapter 443.0071(b), and one office building and one parking structure in the North Austin Complex, as described in the Facilities Master Plan. The Facilities Commission is appropriated an amount not to exceed \$325,586,000 out of Revenue Bond Proceeds in Strategy A.2.1, Facilities Design and Construction, for the fiscal biennium ending August 31, 2015, for the construction of facilities for state agencies, pursuant to Government Code, Section 2166.453.

(b) The Facilities Commission is appropriated \$5,193,445 out of the general revenue fund the fiscal biennium ending August 31, 2015 for lease payments (debt service) to the Texas Public Finance Authority for any revenue bonds issued under subsection (a).

SECTION 53. CERTAIN AUTHORITY AT THE TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR. (a) All unexpended and unobligated balances, estimated unexpended and unobligated balances, interest earnings and other revenues from funds appropriated to the Office of the Governor or the Trusteed Programs within the Office of the Governor for the fiscal year ending August 31, 2013 in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), are appropriated for the biennium ending August 31, 2015.

(b) The Office of the Governor and the Trusteed Programs within the Office of the Governor may, notwithstanding any other provision of this Act, transfer from any item of appropriation to any other item of appropriation except that no transfers may be made between the Texas Emerging Technology Fund and the Texas Enterprise Fund without approval of Legislative Budget Board.

SECTION 54. WATER DEVELOPMENT BOARD: WATER ASSISTANCE FUND. (a) Any unencumbered and unobligated balances from the general revenue fund from Goal A, Water Resource Planning and Goal B, Water Project Financing in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), in excess of the amounts described in Section 3 of this Act and in amount not to exceed \$10,000,000 are appropriated to the Water Development Board for Strategy B.1.1, State and Federal Financial Assistance, for the two year period beginning on the effective date of this Act, for transfer to Water Assistance Fund Account Number 480.

(b) Funds appropriated in subsection (a) shall be used by the Water Development to issue 0 percent interest loans to be repaid by the loan recipient over a period not to exceed 40 years, or for the purpose of a grant, if the political subdivision can provide \$10,000,000 in matching local money, or has expended \$10,000,000 on the proposed project.

(c) The Water Development Board shall provide the loan or grant to political subdivisions for the acquisition, construction, improvements, or expansion of the water, drainage, or wastewater systems of a political subdivision or for refunding debt issued for such purposes.

(d) Political subdivisions eligible to receive money in this section must be located on a Texas border county that has expended a minimum of \$50,000,000 on a border security or levee project.

(e) Projects eligible to receive money in this section must be an authorized and designated a flood control project by the U.S. Army Corps of Engineers; have a regional impact; and include components related to regional storm water management, flood mitigation, water re-use, reclamation, or water conservation.

SECTION 55. DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS: COMMUNITY-BASED PREVENTION AND INTERVENTION PROGRAMS. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the Department of Housing and Community Affairs is appropriated \$1,000,000 from the general revenue fund for the two year period beginning on the effective date of this Act for the purpose of providing one-time facility start-up funds for a settlement house in northeast Houston. Funds appropriated in this section are contingent on Harris County providing the operating costs for the facility and also contingent on the land for the facility being donated.

SECTION 56. PRAIRIE VIEW A&M UNIVERSITY: COMMUNITY DEVELOPMENT PROJECT. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$150,000 is appropriated out of the general revenue fund to Prairie View A&M University for Strategy C.3.3, Community Development Project, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature,

Regular Session, 2011 (the General Appropriations Act), for the two year period beginning on the effective date of this Act, for the purpose of funding community development projects.

SECTION 57. PRAIRIE VIEW A&M UNIVERSITY: OFFICE OF INTERNATIONAL AFFAIRS. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$350,000 is appropriated out of the general revenue fund to Prairie View A&M University for the two year period beginning on the effective date of this Act, for the purpose of funding the Office of International Affairs.

SECTION 58. UNIVERSITY OF HOUSTON - DOWNTOWN: COMMUNITY DEVELOPMENT PROJECT. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$150,000 is appropriated out of the general revenue fund to the University of Houston - Downtown for Strategy C.1.1, Community Development Project, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two year period beginning on the effective date of this Act, for the purpose of funding community development projects.

SECTION 59. UNIVERSITY OF HOUSTON: SCHOOL OF PUBLIC AFFAIRS. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$100,000 is appropriated out of the general revenue fund to the University of Houston for Strategy C.2.3, William P. Hobby Jr. School of Public Affairs, as listed in Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), for the two year period beginning on the effective date of this Act, for the purpose of funding the William P. Hobby Jr. School of Public Affairs.

SECTION 60. UNIVERSITY OF TEXAS AT AUSTIN: DEPARTMENT OF MEXICAN-AMERICAN STUDIES. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$1,500,000 is appropriated out of the general revenue fund to the University of Texas at Austin for the two year period beginning on the effective date of this Act for the purpose of funding the Department of Mexican-American Studies.

SECTION 61. TEXAS A&M INTERNATIONAL UNIVERSITY: PETROLEUM ENGINEERING. In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$2,000,000 is appropriated out of the general revenue fund to the Texas A&M International University for the two year period beginning on the effective date of this Act for the purpose of providing a one-time start-up costs to match local funds for the petroleum engineering program.

SECTION 62. DEPARTMENT OF PUBLIC SAFETY: METHOD OF FINANCE CHANGE. The unencumbered appropriations from the state highway fund 006 to the Department of Public Safety for use during the state fiscal biennium ending August 31, 2013, made by Chapter 1355 (H.B. 1), Acts of the 82nd Legislature, Regular Session, 2011 (the General Appropriations Act), are reduced by the amount of \$134,750,000.

(b) In addition to the amounts previously appropriated for the state fiscal biennium ending August 31, 2013, \$134,750,000 is appropriated out of the general revenue fund to the Department of Public Safety for the two year period beginning on the effective date of this Act, for the purpose of changing the method of finance of certain funds.

SECTION 63. EFFECTIVE DATE. (a) This Act takes effect immediately as provided for a general appropriations act under Section 39, Article III, Texas Constitution.

(b) Sections 13, 18, 20, 21, 22, 25, 32 and 33 of this Act take effect only if this Act receives a vote of two-thirds of the members present in each house of the legislature, as provided by Section 49-g(m), Article III, Texas Constitution.

The amendment to **CSHB 1025** was read.

Senator Williams offered the following amendment to Floor Amendment No. 1:

Floor Amendment No. 2

Amend Floor Amendment No. 1 by Williams to **CSHB 1025** (senate committee printing) by striking SECTION 40 of the amendment (page 20, line 15, through page 21, line 1 of the amendment) and substituting the following:

SECTION 40. TEXAS DEPARTMENT OF TRANSPORTATION: ROAD REPAIRS IN ENERGY SECTORS; CONTINGENCY. (a) Contingent on the enactment of SB1670 and SB1671 or similar legislation relating to oversize and overweight vehicles, and in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$450,000,000 is appropriated out of the general revenue fund to the Texas Department of Transportation for the two-year period beginning on the effective date of this Act to be transferred to State Highway Fund 6 for the purposes for which amounts appropriated by that Act to the department for Strategy C.1.2, New Maintenance Contracts, may be used for maintenance and safety, including repairs to roadways and bridges within the state highway system for damage caused by oversize vehicles or overweight loads used in the development and production of energy or by above normal usage of roadways and bridges within the state highway system by vehicles used in the development and production of energy. It is the intent of the legislature that projects be prioritized by according to safety issues, traffic volumes, pavement widths and pavement conditions.

(b) If SB1670 and SB1671 or similar legislation relating to oversize and overweight vehicles are not enacted, then, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2013, the amount of \$450,000,000 is appropriated out of the general revenue fund to the Health and Human Services Commission for the two-year period beginning on the effective date of this Act for the purposes for which amounts appropriated to the commission for Strategy B.1.5, Children, may be used.

The amendment to Floor Amendment No. 1 to **CSHB 1025** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

Question recurring on the adoption of Floor Amendment No. 1 to **CSHB 1025**, the amendment as amended was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 as amended.

On motion of Senator Williams and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 1025 as amended was passed to third reading by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Patrick, Paxton.

SENATE BILL 16 WITH HOUSE AMENDMENTS

Senator Zaffirini called **SB 16** from the President's table for consideration of the House amendments to the bill.

The President laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 16** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to authorizing the issuance of revenue bonds to fund capital projects at public institutions of higher education.

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

SECTION 1. Subchapter B, Chapter 55, Education Code, is amended by adding Sections 55.1781, 55.1782, 55.1783, 55.1784, 55.1785, 55.1786, 55.1787, 55.1788, 55.1789, 55.17891, and 55.17892 to read as follows:

Sec. 55.1781. THE TEXAS A&M UNIVERSITY SYSTEM; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of The Texas A&M University System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) Texas A&M University–Commerce, \$40 million for a library and technology center;

(2) Texas A&M University–Corpus Christi, \$60 million for a life sciences research building;

(3) Texas A&M University–Kingsville, \$33.6 million for music building expansion and renovation of Jones Auditorium;

(4) Texas A&M University–Texarkana, \$36.8 million for an academic and laboratory learning center;

(5) West Texas A&M University, \$12 million for the Amarillo Center;

(6) The Texas A&M University System Health Science Center:

(A) \$7.2 million for facilities in Round Rock, Texas;

(B) \$36 million for a research building in Temple, Texas; and

(C) \$64 million for an education center and research building in Dallas,

Texas;

(7) Texas A&M International University, \$41.6 million for library renovation, additional instructional spaces, and a support services building;

(8) Prairie View A&M University, \$6.4 million for critical deferred maintenance;

(9) Tarleton State University:

(A) \$52 million for the Gates Agriculture and Business Building; and

(B) \$12 million for the Midlothian Higher Education Center;

(10) Texas A&M University, \$88 million for a biocontainment research facility and construction of a music facility;

(11) Texas A&M University at Galveston, \$36.8 million for an academic building;

(12) Texas A&M University–Central Texas, \$40 million for a science, health science, and wellness building; and

(13) Texas A&M University–San Antonio, \$56 million for a science and technology building.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of The Texas A&M University System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of The Texas A&M University System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

Sec. 55.1782. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of The University of Texas System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) The University of Texas at Austin, \$95 million for an engineering education and research center;

(2) The University of Texas at Brownsville or its successor university, \$100 million for a new campus in Brownsville;

(3) The University of Texas–Pan American, \$78.4 million for Science Building II;

(4) The University of Texas Southwestern Medical Center at Dallas, \$60 million for north campus Phase VI vivarium and research facilities;

(5) The University of Texas Health Science Center at San Antonio, \$11.2 million for a South Texas diabetes institute and for an enhanced performance laboratory of the Barshop Institute for Longevity and Aging Studies;

(6) The University of Texas M. D. Anderson Cancer Center, \$50 million for a personalized cancer care building;

(7) The University of Texas Medical Branch at Galveston, \$40 million for a health education center;

(8) The University of Texas at Arlington, \$64.3 million for renovation of and addition to a life science building;

(9) The University of Texas at Dallas, \$76 million for an engineering building;

(10) The University of Texas at El Paso, \$88 million for an interdisciplinary research facility;

(11) The University of Texas at San Antonio, \$74.2 million for an experimental science instructional building;

(12) The University of Texas at Tyler, \$38.8 million for a STEM and business complex and renovation of the business building;

(13) The University of Texas Health Science Center at Houston, \$100 million for the renovation and modernization of educational and research facilities;

(14) The University of Texas Health Science Center at Tyler, \$4,804,000 for the Riter Center Primary Care Training Center renovation; and

(15) The University of Texas of the Permian Basin, \$48 million for an engineering building.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of The University of Texas System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of The University of Texas System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

(d) The bonds for the project specified by Subsection (a)(2) may be issued only if the 83rd Legislature enacts legislation that becomes law creating or authorizing creation of a new component university of The University of Texas System that incorporates the facilities and programs of The University of Texas at Brownsville.

Sec. 55.1783. UNIVERSITY OF HOUSTON SYSTEM; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of the University of Houston System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) the University of Houston, \$70 million for a pharmacy and biomedical sciences building;

(2) the University of Houston–Clear Lake, \$67.2 million for a science and academic support building;

(3) the University of Houston–Downtown, \$37.2 million for a science and technology building; and

(4) the University of Houston–Victoria, \$78,356,800 for campus expansion.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the University of Houston System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of the University of Houston System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

Sec. 55.1784. TEXAS STATE UNIVERSITY SYSTEM; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of the Texas State University System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) Lamar University, \$32 million for a science building;

(2) Lamar State College–Orange, \$14,222,400 for a multipurpose education building;

(3) Lamar State College–Port Arthur, \$2,180,000 for an addition to the allied health building;

(4) Lamar Institute of Technology, \$12 million for renovation and replacement of the technical arts buildings;

(5) Texas State University–San Marcos:

(A) \$44.8 million for a medical education and research building in Round Rock, Texas; and

(B) \$73,265,729 for an engineering and science building;

(6) Sam Houston State University, \$31,720,000 for a biology, nursing, and allied health building; and

(7) Sul Ross State University, \$3.4 million for renovation and modernization of educational and related facilities and infrastructure.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the Texas State University System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of the Texas State University System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

Sec. 55.1785. UNIVERSITY OF NORTH TEXAS SYSTEM; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of the University of North Texas System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) the University of North Texas System, \$56 million for college of law building renovations;

(2) the University of North Texas, \$73.6 million for a college of visual arts and design facility;

(3) the University of North Texas at Dallas, \$56 million for a library and student success center; and

(4) the University of North Texas Health Science Center at Fort Worth, \$66,600,000 for an interdisciplinary research building.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the University of North Texas System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of the University of North Texas System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

Sec. 55.1786. TEXAS WOMAN'S UNIVERSITY. (a) In addition to the other authority granted by this subchapter, the board of regents of Texas Woman's University may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for a science and technology learning center, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$37,996,928.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Texas Woman's University, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

Sec. 55.1787. MIDWESTERN STATE UNIVERSITY; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of Midwestern State University may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for library, College of Education, and information technology facilities at Midwestern State University, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$23,992,000.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Midwestern State University, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

Sec. 55.1788. STEPHEN F. AUSTIN STATE UNIVERSITY. (a) In addition to the other authority granted by this subchapter, the board of regents of Stephen F. Austin State University may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for a science, technology, engineering, and mathematics research building at Stephen F. Austin State University, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$40 million.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Stephen F. Austin State University, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

Sec. 55.1789. TEXAS TECH UNIVERSITY SYSTEM; ADDITIONAL BONDS. (a) In addition to the other authority granted by this subchapter, the board of regents of the Texas Tech University System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) Texas Tech University Health Sciences Center:

(A) \$36 million for Lubbock education, research, and technology facilities;

(B) \$79.2 million for the El Paso Medical Science Building II; and

(C) \$15,120,000 for the Permian Basin academic facility;

(2) Texas Tech University, \$70.2 million for a research building; and

(3) Angelo State University, \$14,896,000 for a health and human services building.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of the Texas Tech University System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of the Texas Tech University System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

(d) The bonds for the project specified by Subsection (a)(1)(B) may be issued only if the 83rd Legislature enacts legislation that becomes law authorizing creation of a health sciences center in El Paso as a component of the Texas Tech University System.

Sec. 55.17891. TEXAS SOUTHERN UNIVERSITY; ADDITIONAL BONDS.

(a) In addition to the other authority granted by this subchapter, the board of regents of Texas Southern University may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for the Robert J. Terry Library at Texas Southern University, to be financed through the issuance of bonds in accordance with this subchapter, not to exceed the aggregate principal amount of \$52,814,129.

(b) The board may pledge irrevocably to the payment of bonds authorized by this section all or any part of the revenue funds of Texas Southern University, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

Sec. 55.17892. TEXAS STATE TECHNICAL COLLEGE SYSTEM. (a) In addition to the other authority granted by this subchapter, the board of regents of the Texas State Technical College System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1) Texas State Technical College System, \$35 million for the Ellis County Extension Center;

(2) Texas State Technical College–Harlingen, \$2.4 million for Phase II of the Engineering Technology Center renovation;

(3) Texas State Technical College–Marshall, \$1.2 million for renovation of aviation technology facilities; and

(4) Texas State Technical College–Waco, \$5 million for water system infrastructure replacement.

(b) The board may pledge irrevocably to the payment of those bonds all or any part of the revenue funds of an institution, branch, or entity of the Texas State Technical College System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c) If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of the Texas State Technical College System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

(d) The bonds for the project specified by Subsection (a)(1) may be issued only if the 83rd Legislature enacts legislation that becomes law authorizing an extension center of the Texas State Technical College System in Ellis County.

SECTION 2. Subsection (e), Section 61.0572, Education Code, is amended to read as follows:

(e) Approval of the board is not required to acquire real property that is financed by bonds issued under Section 55.17(e)(3) or (4), 55.1713-55.1718, 55.1721-55.1728, 55.1735(a)(1), 55.174, 55.1742, 55.1743, 55.1744, 55.1751-55.17592, 55.1768, 55.1771, ~~or~~ 55.17721, or 55.1781-55.17892, except that the board shall review all real property to be financed by bonds issued under those sections to determine whether the property meets the standards adopted by the board for cost, efficiency, and space use. If the property does not meet those standards, the board shall notify the governor, the lieutenant governor, the speaker of the house of representatives, and the Legislative Budget Board.

SECTION 3. Subsection (b), Section 61.058, Education Code, is amended to read as follows:

(b) This section does not apply to construction, repair, or rehabilitation financed by bonds issued under Section 55.17(e)(3) or (4), 55.1713-55.1718, 55.1721-55.1728, 55.174, 55.1742, 55.1743, 55.1744, 55.1751-55.17592, 55.1768, 55.1771, ~~or~~ 55.17721, or 55.1781-55.17892, except that the board shall review all construction, repair, or rehabilitation to be financed by bonds issued under those sections to determine whether the construction, rehabilitation, or repair meets the standards adopted by board rule for cost, efficiency, and space use. If the construction, rehabilitation, or repair does not meet those standards, the board shall notify the governor, the lieutenant governor, the speaker of the house of representatives, and the Legislative Budget Board.

SECTION 4. This Act does not affect any authority or restriction regarding the activities that a public institution of higher education may conduct in connection with a facility financed by bonds authorized by this Act.

SECTION 5. (a) Except as provided by Subsection (b) of this section, 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, 2013.

(b) This Act takes effect only if:

(1) S.B. No. 1, 83rd Legislature, Regular Session, 2013, is enacted and becomes law;

(2) H.B. No. 1025, 83rd Legislature, Regular Session, 2013, is enacted and becomes law; and

(3) S.J.R. No. 1, 83rd Legislature, Regular Session, 2013, is approved by the legislature as necessary for any constitutional amendment proposed by that resolution to be submitted to the voters of this state.

Floor Amendment No. 1

Amend **CSSB 16** as follows: On page 2, line 16, strike "6.4" and substitute "12.8".

Floor Amendment No. 2

Amend **CSSB 16** (house committee printing) on page 7, between lines 5 and 6, by inserting the following:

(d) The board may not issue bonds under Subsection (a) until the board establishes the Hobby School of Public Affairs in a manner consistent with the highest standards of other public policy graduate programs in this state.

Floor Amendment No. 1 on Third Reading

Amend **CSSB 16** on third reading as follows:

(1) In SECTION 1 of the bill, in added Section 55.1781(a)(12), Education Code, strike "\$40 million" and substitute "\$45 million".

(2) In SECTION 1 of the bill, in added Section 55.1781(a)(13), Education Code, strike "\$56 million" and substitute "\$63 million".

(3) In SECTION 1 of the bill, in added Section 55.1785(a)(3), Education Code, strike "\$56 million" and substitute "\$63 million".

Floor Amendment No. 2 on Third Reading

Amend **CSSB 16** on third reading by striking the text of second reading Floor Amendment No. 2 by Coleman which added Section 55.1783(d), Education Code, to SECTION 1 of the bill.

The amendments were read.

Senator Zaffirini moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The President asked if there were any motions to instruct the conference committee on **SB 16** before appointment.

There were no motions offered.

The President announced the appointment of the following conferees on the part of the Senate: Senators Zaffirini, Chair; Eltife, Seliger, Ellis, and Carona.

HOUSE BILL 2550 ON SECOND READING

On motion of Senator Zaffirini and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2550** at this time on its second reading:

HB 2550, Relating to the consolidation of the Higher Education Enrollment Assistance Program and the Higher Education Assistance Plan and the transfer of certain enrollment assistance duties to institutions of higher education.

The bill was read second time.

Senator Nelson offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2550** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Chapter 61, Education Code, is amended by adding Section 61.511 to read as follows:

Sec. 61.511. RESIDENT PHYSICIAN EXPANSION GRANT PROGRAM.

(a) The board shall administer the Resident Physician Expansion Grant Program as a competitive grant program to encourage the creation of new graduate medical education positions through community collaboration and innovative funding. The board shall award grants to physician residency programs at teaching hospitals and other appropriate health care entities according to the program criteria established under Subsections (b) and (i).

(b) The board shall establish criteria for the grant program in consultation with the executive commissioner of the Health and Human Services Commission, with one or more physicians, teaching hospitals, medical schools, independent physician residency programs, and with other persons considered appropriate by the board. The program criteria must:

(1) take into account the following factors:

(A) the characteristics of existing residency positions that receive state funding;

(B) current and projected physician workforce demographics; and

(C) state population trends and projections; and

(2) support the following goals:

(A) creating new residency positions, with an emphasis on creating new first-year residency positions, without adversely affecting existing residency positions;

(B) maximizing local or federal matching funds;

(C) developing accredited physician residency programs at hospitals that have not previously offered residency programs; and

(D) increasing residency positions with respect to:

(i) medical specialties having shortages in this state; and

(ii) medically underserved areas in this state.

(c) The board may provide grants only to support a residency position that:

(1) is created and accredited on or after January 1, 2014; or

(2) was created and accredited before January 1, 2013, but as of that date had not yet been filled.

(d) A grant award may be used only to pay direct costs associated with the position, including the salary of the resident physician.

(e) Each grant application must specify:

(1) the number of residency positions expected to be created with the grant money; and

(2) the grant amount requested for each year.

(f) The board shall award grants for all residency positions awarded a grant under this section in the preceding year before awarding a grant for a residency position that did not receive a grant in the preceding year, provided that the applicable grant recipient from the preceding year complies with all conditions of the grant as described by Subsection (g).

(g) The board shall monitor physician residency programs receiving grants as necessary to ensure compliance with the grant program and shall require the return of any unused grant money by, or shall decline to award additional grants to, a residency program that receives a grant but fails to:

(1) create and fill, within a reasonable period, the number of residency positions proposed in the program's grant application; or

(2) satisfy any other conditions of the grant imposed by the board.

(h) The board shall use money forfeited under Subsection (g) to award grants to other eligible applicants. With respect to the physician residency program forfeiting the grant, the board may restore grant money or award additional grants, as applicable, to the program as soon as practicable after the program satisfies all conditions of the grant.

(i) The board shall adopt rules for the administration of the grant program. The rules must include:

(1) administrative provisions governing:

(A) eligibility criteria for grant applicants;

(B) grant application procedures;

(C) guidelines relating to grant amounts;

(D) guidelines relating to the number of grants to be awarded each year,

subject to available funds;

(E) procedures for evaluating grant applications; and

(F) procedures for monitoring the use of grants;

(2) methods for tracking the effectiveness of grants; and

(3) any conditions relating to the receipt and use of a grant as considered appropriate by the board.

(j) Not later than January 1 of each year, the board shall prepare and submit to the governor, the lieutenant governor, the speaker of the house of representatives, the standing committees of the senate and house of representatives with responsibility for oversight of health and human services issues, and the Legislative Budget Board a report that:

(1) specifies each of the following with respect to the preceding program year:

(A) the number of grants awarded under the program;

(B) the amount of each grant awarded under the program;

(C) the number of residency positions created with the support of grant money;

(D) the medical specialty of the residency positions created; and

(E) whether physicians who complete their training through residency positions created under the program choose to practice in this state and which medical specialties they choose for their practices; and

(2) makes appropriate recommendations for legislative changes as necessary.

SECTION _____. Subtitle A, Title 3, Education Code, is amended by adding Chapter 58A to read as follows:

CHAPTER 58A. PROGRAMS SUPPORTING GRADUATE MEDICAL
EDUCATION

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 58A.001. DEFINITION. In this chapter, "board" means the Texas Higher Education Coordinating Board.

SUBCHAPTER B. GRADUATE MEDICAL EDUCATION
RESIDENCY EXPANSION

Sec. 58A.021. ADMINISTRATION. The board shall allocate funds appropriated for purposes of this subchapter and may adopt necessary rules regarding the allocation of those funds.

Sec. 58A.022. PLANNING GRANTS. (a) The board shall award one-time planning grants to entities located in this state that:

(1) have never had a graduate medical education program; and

(2) are eligible for Medicare funding of graduate medical education.

(b) The board shall award planning grants on a competitive basis according to criteria adopted by the board. The board shall determine the number of grants awarded and the amount of each grant consistent with any conditions provided by legislative appropriation. A grant received under this section must be used for the purpose of planning additional first-year residency positions.

(c) An application for a planning grant for a state fiscal year must be submitted to the board not later than July 15 preceding that fiscal year. Not later than August 15, the board shall make decisions about grant awards for the following state fiscal year.

(d) An entity that is awarded a planning grant and establishes new first-year residency positions after receipt of the grant is eligible for additional funds for each such position established, as provided by appropriation.

Sec. 58A.023. GRANTS FOR UNFILLED RESIDENCY POSITIONS. (a) The board shall award grants to graduate medical education programs to enable those programs to fill accredited but unfilled first-year residency positions. The board shall determine the number of grants awarded and the amount of each grant consistent with any conditions provided by legislative appropriation.

(b) A grant received under this section must be expended to support the direct resident costs to the program, including the resident stipend and benefits.

(c) A grant application must include proof of the accredited but unfilled positions to which the application applies. An application for a grant must be submitted to the board not later than October 1 preceding the period for which the grant is made. The board shall make decisions about grant awards not later than January 1 preceding the grant period.

(d) The board may distribute a grant amount for a residency position only on receiving verification that the applicable residency position has been filled.

(e) Grant amounts are awarded under this section for two consecutive state fiscal years. For each first-year residency position for which a program receives an initial grant amount in a fiscal year, the board shall award the program an equal grant amount for the following fiscal year.

Sec. 58A.024. GRANTS FOR PROGRAM EXPANSION OR NEW PROGRAM. (a) The board shall award grants to enable existing graduate medical education programs to increase the number of first-year residency positions or to provide for the establishment of new graduate medical education programs with first-year residency positions. The board shall determine the number of grants awarded and the amount of each grant consistent with any conditions provided by legislative appropriation.

(b) A grant received under this section must be expended to support the direct resident costs to the program, including the resident stipend and benefits.

(c) A grant application must include a plan for receiving accreditation for the increased number of positions or for the new program, as applicable. An application for a grant must be submitted to the board not later than October 1 preceding the period for which the grant is made. The board shall make decisions about grant awards not later than January 1 preceding the grant period.

(d) The board may distribute a grant amount for a residency position only on receiving verification that the applicable residency position has been filled.

(e) Grant amounts are awarded under this section for three consecutive state fiscal years. For each first-year residency position for which a program receives an initial grant amount in a fiscal year, the board shall award the program an equal grant amount for the following two fiscal years.

Sec. 58A.025. PRIORITY GRANTS; ADJUSTMENT OF AMOUNTS. (a) If the board determines that the number of first-year residency positions proposed by eligible applicants under Sections 58A.023 and 58A.024 exceeds the number authorized by appropriation, in awarding grants the board:

(1) may give priority for up to 50 percent of the funded first-year residency positions to be in primary care or other critical shortage areas in this state; and

(2) may not reduce grant amounts awarded per resident position, but may proportionately reduce the number of positions funded for each program.

(b) If the board determines that, based on applications received, the entire appropriation will not be awarded for that year for graduate medical education residency expansion under Sections 58A.023 and 58A.024, the board may transfer and use the funds for the purposes of Section 58A.022 and may adjust the number of grants awarded under that section accordingly.

Sec. 58A.026. GRANTS FOR ADDITIONAL YEARS OF RESIDENCY. (a) If the board determines that funds appropriated for purposes of this subchapter are available after all eligible grant applications under Sections 58A.022, 58A.023, and 58A.024 have been funded, the board shall award grants from excess funds to support residents:

(1) who have completed at least three years of residency; and

(2) whose residency program is in a field in which this state has less than 80 percent of the national average of physicians per 100,000 population, as determined by the board.

(b) Grants shall be awarded under this section in amounts, in the number, and in the residency fields determined by the board, subject to any conditions provided by legislative appropriation. A grant received under this section must be expended to support the direct resident costs to the program, including the resident stipend and benefits.

(c) The board may distribute grant amounts only on receiving verification that the applicable residency position has been filled.

(d) The board may award grants under this section only from funds appropriated for the state fiscal year beginning September 1, 2016, or for a subsequent state fiscal year.

SUBCHAPTER C. PRIMARY CARE INNOVATION PROGRAM

Sec. 58A.051. PRIMARY CARE INNOVATION PROGRAM. Subject to available funds, the board shall establish a grant program under which the board awards incentive payments to medical schools that administer innovative programs designed to increase the number of primary care physicians in this state.

Sec. 58A.052. GIFTS, GRANTS, AND DONATIONS. In addition to other money appropriated by the legislature, the board may solicit, accept, and spend gifts, grants, and donations from any public or private source for the purposes of the program established under this subchapter.

Sec. 58A.053. RULES. In consultation with each medical school in this state, the board shall adopt rules for the administration of the program established under this subchapter. The rules must include:

(1) administrative provisions relating to the awarding of grants under this subchapter, such as:

(A) eligibility criteria for medical schools;

(B) grant application procedures;

(C) guidelines relating to grant amounts;

(D) procedures for evaluating grant applications; and

(E) procedures for monitoring the use of grants; and

(2) methods for tracking the effectiveness of grants that:

(A) using data reasonably available to the board, consider relevant information regarding the career paths of medical school graduates during the four-year period following their graduation; and

(B) evaluate whether and for how long those graduates work in primary care in this state.

Sec. 58A.054. ADMINISTRATIVE COSTS. A reasonable amount, not to exceed three percent, of any money appropriated for purposes of this subchapter may be used by the board to pay the costs of administering this subchapter.

SECTION ____ . Section 61.532, Education Code, is amended to read as follows:

Sec. 61.532. ELIGIBILITY. (a) To be eligible to receive repayment assistance, a physician must:

(1) apply to the coordinating board;

(2) at the time of application, be licensed to practice medicine under Subtitle B, Title 3, Occupations Code;

(3) have completed one, two, three, or four consecutive years of practice;

(A) in a health professional shortage area designated by the Department of State Health Services; or

(B) in accordance with Subsection (b), after funds have been fully allocated for the program year to physicians qualifying under Paragraph (A); and

(4) provide health care services to:

(A) recipients under the medical assistance program authorized by Chapter 32, Human Resources Code;

(B) enrollees under the child health plan program authorized by Chapter 62, Health and Safety Code; or

(C) persons committed to a secure correctional facility operated by or under contract with the Texas Juvenile Justice Department [~~Youth Commission~~] or persons confined in a secure correctional facility operated by or under contract with any division of the Texas Department of Criminal Justice.

(b) A physician may complete one or more years of practice required by Subsection (a)(3) in a location other than a health professional shortage area designated by the Department of State Health Services if, during the applicable year or years, the physician provides health care services to a designated number of patients who are recipients under the medical assistance program authorized by Chapter 32, Human Resources Code, or the Texas Women's Health Program according to criteria established by the board in consultation with the Health and Human Services Commission. The Health and Human Services Commission shall verify a physician's compliance with this subsection, and the board and the commission shall enter into a memorandum of understanding for that purpose.

(c) The board annually shall solicit and collect information regarding the specific number of patients described by Subsection (a)(4)(A) who are treated by each physician receiving loan repayment assistance under this subchapter.

SECTION _____. Section 61.5391, Education Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) The physician education loan repayment program account is an account in the general revenue fund. The account is composed of:

- (1) gifts and grants contributed to the account;
- (2) earnings on the principal of the account; and
- (3) other amounts deposited to the credit of the account, including:
 - (A) money deposited under Section 61.539(b) or 61.5392;
 - (B) legislative appropriations; and
 - (C) money deposited under Section 155.2415, Tax Code.

(c) Money deposited to the credit of the account under Section 61.5392 may be used only to provide loan repayment assistance to physicians who establish eligibility for the assistance under Section 61.532(a)(4)(A) or (b).

SECTION _____. Subchapter J, Chapter 61, Education Code, is amended by adding Section 61.5392 to read as follows:

Sec. 61.5392. FEDERAL MATCHING FUNDS. (a) For the purposes of this subchapter, the Health and Human Services Commission shall seek any federal matching funds that are available for the purposes of this section.

(b) Any amount received under Subsection (a) shall be transferred to the comptroller to be deposited in the physician education loan repayment program account established under Section 61.5391. Section 403.095, Government Code, does not apply to any amount deposited under this section.

SECTION _____. (a) As soon as practicable after the effective date of this Act, the Texas Higher Education Coordinating Board shall adopt rules for the implementation and administration of the programs established under Chapter 58A, Education Code, as added by this Act. The coordinating board may adopt the initial rules in the manner provided by law for emergency rules.

(b) Not later than October 1, 2013, the Texas Higher Education Coordinating Board and the Health and Human Services Commission shall enter into the memorandum of understanding required by Subsection (b), Section 61.532, Education Code, as added by this Act. As soon as practicable after the date of the memorandum, the coordinating board shall begin awarding loan repayment assistance to physicians who establish eligibility under that subsection.

The amendment to **HB 2550** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Zaffirini and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 2550 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2550 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2550** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

MOTION TO PLACE COMMITTEE SUBSTITUTE HOUSE BILL 1926 ON SECOND READING

Senator Hegar moved to suspend the regular order of business to take up for consideration **CSHB 1926** at this time on its second reading:

CSHB 1926, Relating to the operation of the state virtual school network and courses provided through other distance learning arrangements.

Senator Hegar withdrew the motion to suspend the regular order of business.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Wednesday, May 22, 2013 - 2

(Revised Message)

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS CONCURRED IN THE SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

- HB 326** (145 Yeas, 0 Nays, 2 Present, not voting)
- HB 367** (146 Yeas, 1 Nays, 2 Present, not voting)
- HB 642** (143 Yeas, 4 Nays, 2 Present, not voting)
- HB 674** (147 Yeas, 0 Nays, 2 Present, not voting)
- HB 753** (127 Yeas, 14 Nays, 4 Present, not voting)
- HB 842** (147 Yeas, 0 Nays, 2 Present, not voting)
- HB 897** (121 Yeas, 26 Nays, 2 Present, not voting)
- HB 1093** (147 Yeas, 0 Nays, 2 Present, not voting)
- HB 1097** (143 Yeas, 3 Nays, 3 Present, not voting)
- HB 1349** (140 Yeas, 5 Nays, 2 Present, not voting)
- HB 1545** (145 Yeas, 2 Nays, 2 Present, not voting)
- HB 1724** (148 Yeas, 0 Nays, 2 Present, not voting)
- HB 1759** (148 Yeas, 0 Nays, 2 Present, not voting)
- HB 1965** (141 Yeas, 2 Nays, 2 Present, not voting)
- HB 2049** (147 Yeas, 0 Nays, 2 Present, not voting)
- HB 2138** (144 Yeas, 3 Nays, 2 Present, not voting)
- HB 2276** (141 Yeas, 1 Nays, 2 Present, not voting)
- HB 2447** (83 Yeas, 65 Nays, 2 Present, not voting)
- HB 2585** (123 Yeas, 19 Nays, 2 Present, not voting)
- HB 2688** (148 Yeas, 0 Nays, 2 Present, not voting)
- HB 2874** (131 Yeas, 0 Nays, 2 Present, not voting)
- HB 2911** (116 Yeas, 29 Nays, 2 Present, not voting)

HB 3068 (139 Yeas, 3 Nays, 2 Present, not voting)

HB 3567 (144 Yeas, 3 Nays, 2 Present, not voting)

THE HOUSE HAS GRANTED THE REQUEST OF THE SENATE FOR THE APPOINTMENT OF A CONFERENCE COMMITTEE ON THE FOLLOWING MEASURES:

SB 2 (non-record vote)

House Conferees: Aycock - Chair/Farney/Harless/Otto/Villarreal

SB 211 (non-record vote)

House Conferees: Dutton - Chair/Anchia/Bonnen, Dennis/Cook/Price

SB 217 (non-record vote)

House Conferees: Anchia - Chair/Bonnen, Dennis/Orr/Simmons/Strama

SB 270 (non-record vote)

House Conferees: Herrero - Chair/Canales/Carter/González, Mary/Price

SB 281 (non-record vote)

House Conferees: Frank - Chair/King, Tracy O./Larson/Lavender/Springer

SB 359 (non-record vote)

House Conferees: Eiland - Chair/Bohac/Button/Gonzalez, Naomi/Martinez Fischer

SB 690 (non-record vote)

House Conferees: Dutton - Chair/Branch/Leach/Miles/Sanford

SB 700 (non-record vote)

House Conferees: Kacal - Chair/Clardy/González, Mary/Larson/Lewis

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

VOTES RECONSIDERED ON COMMITTEE SUBSTITUTE HOUSE BILL 2836

On motion of Senator Patrick and by unanimous consent, the vote by which **CSHB 2836** was finally passed was reconsidered:

CSHB 2836, Relating to the administration of certain state assessment instruments to public school students and to a study of the essential knowledge and skills of the required public school curriculum and of certain state assessment instruments.

Question — Shall **CSHB 2836** be finally passed?

On motion of Senator Patrick and by unanimous consent, the vote by which **CSHB 2836** was passed to third reading was reconsidered.

Question — Shall **CSHB 2836** be passed to third reading?

On motion of Senator West and by unanimous consent, the vote by which Floor Amendment No. 1 was adopted was reconsidered.

Question — Shall Floor Amendment No. 1 to **CSHB 2836** be adopted?

Senator West withdrew Floor Amendment No. 1.

Senator Davis offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 2836** (senate committee report) as follows:

(1) In SECTION 1 of the bill, in the recital (page 1, line 27), strike "and (a-5)" and substitute "(a-5), (b-1), and (b-2)".

(2) In SECTION 1 of the bill, in amended Section 39.023, Education Code (page 1, between lines 40 and 41), insert the following:

(b-1) The agency, in conjunction with appropriate interested persons, shall redevelop assessment instruments adopted or developed under Subsection (b) for administration to significantly cognitively disabled students in a manner consistent with federal law. An assessment instrument under this subsection may not require a teacher to prepare tasks or materials for a student who will be administered such an assessment instrument.

(b-2) Assessment instruments redeveloped under Subsection (b-1) shall be administered beginning not later than the 2014-2015 school year. This subsection expires September 1, 2015.

The amendment to **CSHB 2836** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 3.

Senator Davis offered the following amendment to the bill:

Floor Amendment No. 4

Amend **CSHB 2836** (senate committee printing) by inserting into the bill the following appropriately numbered new SECTION and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 39, Education Code, is amended by adding Section 39.038 to read as follows:

Sec. 39.038. AUDITING AND MONITORING PERFORMANCE UNDER CONTRACTS FOR ASSESSMENT INSTRUMENTS. (a) The agency by rule shall develop a comprehensive methodology for auditing and monitoring performance under contracts for services to develop or administer assessment instruments required by Section 39.023 to verify compliance with contractual obligations.

(b) The agency shall ensure that all new and renewed contracts described by Subsection (a) include a provision that the agency or a designee of the agency may conduct periodic contract compliance reviews, without advance notice, to monitor vendor performance.

(c) The agency shall adopt rules to administer this section.

The amendment to **CSHB 2836** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 4.

On motion of Senator Patrick and by unanimous consent, the caption was again amended to conform to the body of the bill.

CSHB 2836 as amended was again passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2836 ON THIRD READING**

Senator Patrick again moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2836** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was again read third time and was again passed by the following vote: Yeas 31, Nays 0.

**MOTION TO PLACE
COMMITTEE SUBSTITUTE
HOUSE BILL 2962 ON SECOND READING**

Senator Carona moved to suspend the regular order of business to take up for consideration **CSHB 2962** at this time on its second reading:

CSHB 2962, Relating to the use of a credit or charge card by certain state agencies to make certain purchases.

Senator Carona withdrew the motion to suspend the regular order of business.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3793 ON SECOND READING**

On motion of Senator Hinojosa and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 3793** at this time on its second reading:

CSHB 3793, Relating to powers, duties, and services of entities serving counties.

The bill was read second time.

Senator Hinojosa offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3793** (senate committee printing) by striking SECTION 1 (page 1, line 20) through SECTION 20 (page 5, line 17) of the bill and renumbering subsequent SECTIONS of the bill accordingly.

The amendment to **CSHB 3793** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Hinojosa offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 3793** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subtitle A, Title 3, Special District Local Laws Code, is amended by adding Chapter 1122 to read as follows:

CHAPTER 1122. HIDALGO COUNTY HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1122.001. DEFINITIONS. In this chapter:

- (1) "Board" means the board of directors of the district.
- (2) "Director" means a member of the board.
- (3) "District" means the Hidalgo County Hospital District.

Sec. 1122.002. DISTRICT AUTHORIZATION. The Hidalgo County Hospital District may be created and, if created, operates and is financed as provided by Section 9, Article IX, Texas Constitution, and by this chapter.

Sec. 1122.003. ESSENTIAL PUBLIC FUNCTION. The district is a public entity performing an essential public function.

Sec. 1122.004. DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of Hidalgo County.

Sec. 1122.005. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The state may not be obligated for the support or maintenance of the district.

Sec. 1122.006. RESTRICTION ON STATE FINANCIAL ASSISTANCE. The legislature may not make a direct appropriation for the construction, maintenance, or improvement of a district facility.

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 1122.021. CREATION ELECTION; ORDERING ELECTION. (a) The district may be created and a tax may be authorized only if the creation and the tax are approved by a majority of the registered voters of the territory of the proposed district voting at an election called and held for that purpose.

(b) The Hidalgo County Commissioners Court shall order an election for the registered voters of Hidalgo County on the question of creation of the Hidalgo County Hospital District if the commissioners court receives a petition requesting an election that is signed by at least 50 registered voters who are residents of Hidalgo County.

(c) The order calling an election under this section must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(d) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

(e) The Hidalgo County Commissioners Court shall give notice of an election under this section by publishing a substantial copy of the election order in a newspaper with general circulation in Hidalgo County once a week for two consecutive weeks. The first publication must appear not later than the 30th day before the date set for the election.

(f) The ballot for an election under this section must be printed to permit voting for or against the proposition: "The creation of the Hidalgo County Hospital District, providing for the imposition of an ad valorem tax at a rate not to exceed 75 cents on each \$100 valuation on all taxable property in the district."

(g) The Hidalgo County Commissioners Court shall find that the Hidalgo County Hospital District is created if a majority of the voters voting in the election held under this section favor the creation of the district.

Sec. 1122.022. TEMPORARY DIRECTORS. (a) If the creation of the district is approved at the election held under Section 1122.021, the Hidalgo County Commissioners Court shall appoint five temporary directors to represent the district at large.

(b) Temporary directors serve until the date of the next regular election of directors that occurs after the date of the election held under Section 1122.021 and that allows sufficient time to comply with other requirements of law.

(c) A vacancy on the temporary board of directors shall be filled by appointment by the Hidalgo County Commissioners Court.

(d) A person must be a qualified voter of the district to serve as a temporary director.

(e) An employee of the district may not serve as a temporary director.

Sec. 1122.023. TEMPORARY OFFICERS. (a) The temporary board shall elect a president and a vice president from among the temporary directors.

(b) The temporary board shall appoint a secretary, who need not be a temporary director.

(c) The temporary board shall fill a vacancy in a board office for the remainder of the unexpired term.

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1122.051. BOARD ELECTION; TERM. (a) The board consists of five directors elected at large.

(b) An election shall be held each year on an authorized uniform election date to elect the appropriate number of directors.

(c) Directors serve staggered two-year terms.

Sec. 1122.052. NOTICE. Notice of the directors' election shall be published at least once in a newspaper with general circulation in the district in accordance with Section 4.003(a), Election Code.

Sec. 1122.053. QUALIFICATION FOR OFFICE. (a) To be eligible to hold office on the board, a person must be:

(1) a resident of the district; and

(2) a qualified voter.

(b) An administrator or an employee of the district may not serve as a director.

Sec. 1122.054. DIRECTOR'S BOND. (a) Before assuming the duties of office, each director must execute a bond in the amount of \$5,000 payable to the district and conditioned on the faithful performance of the director's duties.

(b) The bond shall be kept in the permanent records of the district.

(c) The board may pay for a director's bond with district money.

Sec. 1122.055. BOARD VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the remainder of the unexpired term.

Sec. 1122.056. OFFICERS. (a) The board shall elect a president and a vice president from among the directors.

(b) The board shall appoint a secretary, who need not be a director.

(c) Each officer of the board serves a one-year term.

(d) The board shall fill a vacancy in a board office for the remainder of the unexpired term.

Sec. 1122.057. COMPENSATION; REIMBURSEMENT. A director or officer serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties. The expenses must be:

(1) reported in the district's records; and

(2) approved by the board.

Sec. 1122.058. VOTING REQUIREMENT. A concurrence of a majority of the directors voting is necessary in matters relating to district business.

Sec. 1122.059. DISTRICT ADMINISTRATOR; ADMINISTRATOR'S BOND.

(a) The board may appoint a qualified person as district administrator.

(b) The district administrator serves at the will of the board.

(c) The district administrator is entitled to compensation determined by the board.

(d) Before assuming the duties of district administrator, the administrator must execute a bond payable to the district in an amount not less than \$5,000, as determined by the board, conditioned on the faithful performance of the administrator's duties.

(e) The board may pay for the bond with district money.

Sec. 1122.060. GENERAL DUTIES OF DISTRICT ADMINISTRATOR.

Subject to the limitations prescribed by the board, the district administrator shall:

(1) supervise the work and activities of the district; and

(2) direct the general affairs of the district.

Sec. 1122.061. ASSISTANT DISTRICT ADMINISTRATOR; ATTORNEY.

(a) The board may appoint qualified persons as assistant district administrator and attorney for the district.

(b) The assistant district administrator and attorney for the district serve at the will of the board.

(c) The assistant district administrator and attorney for the district are entitled to compensation determined by the board.

Sec. 1122.062. EMPLOYEES. (a) The district may employ nurses, technicians, fiscal agents, accountants, architects, additional attorneys, and other necessary employees.

(b) The board may delegate to the district administrator the authority to employ persons for the district.

Sec. 1122.063. RECRUITMENT OF MEDICAL STAFF AND EMPLOYEES.

The board may spend district money, enter into agreements, and take other necessary actions to recruit physicians and other persons to serve as medical staff members or district employees. The actions may include:

- (1) advertising and marketing;
- (2) paying travel, recruitment, and relocation expenses;
- (3) providing a loan or scholarship to a physician or a person currently enrolled in health care education courses at an institution of higher education who contracts to become a medical staff member or district employee; or
- (4) contracting with a full-time medical student or other student in a health occupation who is enrolled in and in good standing at an accredited medical school, college, or university to pay the student's tuition or other expenses for the consideration of the student agreeing to serve as an employee or independent contractor for the district.

Sec. 1122.064. APPOINTMENT AND REMOVAL OF MEDICAL STAFF. The board may:

- (1) appoint to the medical staff any doctor the board considers necessary for the efficient operation of the district;
- (2) remove any doctor from the medical staff, after due process, if the board considers the doctor's removal necessary for the efficient operation of the district; and
- (3) make temporary appointments to the medical staff as the board considers necessary.

Sec. 1122.065. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

- (1) establishing or administering a retirement program; or
- (2) participating in:
 - (A) the Texas County and District Retirement System; or
 - (B) another statewide retirement system in which the district is eligible to participate.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1122.101. DISTRICT RESPONSIBILITY. The district has full responsibility for operating hospital facilities and providing medical and hospital care for the district's needy residents.

Sec. 1122.102. MANAGEMENT, CONTROL, AND ADMINISTRATION. The board shall manage, control, and administer the hospital system and the money and resources of the district.

Sec. 1122.103. RULES. The board may adopt rules governing:

- (1) the operation of the hospital and hospital system; and
- (2) the duties, functions, and responsibilities of district staff and employees.

Sec. 1122.104. PURCHASING AND ACCOUNTING PROCEDURES. The board may prescribe:

- (1) the method of making purchases and expenditures by and for the district; and
- (2) accounting and control procedures for the district.

Sec. 1122.105. PROVISION OF CERTAIN HEALTH SERVICES. (a) The district may operate or provide for the operation of a mobile emergency medical service.

(b) The district may operate or provide for home health services, long-term care, skilled nursing care, intermediate nursing care, or hospice care.

Sec. 1122.106. DISTRICT PROPERTY, FACILITIES, AND EQUIPMENT.(a) The board shall determine:(1) the type, number, and location of buildings required to maintain an adequate hospital system; and(2) the type of equipment necessary for hospital care.(b) The board may:(1) acquire property, facilities, and equipment for the district for use in the hospital system;(2) mortgage or pledge the property, facilities, or equipment as security for payment of the purchase price;(3) sell or otherwise dispose of property, facilities, or equipment for the district; or(4) lease hospital facilities for the district.Sec. 1122.107. OPERATING AND MANAGEMENT CONTRACTS. The board may enter into operating or management contracts relating to hospital facilities for the district.Sec. 1122.108. SERVICE CONTRACTS. (a) The board may contract with a public or private hospital, a political subdivision of the state, or a state or federal agency for the district to provide a mobile emergency medical service or other health care services needed to provide for the investigatory or welfare needs of residents of the district.(b) The board may contract with a person to receive or supply the services the board considers necessary for the effective operation of the district.Sec. 1122.109. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in property located in district territory if the interest is necessary for the district to exercise the rights or authority conferred by this chapter.(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, except that the district is not required to deposit with the trial court money or a bond as provided by Section 21.021(a), Property Code.(c) In a condemnation proceeding brought by the district, the district is not required to:(1) pay in advance or provide bond or other security for costs in the trial court;(2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or(3) provide a bond for costs or a supersedeas bond on an appeal or petition for review.Sec. 1122.110. COST OF RELOCATING OR ALTERING PROPERTY. In exercising the power of eminent domain, if the board requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any railroad, highway, pipeline, or electric transmission and electric distribution, telegraph, or telephone line, conduit, pole, or facility, the district shall pay the actual cost of that activity to provide a comparable replacement, without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Sec. 1122.111. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust for any purpose and under any direction, limitation, or provision in writing by the donor that is consistent with the proper management of the district.

Sec. 1122.112. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a person who resides in the district is admitted as a patient to a district facility, the district administrator may have an inquiry made into the financial circumstances of:

(1) the patient; and

(2) a relative of the patient who is legally responsible for the patient's support.

(b) To the extent that the patient or a relative of the patient who is legally responsible for the patient's support cannot pay for care and treatment provided by the district, the district shall supply the care and treatment without charging the patient or the patient's relative.

(c) On determining that the patient or a relative legally responsible for the patient's support can pay for all or part of the care and treatment provided by the district, the district administrator shall report that determination to the board, and the board shall issue an order directing the patient or the relative to pay the district a specified amount each week. The amount must be based on the person's ability to pay.

(d) The district administrator may collect money owed to the district from the patient's estate or from that of a relative legally responsible for the patient's support in the manner provided by law for the collection of expenses in the last illness of a deceased person.

(e) If there is a dispute relating to a person's ability to pay or if the district administrator has any doubt concerning a person's ability to pay, the board shall call witnesses, hear and resolve the question, and issue a final order. The order may be appealed to a district court in any county in which the district is located. The substantial evidence rule applies to an appeal under this subsection.

Sec. 1122.113. REIMBURSEMENT FOR SERVICES. (a) The board shall require a county, municipality, or public hospital located outside of the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or hospital, as provided by Chapter 61, Health and Safety Code.

(b) The board shall require the sheriff of Hidalgo County to reimburse the district for the district's care and treatment of a person who is confined in a jail facility of Hidalgo County and is not a resident of the district.

(c) On behalf of the district, the board may contract with the state or federal government for that government to reimburse the district for treatment of a sick or injured person.

Sec. 1122.114. NONPROFIT CORPORATION. (a) The district may create and sponsor a nonprofit corporation under the Business Organizations Code and may contribute money to or solicit money for the corporation.

(b) A corporation created under this section may use money contributed by the district only to provide health care or other services the district is authorized to provide under this chapter.

(c) The corporation may invest the corporation's money in any manner in which the district may invest the district's money, including investing money as authorized by Chapter 2256, Government Code.

(d) The board shall establish controls to ensure that the corporation uses its money as required by this section.

Sec. 1122.115. LOANS AND GRANTS FOR ECONOMIC DEVELOPMENT PURPOSES. Under the authority granted by Section 52-a, Article III, Texas Constitution, the district may loan or grant money to any person for the development of medical education and research in the district.

Sec. 1122.116. AUTHORITY TO SUE AND BE SUED. The board may sue and be sued on behalf of the district.

Sec. 1122.117. CONSTRUCTION CONTRACTS; ADVERTISING FOR CERTAIN CONSTRUCTION CONTRACTS. (a) The board may enter into a construction contract on the district's behalf.

(b) The board may enter into a construction contract only after competitive bidding as provided by Subchapter B, Chapter 271, Local Government Code, if the amount of the contract is greater than the amount provided by Section 271.024 of that code.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1122.151. BUDGET. (a) The district administrator shall prepare a proposed annual budget for the district.

(b) The proposed budget must contain a complete financial statement, including a statement of:

(1) the outstanding obligations of the district;

(2) the amount of cash on hand to the credit of each fund of the district;

(3) the amount of money received by the district from all sources during the previous year;

(4) the amount of money available to the district from all sources during the ensuing year;

(5) the amount of the balances expected at the end of the year in which the budget is being prepared;

(6) the estimated amount of revenues and balances available to cover the proposed budget; and

(7) the estimated tax rate required.

Sec. 1122.152. NOTICE; HEARING; ADOPTION OF BUDGET. (a) The board shall hold a public hearing on the proposed budget.

(b) The board shall publish notice of the hearing in a newspaper with general circulation in the district not later than the 10th day before the date of the hearing.

(c) Any district resident is entitled to be present and participate at the hearing.

(d) At the conclusion of the hearing, the board shall adopt a budget by acting on the budget proposed by the district administrator. The board may make a change in the proposed budget that the board determines to be in the interests of the taxpayers.

(e) The budget is effective only after adoption by the board.

Sec. 1122.153. AMENDMENT OF BUDGET. After the budget is adopted, the budget may be amended on the board's approval.

Sec. 1122.154. FISCAL YEAR. (a) The district operates according to a fiscal year established by the board.

(b) The fiscal year may not be changed:

(1) during a period in which revenue bonds of the district are outstanding;

or

(2) more than once in a 24-month period.

Sec. 1122.155. ANNUAL AUDIT. The board shall have an annual audit made of the financial condition of the district.

Sec. 1122.156. INSPECTION OF ANNUAL AUDIT AND DISTRICT RECORDS. The annual audit and other district records are open to inspection during regular business hours at the principal office of the district.

Sec. 1122.157. FINANCIAL REPORT. As soon as practicable after the close of each fiscal year, the district administrator shall prepare for the board a sworn statement of the amount of district money and an account of the disbursement of that money.

Sec. 1122.158. SHORT-TERM FINANCING. The district may borrow money through short-term financing.

Sec. 1122.159. DEBT LIMITATION. Except as provided by this chapter and Chapter 1207, Government Code, the district may not incur a debt payable from district revenue other than revenue available in the current fiscal year and the immediately following fiscal year of the district.

Sec. 1122.160. DEPOSITORY. (a) The board shall select at least one bank to serve as a depository for district money.

(b) The board may solicit bids from local financial institutions to determine which institution may serve as a depository for district money.

(c) District money, other than money invested as provided by Section 1122.161 and money transmitted to a bank for payment of bonds or obligations issued or assumed by the district, shall be deposited as received with the depository bank and shall remain on deposit. This subsection does not limit the board's power to place part of the district's money on time deposit or to purchase certificates of deposit.

Sec. 1122.161. RESTRICTION ON INVESTMENT. The board may invest operating, depreciation, or building reserves only in funds or securities specified by Chapter 2256, Government Code.

SUBCHAPTER E. BONDS

Sec. 1122.201. GENERAL OBLIGATION BONDS. If authorized by an election, the board may issue and sell general obligation bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements;

(2) equip buildings or improvements for hospital purposes; or

(3) acquire and operate a mobile emergency medical service.

Sec. 1122.202. TAX TO PAY GENERAL OBLIGATION BONDS. (a) At the time general obligation bonds are issued by the district under Section 1122.201, the board shall impose an ad valorem tax in an amount sufficient to create an interest and sinking fund to pay the principal of and interest on the bonds as the bonds mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed the limit approved by the voters at the election authorizing the imposition of taxes.

Sec. 1122.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting in an election held for that purpose.

(b) The board may order a bond election. The order calling the election must specify:

- (1) the nature and date of the election;
- (2) the hours during which the polls will be open;
- (3) the location of polling places;
- (4) the amounts of the bonds to be authorized; and
- (5) the maximum maturity of the bonds.

(c) Notice of a bond election must be given as provided by Chapter 1251, Government Code.

(d) The board shall declare the results of the election.

Sec. 1122.204. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) acquire, purchase, construct, repair, renovate, or equip buildings or improvements for hospital purposes;

(2) acquire sites to be used for hospital purposes; or

(3) acquire and operate a mobile emergency medical service to assist the district in carrying out its hospital purposes.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system.

(c) The bonds may be additionally secured by a mortgage or deed of trust lien on all or part of the district property.

(d) The bonds must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code, for issuance of revenue bonds by county hospital authorities.

Sec. 1122.205. MATURITY. District bonds must mature not later than 40 years after the date of their issuance.

Sec. 1122.206. EXECUTION OF BONDS. (a) The board president shall execute district bonds in the district's name.

(b) The board secretary shall countersign the bonds in the manner provided by Chapter 618, Government Code.

Sec. 1122.207. BONDS NOT SUBJECT TO TAXATION. The following are not subject to taxation by the state or by a political subdivision of the state:

- (1) bonds issued by the district;
- (2) any transaction relating to the bonds; and
- (3) profits made in the sale of the bonds.

SUBCHAPTER F. AD VALOREM TAX

Sec. 1122.251. IMPOSITION OF AD VALOREM TAX. (a) The board shall impose a tax on all property in the district subject to hospital district taxation.

(b) The tax may be used to pay:

- (1) indebtedness issued or assumed by the district; and

(2) the maintenance and operating expenses of the district.

(c) The district may not impose a tax to pay the principal of or interest on revenue bonds issued under this chapter.

Sec. 1122.252. TAX RATE. (a) The tax rate on all taxable property in the district for all purposes may not exceed 75 cents on each \$100 valuation of the property according to the most recent certified tax appraisal roll of the district.

(b) In setting the tax rate, the board shall consider district income from sources other than taxation.

Sec. 1122.253. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the district or may contract for the assessment and collection of taxes as provided by the Tax Code.

SUBCHAPTER G. DISSOLUTION

Sec. 1122.301. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the voters voting in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election if the board receives a petition requesting an election that is signed by at least 15 percent of the district's registered voters.

(d) The order calling the election must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(e) Section 41.001(a), Election Code, does not apply to an election ordered under this section.

Sec. 1122.302. NOTICE OF ELECTION. (a) The board shall give notice of an election under this subchapter by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication must appear not later than the 30th day before the date set for the election.

Sec. 1122.303. BALLOT. The ballot for an election under this subchapter must be printed to permit voting for or against the proposition: "The dissolution of the Hidalgo County Hospital District."

Sec. 1122.304. ELECTION RESULTS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall order that the district be dissolved.

(b) If a majority of the votes in an election under this subchapter do not favor dissolution, the board shall continue to administer the district, and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district.

Sec. 1122.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in an election under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets belonging to the district to Hidalgo County or another governmental entity in Hidalgo County; or

(2) administer the property, assets, and debts of the district until all money has been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or entity assumes all debts and obligations of the district at the time of the transfer and the district is dissolved.

(c) If Subsection (a)(1) does not apply and the board administers the property, assets, and debts of the district under Subsection (a)(2), the district is dissolved when all money has been disposed of and all district debts have been paid or settled.

Sec. 1122.306. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES.

(a) After the board determines that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property value.

(b) On the payment of all outstanding debts and obligations of the district, the board shall order the secretary to return to each district taxpayer the taxpayer's pro rata share of all unused tax money.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the funds to the tax assessor-collector for Hidalgo County.

Sec. 1122.307. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its money and other assets as prescribed by this subchapter, the board shall file a written report with the Hidalgo County Commissioners Court summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Hidalgo County Commissioners Court receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation.

SECTION 2. (a) The members of the board of directors of the Hidalgo County Hospital District elected at the first election held under Section 1122.051, Special District Local Laws Code, as added by this Act, shall draw lots to determine which three directors serve a two-year term and which two directors serve a one-year term.

(b) Successor directors shall serve two-year terms.

SECTION 3. Proof of publication of the notice required in the enactment of this Act under the provisions of Section 9, Article IX, Texas Constitution, has been made in the manner and form provided by law pertaining to the enactment of local and special laws, and the notice is found and declared proper and sufficient to satisfy the requirement.

SECTION 4. 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, 2013.

The amendment to **CSHB 3793** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

(Senator Eltife in Chair)

Senator Garcia offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 3793** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Section 533.0354, Health and Safety Code, is amended by adding Subsections (a-1), (a-2), and (b-1) to read as follows:

(a-1) In addition to the services required under Subsection (a) and using money appropriated for that purpose or money received under the Texas Health Care Transformation and Quality Improvement Program 1115 waiver, a local mental health authority may ensure, to the extent feasible, the provision of assessment services, crisis services, and intensive and comprehensive services using disease management practices for children with serious emotional, behavioral, or mental disturbance not described by Subsection (a) and adults with severe mental illness who are experiencing significant functional impairment due to a mental health disorder not described by Subsection (a) that is defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), including:

- (1) major depressive disorder, including single episode or recurrent major depressive disorder;
- (2) post-traumatic stress disorder;
- (3) schizoaffective disorder, including bipolar and depressive types;
- (4) obsessive compulsive disorder;
- (5) anxiety disorder;
- (6) attention deficit disorder;
- (7) delusional disorder;
- (8) bulimia nervosa, anorexia nervosa, or other eating disorders not otherwise specified; or
- (9) any other diagnosed mental health disorder.

(a-2) The local mental health authority shall ensure that individuals described by Subsection (a-1) are engaged with treatment services in a clinically appropriate manner.

(b-1) The department shall require each local mental health authority to incorporate jail diversion strategies into the authority's disease management practices to reduce the involvement of the criminal justice system in managing adults with the following disorders as defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), who are not described by Subsection (b):

- (1) post-traumatic stress disorder;
- (2) schizoaffective disorder, including bipolar and depressive types;
- (3) anxiety disorder; or
- (4) delusional disorder.

(b) Notwithstanding any other provision of this Act, this section takes effect January 1, 2014.

The amendment to **CSHB 3793** was read.

Senator Garcia temporarily withdrew Floor Amendment No. 3.

Senator Deuell offered the following amendment to the bill:

Floor Amendment No. 4

Amend **CSHB 3793** (Senate Committee Printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 61.036, Health and Safety Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) Regardless of the application, documentation, and verification procedures or eligibility standards established by the department under Subchapter A, a county may credit an intergovernmental transfer to the state toward eligibility for state assistance if the transfer was made to provide health care services as part of the Texas Healthcare Transformation and Quality Improvement Program waiver issued under 42 U.S.C. Section 1315.

(e) A county may credit toward eligibility for state assistance intergovernmental transfers made under Subsection (d) that in the aggregate do not exceed four percent of the county's general revenue levy in any state fiscal year, provided:

(1) The commissioners court determines that the expenditure fulfills the county's obligations to provide indigent health care under this chapter;

(2) The commissioners court determines that the amount of care available through participation in the waiver is sufficient in type and amount to meet the requirements of this chapter; and

(3) The county receives periodic reports from health care providers that receive supplemental or incentive payments under the Texas Healthcare Transformation and Quality Improvement Program waiver that document the number and types of services provided to persons who are eligible to receive services under this chapter.

SECTION _____. Not later than December 1, 2014, the Department of State Health Services shall submit a report to the governor, the lieutenant governor, and the speaker of the house of representatives on the effects of the provisions of Section 61.036(d) and (e), as added by this Act, on services rendered to eligible residents.

SECTION _____. (a) The change in law made by this Act to Section 61.036, Health and Safety Code, applies only to state assistance for health care services under Chapter 61, Health and Safety Code, as amended by this Act, that are delivered on or after the effective date of this Act.

(b) State assistance for health care services under Chapter 61, Health and Safety Code, that are delivered before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

The amendment to **CSHB 3793** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 4.

Senator Uresti offered the following amendment to the bill:

Floor Amendment No. 5

Amend **CSHB 3793** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 533, Health and Safety Code, is amended by adding Sections 533.051 and 533.052 to read as follows:

Sec. 533.051. DEVELOPMENT OF A PLAN FOR THE ALLOCATION OF OUTPATIENT MENTAL HEALTH SERVICES AND BEDS IN STATE HOSPITALS. (a) The department, in conjunction with the commission, shall develop a plan for the proper and separate allocation of outpatient or community-based mental health services provided by secure and nonsecure outpatient facilities that provide residential care alternatives and mental health services and for the proper and separate allocation of beds in the state hospitals for the following two groups of patients:

(1) patients who are voluntarily receiving outpatient or community-based mental health services, voluntarily admitted to a state hospital under Chapter 572, admitted to a state hospital for emergency detention under Chapter 573, or ordered by a court under Chapter 574 to receive inpatient mental health services at a state hospital or outpatient mental health services from an outpatient facility that provides residential care alternatives and mental health services; and

(2) patients who are ordered to participate in an outpatient treatment program to attain competency to stand trial under Chapter 46B, Code of Criminal Procedure, or committed to a state hospital or other facility to attain competency to stand trial under Chapter 46B, Code of Criminal Procedure, or to receive inpatient mental health services following an acquittal by reason of insanity under Chapter 46C, Code of Criminal Procedure.

(b) The plan developed by the department under Subsection (a) must include:

(1) a determination of the needs for outpatient mental health services of the two groups of patients described by Subsection (a);

(2) a determination of the minimum number of beds that the state hospital system must maintain to adequately serve the two groups of patients;

(3) a statewide plan for the allocation of sufficient funds for meeting the outpatient mental health service needs of and for the maintenance of beds by the state hospitals for the two groups of patients;

(4) a process to address and develop, without adverse impact to local service areas, the accessibility and availability of sufficient outpatient mental health services provided to and beds provided by the state hospitals to the two groups of patients based on the success of contractual outcomes with a broad base of local community outpatient mental health service providers and inpatient mental health facilities; and

(5) guidelines for use by the department and mental health service providers who contract with the department in determining what constitutes the timely delivery of services.

(c) To assist in the development of the plan under Subsection (a), the department shall establish and meet at least monthly with an advisory panel composed of the following persons:

(1) one representative designated by the Texas Department of Criminal Justice;

(2) one representative designated by the Texas Association of Counties;

(3) two representatives designated by the Texas Council of Community Centers, including one representative of an urban local service area and one representative of a rural local service area;

(4) two representatives designated by the County Judges and Commissioners Association of Texas, including one representative who is the presiding judge of a court with jurisdiction over mental health matters;

(5) one representative designated by the Sheriffs' Association of Texas;

(6) two representatives designated by the Texas Municipal League, including one representative who is a municipal law enforcement official;

(7) one representative designated by the Texas Conference of Urban Counties;

(8) two representatives designated by the Texas Hospital Association, including one representative who is a physician;

(9) one representative designated by the Texas Catalyst for Empowerment;
and

(10) four representatives designated by the Department of State Health Services' Council for Advising and Planning for the Prevention and Treatment of Mental and Substance Use Disorders, including:

(A) the chair of the council;

(B) one representative of the council's members who is a consumer of or advocate for mental health services;

(C) one representative of the council's members who is a consumer of or advocate for substance abuse treatment; and

(D) one representative of the council's members who is a family member of or advocate for persons with mental health and substance abuse disorders.

(d) In developing the plan under Subsection (a), the department and advisory panel shall consider:

(1) needs for outpatient mental health services of the two groups of patients described by Subsection (a);

(2) the frequency of use of beds and the historical patterns of use of beds in the state hospitals and other facilities by the two groups of patients;

(3) local needs and demands for outpatient mental health services by the two groups of patients;

(4) local needs and demands for beds in the state hospitals and other facilities for the two groups of patients;

(5) the availability of outpatient mental health service providers and inpatient mental health facilities that may be contracted with to provide outpatient mental health services and beds for the two groups of patients;

(6) the differences between the two groups of patients with regard to:

(A) admission to and discharge from a state hospital or outpatient facility;

(B) rapid stabilization and discharge to the community;

(C) length of stay in a state hospital or outpatient facility;

(D) disputes arising from the determination of a patient's length of stay in a state hospital by a health maintenance organization or a managed care organization;

(E) third-party billing; and

(F) legal challenges or requirements related to the examination and treatment of the patients; and

(7) public input provided to the department or advisory panel in a form and at a time and place that is effective and appropriate and in a manner that complies with any applicable laws, including administrative rules.

(e) The department shall update the plan biennially, or more frequently if determined necessary by the executive commissioner or the advisory panel.

(f) Not later than June 1, 2014, the department, in conjunction with the advisory panel, shall develop the initial version of the plan required by Subsection (a).

Sec. 533.052. INFORMING COURTS OF COMMITMENT OPTIONS. The department shall develop and implement a procedure through which a court that has the authority to commit a person who is incompetent to stand trial or who has been acquitted by reason of insanity under Chapters 46B and 46C, Code of Criminal Procedure, is aware of all of the commitment options for the person, including jail diversion and community-based programs.

The amendment to **CSHB 3793** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 5.

Senator Hinojosa moved to temporarily postpone further consideration of **CSHB 3793**.

The motion prevailed.

Question — Shall **CSHB 3793** as amended be passed to third reading?

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Wednesday, May 22, 2013 - 3

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

SJR 1

Williams

Sponsor: Pitts

Proposing a constitutional amendment providing for the creation of the State Water Implementation Fund for Texas and the State Water Implementation Revenue Fund

for Texas to assist in the financing of priority projects in the state water plan.
(Committee Substitute/Amended)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

**COMMITTEE SUBSTITUTE
HOUSE BILL 1025 ON THIRD READING**

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1025** be placed on its third reading and final passage:

CSHB 1025, Relating to making supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Patrick, Paxton.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

**MOTION TO PLACE
HOUSE JOINT RESOLUTION 24 ON SECOND READING**

Senator Van de Putte moved to suspend the regular order of business to take up for consideration **HJR 24** at this time on its second reading:

HJR 24, Proposing a constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of part of the market value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization.

Senator Van de Putte withdrew the motion to suspend the regular order of business.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3793 ON SECOND READING**

The Presiding Officer laid before the Senate **CSHB 3793** by Senator Hinojosa on its second reading. The bill had been read second time, amended, and further consideration temporarily postponed:

CSHB 3793, Relating to powers, duties, and services of entities serving counties.

Question — Shall **CSHB 3793** as amended be passed to third reading?

Senator Garcia again offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 3793** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Section 533.0354, Health and Safety Code, is amended by adding Subsections (a-1), (a-2), and (b-1) to read as follows:

(a-1) In addition to the services required under Subsection (a) and using money appropriated for that purpose or money received under the Texas Health Care Transformation and Quality Improvement Program 1115 waiver, a local mental health authority may ensure, to the extent feasible, the provision of assessment services, crisis services, and intensive and comprehensive services using disease management practices for children with serious emotional, behavioral, or mental disturbance not described by Subsection (a) and adults with severe mental illness who are experiencing significant functional impairment due to a mental health disorder not described by Subsection (a) that is defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), including:

(1) major depressive disorder, including single episode or recurrent major depressive disorder;

(2) post-traumatic stress disorder;

(3) schizoaffective disorder, including bipolar and depressive types;

(4) obsessive compulsive disorder;

(5) anxiety disorder;

(6) attention deficit disorder;

(7) delusional disorder;

(8) bulimia nervosa, anorexia nervosa, or other eating disorders not otherwise specified; or

(9) any other diagnosed mental health disorder.

(a-2) The local mental health authority shall ensure that individuals described by Subsection (a-1) are engaged with treatment services in a clinically appropriate manner.

(b-1) The department shall require each local mental health authority to incorporate jail diversion strategies into the authority's disease management practices to reduce the involvement of the criminal justice system in managing adults with the following disorders as defined by the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), who are not described by Subsection (b):

(1) post-traumatic stress disorder;

(2) schizoaffective disorder, including bipolar and depressive types;

(3) anxiety disorder; or

(4) delusional disorder.

(b) Notwithstanding any other provision of this Act, this section takes effect January 1, 2014.

The amendment to **CSHB 3793** was read and was adopted by the following vote: Yeas 17, Nays 14.

Yeas: Davis, Duncan, Ellis, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Rodriguez, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Carona, Deuell, Eltife, Estes, Fraser, Hancock, Nichols, Patrick, Paxton, Schwertner, Taylor, Williams.

Senator Schwertner offered the following amendment to the bill:

Floor Amendment No. 6

Amend **CSHB 3793** (Senate Committee Printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Chapter 1001, Health and Safety Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. MENTAL HEALTH FIRST AID TRAINING

Sec. 1001.201. DEFINITIONS. In this subchapter:

(1) "Educator" means a person who is required to hold a certificate issued under Subchapter B, Chapter 21, Education Code.

(2) "Local mental health authority" has the meaning assigned by Section 531.002 and includes the local behavioral health authority for the NorthSTAR Behavioral Health Program.

(3) "Regional education service center" means a regional education service center established under Chapter 8, Education Code.

Sec. 1001.202. GRANTS FOR TRAINING OF MENTAL HEALTH FIRST AID TRAINERS. (a) To the extent funds are appropriated to the department for that purpose, the department shall make grants to local mental health authorities to contract with persons approved by the department to train employees or contractors of the authorities as mental health first aid trainers.

(b) Except as provided by Subsection (c), the department shall make each grant to a local mental health authority under this section in an amount equal to \$1,000 times the number of employees or contractors of the authority whose training as mental health first aid trainers will be paid by the grant.

(c) For each state fiscal year, the total amount the department may grant to a local mental health authority under this section may not exceed the lesser of \$30,000 or three percent of the funds appropriated to the department for making grants under this section.

(d) The executive commissioner shall adopt rules to establish the requirements for a person to be approved by the department to train employees or contractors of a local mental health authority as mental health first aid trainers. The rules must ensure that a person who is approved by the department is qualified to provide training in:

(1) the potential risk factors and warning signs for various mental illnesses, including depression, anxiety, trauma, psychosis, eating disorders, substance abuse disorders, and self-injury;

(2) the prevalence of various mental illnesses in the United States and the need to reduce the stigma associated with mental illness;

(3) an action plan for use by the employees or contractors that involves the use of skills, resources, and knowledge to assess a situation and develop and implement an appropriate intervention to help an individual experiencing a mental health crisis obtain appropriate professional care; and

(4) the evidence-based professional, peer, social, and self-help resources available to help individuals with mental illness.

(e) Two or more local mental health authorities may collaborate and share resources to provide training for employees or contractors of the authorities under this section.

Sec. 1001.203. GRANTS FOR TRAINING CERTAIN EDUCATORS IN MENTAL HEALTH FIRST AID. (a) To the extent funds are appropriated to the department for that purpose, the department shall make grants to local mental health authorities to provide an approved mental health first aid training program, administered by mental health first aid trainers, at no cost to educators.

(b) For each state fiscal year, the total amount the department may grant to a local mental health authority under this section may not exceed the lesser of \$40,000 or three percent of the funds appropriated to the department for making grants under this section.

(c) Subject to the limit provided by Subsection (b), out of the funds appropriated to the department for making grants under this section, the department shall grant \$100 to a local mental health authority for each educator who successfully completes a mental health first aid training program provided by the authority under this section.

(d) A mental health first aid training program provided by a local mental health authority under this section must:

- (1) be conducted by a person trained as a mental health first aid trainer;
- (2) provide participants with the skills necessary to help an individual experiencing a mental health crisis until the individual is able to obtain appropriate professional care; and
- (3) include:

(A) instruction in a five-step strategy for helping an individual experiencing a mental health crisis, including assessing risk, listening respectfully to and supporting the individual, and identifying professional help and other supports for the individual;

(B) an introduction to the risk factors and warning signs for mental illness and substance abuse problems;

(C) experiential activities to increase participants' understanding of the impact of mental illness on individuals and families; and

(D) a presentation of evidence-supported treatment and self-help strategies.

(e) A local mental health authority may contract with a regional education service center to provide a mental health first aid training program to educators under this section.

(f) Two or more local mental health authorities may collaborate and share resources to develop and operate a mental health first aid training program under this section.

Sec. 1001.204. PLANS FOR MENTAL HEALTH FIRST AID TRAINING PROGRAMS. (a) Not later than October 1 of each state fiscal year for which a local mental health authority will seek a grant from the department under Section 1001.203, the authority shall submit to the department a plan demonstrating the manner in which grants made to the authority under that section will be used:

(1) to train individuals in mental health first aid throughout the authority's local service area to maximize the number of children who have direct contact with an individual who has successfully completed a mental health first aid training program provided by the authority;

(2) to meet the greatest needs of the authority's local service area, as identified by the authority; and

(3) to complement existing resources and not duplicate established mental health first aid training efforts.

(b) The department may not make a grant to a local mental health authority under Section 1001.203 unless the department has evaluated a plan submitted by the authority under this section.

Sec. 1001.205. REPORTS. (a) Not later than July 1 of each year, a local mental health authority shall provide to the department the number of:

(1) employees and contractors of the authority who were trained as mental health first aid trainers under Section 1001.202;

(2) educators who completed a mental health first aid training program offered by the authority under Section 1001.203 during the preceding calendar year; and

(3) individuals who are not educators who completed a mental health first aid training program offered by the authority during the preceding calendar year.

(b) Not later than August 1 of each year, the department shall compile the information submitted by local mental health authorities as required by Subsection (a) and submit a report to the legislature containing the number of:

(1) authority employees and contractors trained as mental health first aid trainers;

(2) educators who completed a mental health first aid training program provided by an authority during the preceding calendar year; and

(3) individuals who are not educators who completed a mental health first aid training program provided by an authority during the preceding calendar year.

Sec. 1001.206. LIABILITY. A person who has completed a mental health first aid training program offered by a local mental health authority under this subchapter and who in good faith attempts to assist an individual experiencing a mental health crisis is not liable in civil damages for an act performed in attempting to assist the individual unless the act is wilfully or wantonly negligent.

SECTION ____ . Section 21.054, Education Code, is amended by adding Subsection (d) to read as follows:

(d) The board shall adopt rules that allow an educator to fulfill up to 12 hours of continuing education by participating in a mental health first aid training program offered by a local mental health authority under Section 1001.203, Health and Safety Code. The number of hours of continuing education an educator may fulfill under this subsection may not exceed the number of hours the educator actually spends participating in a mental health first aid training program.

SECTION _____. The change in law made by this Act to added Section 1001.206, Health and Safety Code, applies only to a cause of action that accrues on or after the effective date of this Act. A cause of action that accrues before the effective date of this Act is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

The amendment to **CSHB 3793** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 6.

On motion of Senator Hinojosa and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 3793 as amended was passed to third reading by the following vote: Yeas 19, Nays 11.

Yeas: Davis, Deuell, Duncan, Ellis, Garcia, Hegar, Hinojosa, Huffman, Lucio, Nelson, Rodriguez, Schwertner, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Campbell, Carona, Eltife, Estes, Fraser, Hancock, Nichols, Patrick, Paxton, Taylor.

Absent: Williams.

VOTES RECONSIDERED

On motion of Senator Hinojosa and by unanimous consent, the vote by which **CSHB 3793** was passed to third reading was reconsidered.

Question — Shall **CSHB 3793** as amended be passed to third reading?

On motion of Senator Garcia and by unanimous consent, the vote by which Floor Amendment No. 3 was adopted was reconsidered.

Question — Shall Floor Amendment No. 3 to **CSHB 3793** be adopted?

Senator Garcia withdrew Floor Amendment No. 3.

On motion of Senator Hinojosa and by unanimous consent, the caption was again amended to conform to the body of the bill as amended.

CSHB 3793 as amended was again passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Paxton.

COMMITTEE SUBSTITUTE HOUSE BILL 3793 ON THIRD READING

Senator Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3793** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Paxton.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 971**

Senator Williams submitted the following Conference Committee Report:

Austin, Texas
May 21, 2013

Honorable David Dewhurst
President of the Senate

Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 971** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

WILLIAMS
NICHOLS
HINOJOSA
TAYLOR
ELLIS

On the part of the Senate

DESHOTEL
COLLIER
EILAND
HUNTER
RITTER

On the part of the House

**A BILL TO BE ENTITLED
AN ACT**

relating to the purposes, designation, and funding of a transportation reinvestment zone for port projects; providing authority to issue bonds; authorizing an assessment.

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

SECTION 1. Subchapter E, Chapter 222, Transportation Code, is amended by adding Section 222.1075 to read as follows:

Sec. 222.1075. PORT AUTHORITY TRANSPORTATION REINVESTMENT ZONE. (a) In this section:

(1) "Port authority" means a port authority or navigation district created or operating under Section 52, Article III, or Section 59, Article XVI, Texas Constitution.

(2) "Port commission" means the governing body of a port authority or navigation district.

(3) "Port project" means a project that is necessary or convenient for the proper operation of a maritime port or waterway and that will improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade, including dredging, disposal, and other projects.

(b) In this section:

(1) the amount of a port authority's tax increment for a year is the amount of ad valorem taxes levied and collected by the port authority or by the commissioners court on behalf of the port authority for that year on the captured appraised value of real property taxable by the port authority and located in a transportation reinvestment zone under this section;

(2) the captured appraised value of real property taxable by a port authority for a year is the total appraised value of all real property taxable by the port authority and located in a transportation reinvestment zone for that year less the tax increment base of the port authority; and

(3) the tax increment base of a port authority is the total appraised value of all real property taxable by the port authority and located in a transportation reinvestment zone for the year in which the zone was designated under this section.

(c) The port commission of the port authority, after determining that an area is unproductive or underdeveloped and that action under this section would improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade, by order or resolution may designate a contiguous geographic area in the jurisdiction of the port authority to be a transportation reinvestment zone to promote a port project and for the purpose of abating ad valorem taxes or granting other relief from taxes imposed by the county on real property located in the zone.

(d) The port commission must comply with all applicable laws in the application of this chapter.

(e) Not later than the 30th day before the date the port commission proposes to designate an area as a transportation reinvestment zone under this section, the port commission must hold a public hearing on the creation of the zone, its benefits to the port authority and to property in the proposed zone, and the abatement of ad valorem taxes or the grant of other relief from ad valorem taxes imposed by the port authority on real property located in the zone. At the hearing an interested person may speak for or against the designation of the zone, its boundaries, or the abatement of or other relief from port authority taxes on real property in the zone. Not later than the seventh day before the date of the hearing, notice of the hearing and the intent to create a zone must be published in a newspaper having general circulation in the county in which the zone is proposed to be located.

(f) The order or resolution designating an area as a transportation reinvestment zone must:

(1) describe the boundaries of the zone with sufficient definiteness to identify with ordinary and reasonable certainty the territory included in the zone;

(2) provide that the zone takes effect immediately on adoption of the order or resolution and that the base year shall be the year of passage of the order or resolution or some year in the future;

(3) assign a name to the zone for identification, with the first zone designated by a county designated as "Transportation Reinvestment Zone Number One, (name of port authority)," and subsequently designated zones assigned names in the same form numbered consecutively in the order of their designation;

(4) designate the base year for purposes of establishing the tax increment base of the port authority;

(5) establish an ad valorem tax increment account for the zone; and

(6) contain findings that promotion of a port project will improve the security, movement, and intermodal transportation of cargo or passengers in commerce and trade.

(g) Compliance with the requirements of this section constitutes designation of an area as a transportation reinvestment zone without further hearings or other procedural requirements.

(h) The port commission may:

(1) from taxes collected on property in a zone, including maintenance and operation taxes, pay into a tax increment account for the zone an amount equal to the tax increment produced by the port authority less any amounts allocated under previous agreements, including agreements under Chapter 312, Tax Code;

(2) from a tax increment account for the zone, repay any loan or other debt incurred to finance a port project under this section;

(3) by order or resolution enter into an agreement with the owner of any real property located in the transportation reinvestment zone to abate all or a portion of the ad valorem taxes or to grant other relief from the taxes imposed by the port authority on the owner's property in an amount not to exceed the amount calculated under Subsection (b)(1) for that year;

(4) by order or resolution elect to abate all or a portion of the ad valorem taxes imposed by the port authority on all real property in a zone; or

(5) grant other relief from ad valorem taxes on property in a zone.

(i) All abatements or other relief granted by the port commission in a transportation reinvestment zone must be equal in rate. In any ad valorem tax year, the total amount of the taxes abated or the total amount of other relief granted under this section may not exceed the amount calculated under Subsection (b)(1) for that year, less any amounts allocated under previous agreements, including agreements under Chapter 312, Tax Code.

(j) To further the development of the port project for which the transportation reinvestment zone was designated, a port authority may assess all or part of the cost of the port project against property within the zone. The assessment against each property in the zone may be levied and payable in installments in the same manner as provided for municipal and county public improvement districts under Sections 372.016-372.018, Local Government Code, provided that the installments do not exceed the total amount of the tax abatement or other relief granted under Subsection

(h). The port authority has the powers provided to municipalities and counties under Sections 372.015-372.020 and 372.023, Local Government Code, for the assessment of costs and Sections 372.024-372.030, Local Government Code, for the issuance of bonds by the port authority to pay the cost of a port project. The port commission of the port authority may contract with a public or private entity to develop, redevelop, or improve a port project in the transportation reinvestment zone, including aesthetic improvements, and may pledge and assign to that entity all or a specified amount of the revenue the port authority receives from installment payments of the assessments for the payment of the costs of that port project. After a pledge or assignment is made, if the entity that received the pledge or assignment has itself pledged or assigned that amount to secure bonds or other obligations issued to obtain funding for the port project, the port commission of the port authority may not rescind its pledge

or assignment until the bonds or other obligations secured by the pledge or assignment have been paid or discharged. Any amount received from installment payments of the assessments not pledged or assigned in connection with the port project may be used for other purposes associated with the port project or in the zone.

(k) To accommodate changes in the limits of the project for which a reinvestment zone was designated, the boundaries of a zone may be amended at any time, except that property may not be removed or excluded from a designated zone if any part of the assessment has been assigned or pledged directly by the port authority or through another entity to secure bonds or other obligations issued to obtain funding of the project, and property may not be added to a designated zone unless the port commission of the port authority complies with Subsections (e) and (f).

(l) Except as provided by Subsection (m), a tax abatement agreement entered into under Subsection (h), or an order or resolution on the abatement of taxes or the grant of other relief from taxes under that subsection, terminates on December 31 of the year in which the port authority completes any contractual requirement that included the pledge or assignment of assessments collected under this section.

(m) A transportation reinvestment zone terminates on December 31 of the 10th year after the year the zone was designated, if before that date the port authority has not used the zone for the purpose for which it was designated.

SECTION 2. Section 222.108(d), Transportation Code, is amended to read as follows:

(d) In this section, "transportation project" includes:

- (1) transportation projects described [has the meaning assigned] by Section 370.003; and
- (2) port security, transportation, or facility projects described by Section 55.001(5).

SECTION 3. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 971** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 429

Senator Zaffirini submitted the following Conference Committee Report:

Austin, Texas
May 21, 2013

Honorable David Dewhurst
President of the Senate

Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 429** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

ZAFFIRINI

GUILLEN

HINOJOSA
NICHOLS
TAYLOR
CARONA

On the part of the Senate

LOZANO
MUÑOZ, JR.
FLYNN
LARSON

On the part of the House

The Conference Committee Report on **HB 429** was filed with the Secretary of the Senate.

CO-SPONSOR OF HOUSE BILL 78

On motion of Senator Eltife, Senator Schwertner will be shown as Co-sponsor of **HB 78**.

CO-SPONSOR OF HOUSE BILL 950

On motion of Senator Davis, Senator Hinojosa will be shown as Co-sponsor of **HB 950**.

CO-SPONSOR OF HOUSE BILL 1223

On motion of Senator Hegar, Senator Uresti will be shown as Co-sponsor of **HB 1223**.

CO-SPONSOR OF HOUSE BILL 1960

On motion of Senator Campbell, Senator Garcia will be shown as Co-sponsor of **HB 1960**.

CO-SPONSOR OF HOUSE BILL 2036

On motion of Senator Watson, Senator Garcia will be shown as Co-sponsor of **HB 2036**.

CO-SPONSOR OF HOUSE BILL 2233

On motion of Senator Estes, Senator Campbell will be shown as Co-sponsor of **HB 2233**.

CO-SPONSOR OF HOUSE BILL 2918

On motion of Senator Rodríguez, Senator Schwertner will be shown as Co-sponsor of **HB 2918**.

CO-SPONSOR OF HOUSE CONCURRENT RESOLUTION 121

On motion of Senator Hinojosa, Senator Van de Putte will be shown as Co-sponsor of **HCR 121**.

CO-SPONSORS OF HOUSE JOINT RESOLUTION 24

On motion of Senator Van de Putte, Senators Hinojosa and Patrick will be shown as Co-sponsors of **HJR 24**.

RESOLUTIONS OF RECOGNITION

The following resolutions were adopted by the Senate:

Memorial Resolutions

SR 1033 by Williams, In memory of Victor Lovelady.

SR 1035 by Whitmire, In memory of Jack Hinton Havis.

SR 1042 by Schwertner, In memory of Brian Keith Lundy, Jr.

Congratulatory Resolutions

SR 1031 by Duncan, Recognizing Mike Motheral for his contributions to the Sundown Independent School District.

SR 1032 by Williams, Recognizing Joyce Lavergne Stewart Smith on the occasion of her 80th birthday.

SR 1034 by Williams, Recognizing Trey Tomlin for his service to his country.

SR 1036 by West, Recognizing the Children's Medical Center on the occasion of its 100th anniversary.

SR 1038 by Garcia, Recognizing David Webb on the occasion of his retirement.

SR 1039 by Uresti, Recognizing Jason Andrew Hassay and Erika Leigh Pierson on their marriage.

SR 1040 by Schwertner, Recognizing Neva and Edwin LeBreton on the occasion of their 70th wedding anniversary.

SR 1041 by Schwertner, Recognizing Bill Shaffer on the occasion of his retirement.

SR 1043 by Paxton, Recognizing Phil Dyer for his contributions to the City of Plano.

Official Designation Resolution

HCR 121 (Hinojosa), Declaring May 15, 2013, as Ramon Ayala Day at the State Capitol.

ADJOURNMENT

On motion of Senator Whitmire, the Senate at 9:54 p.m. adjourned until 10:00 p.m. today.



