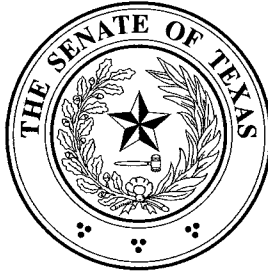


JOURNAL
OF THE
SENATE

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

Convened January 8, 2013

Adjourned May 27, 2013



VOLUME IV

Polly Emerson, Journal Clerk
Lourdes L. Guerra, Assistant

Charlene Ansley
Cathy Criss
Bonnie Michelle Hill
Carmen S. Kennedy

Virginia L. Nailling
Dwight D. Sutherland
Tanu'e F. White

TABLE OF CONTENTS

VOLUME IV

Proceedings of the Senate:

May 22, 2013, through May 27, 2013

Members	v
Sixty-Fourth Day through Sixty-Eighth Day	2881 - 3890
Appendix of Authors and Histories	Volume V
Index	Volume VI

THE SENATE OF TEXAS

Lieutenant Governor David Dewhurst, President

	Represented District
Birdwell, Brian - Granbury	22
Campbell, Donna - New Braunfels	25
Carona, John J. - Dallas	16
Davis, Wendy - Fort Worth	10
Deuell, Bob - Greenville	2
Duncan, Robert - Lubbock	28
Ellis, Rodney - Houston	13
Eltife, Kevin - Tyler	1
Estes, Craig - Wichita Falls	30
Fraser, Troy - Horseshoe Bay	24
Garcia, Sylvia - Houston	6
Hancock, Kelly - North Richland Hills	9
Hegar, Glenn - Katy	18
Hinojosa, Juan "Chuy" - McAllen	20
Huffman, Joan - Houston	17
Lucio, Eddie, Jr. - Brownsville	27
Nelson, Jane - Flower Mound	12
Nichols, Robert - Jacksonville	3
Patrick, Dan - Houston	7
Paxton, Ken - McKinney	8
Rodríguez, José - El Paso	29
Schwertner, Charles - Georgetown	5
Seliger, Kel - Amarillo	31
Taylor, Larry - Friendswood	11
Uresti, Carlos I. - San Antonio	19
Van de Putte, Leticia - San Antonio	26
Watson, Kirk - Austin	14
West, Royce - Dallas	23
Whitmire, John - Houston	15
Williams, Tommy - The Woodlands	4
Zaffirini, Judith - Laredo	21

SENATE JOURNAL

EIGHTY-THIRD LEGISLATURE — REGULAR SESSION

AUSTIN, TEXAS

PROCEEDINGS

SIXTY-FOURTH DAY

(Wednesday, May 22, 2013)

The Senate met at 10:01 p.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.

Senator Craig Estes offered the invocation as follows:

Dear God, thank You for a new legislative day, and we thank You in advance for a successful 83rd session. Guide us by Your holy spirit through gates of righteousness, peace, and joy as we endeavor to bless the people of Texas from this Chamber. And now, as the Psalmist extolled, make a joyful shout to the Lord, all you lands. Serve the Lord with gladness; come before His presence with singing. Know that the Lord, He is God; it is He who has made us, and not we ourselves; we are His people and the sheep of His pasture. Enter into His gates with thanksgiving and into His courts with praise. Be thankful to Him, and bless His name. For the Lord is good; His mercy is everlasting, and His truth endures to all generations. 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 Van de Putte was recognized and presented Dr. Donna Campbell of New Braunfels as the Physician of the Day.

The Senate thanked Senator Campbell for her participation in the Physician of the Day program sponsored by the Texas Academy of Family Physicians.

CONCLUSION OF MORNING CALL

The Presiding Officer at 10:05 p.m. announced the conclusion of morning call.

HOUSE BILL 950 ON THIRD READING

Senator Davis moved to suspend the regular order of business to take up for consideration **HB 950** at this time on its third reading and final passage:

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: Campbell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Garcia, Hegar, Hinojosa, Lucio, Patrick, Paxton, Rodríguez, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Estes, Fraser, Hancock, Huffman, Nelson, Nichols, Schwertner, Seliger, Taylor.

The bill was read third time.

Senator Davis offered the following amendment to the bill:

Floor Amendment No. 1 on Third Reading

Amend **HB 950** on third reading by adding the following appropriately numbered SECTION of the bill and renumbering the SECTIONS of the bill accordingly:

SECTION __. The changes in law made by this Act apply only to discriminatory compensation decisions or other unlawful employment practices with regard to discrimination in payment of compensation made on or after the effective date of this Act.

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 Third Reading.

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

HB 950 as again amended was finally passed by the following vote: Yeas 16, Nays 15.

Yeas: Campbell, Davis, Deuell, Duncan, Ellis, Eltife, Garcia, Hinojosa, Lucio, Rodríguez, Uresti, Van de Putte, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Carona, Estes, Fraser, Hancock, Hegar, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 742 ON THIRD READING**

Senator Watson moved to suspend the regular order of business to take up for consideration **CSHB 742** at this time on its third reading and final passage:

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, Hinojosa, Lucio, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Fraser, Hancock, Hegar, Huffman, Nelson, Nichols, Patrick, Paxton.

The bill was read third time and was passed by the following vote: Yeas 18, Nays 13.

Yeas: Davis, Deuell, Duncan, Ellis, Eltife, Estes, Garcia, Hinojosa, Lucio, Rodríguez, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Carona, Fraser, Hancock, Hegar, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Taylor.

COMMITTEE SUBSTITUTE HOUSE BILL 1659 ON THIRD READING

Senator Lucio moved to suspend the regular order of business to take up for consideration **CSHB 1659** at this time on its third reading and final passage:

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 by the following vote: Yeas 21, Nays 10.

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

Nays: Fraser, Hancock, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Taylor, Williams.

The bill was read third time and was passed by the following vote: Yeas 21, Nays 10. (Same as previous roll call)

HOUSE BILL 1790 ON THIRD READING

Senator Hinojosa moved to suspend the regular order of business to take up for consideration **HB 1790** at this time on its third reading and final passage:

HB 1790, Relating to certain procedures for defendants who successfully complete a period of state jail felony community supervision.

The motion prevailed by the following vote: Yeas 21, Nays 10.

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

Nays: Hancock, Hegar, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Taylor, Williams.

The bill was read third time and was passed by the following vote: Yeas 21, Nays 10. (Same as previous roll call)

**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.

The motion prevailed.

Senators Deuell, Uresti, Watson, West, and Whitmire 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 **CSHB 1926** (senate committee report) as follows:

(1) In the recital of SECTION 1 of the bill (page 1, line 26), strike "Subsection (c-1)" and substitute "Subsections (c-1) and (f)".

(2) In SECTION 1 of the bill, in amended Section 26.0031(c)(1), Education Code (page 1, line 50), strike "39.023;] or" and substitute "39.023; or]".

(3) In SECTION 1 of the bill, in amended Section 26.0031(c)(2), Education Code (page 1, line 54), strike the period and substitute the following:

; or

(3) the district or school offers a substantially similar course.

(4) In SECTION 1 of the bill, after amended Section 26.0031(d), Education Code (page 2, between lines 7 and 8), insert the following:

(f) A school district or open-enrollment charter school from which a parent of a student requests permission to enroll the student in an electronic course offered through the state virtual school network under Chapter 30A has discretion to select a course provider approved by the network's administering authority for the course in which the student will enroll based on factors including the informed choice report in section 30.108(b).

(5) Strike the recital of SECTION 3 of the bill (page 2, lines 25 and 26) and substitute the following:

SECTION 3. Sections 30A.001(7) and (8), Education Code, are amended to read as follows:

(6) In SECTION 3 of the bill, after amended Section 30A.001(7), Education Code (page 2, between lines 41 and 42), insert the following:

(8) "Public or private institution of higher education" means[+

[(A)] an institution of higher education, as defined by 20 U.S.C. Section 1001 [Section 61.003; or

[(B)] a private or independent institution of higher education, as defined by Section 61.003].

(7) In SECTION 5 of the bill, in amended Section 30A.007(a), Education Code (page 2, line 60), strike "part-time or full-time".

(8) In SECTION 5 of the bill, in added Section 30A.007(a-1), Education Code (page 2), strike lines 65 through 67 and substitute the following:
shall, at least once per school year, send to a parent of each district or school student enrolled at the middle or high school level a copy of the policy adopted under Subsection (a). A district or school may send the policy with any other information that the district or school sends to a parent.

(9) In SECTION 8 of the bill, in added Section 30A.101(c)(3), Education Code, strike "elementary, middle, or high school students" (page 3, lines 38 and 39), and substitute "middle or high school students, with demonstrated student success in course completion and performance,".

(10) In SECTION 22 of the bill, in amended Section 30A.153(a), Education Code (page 6, lines 43 and 44), strike "and without respect to the setting in which the student participates in the course".

VAN DE PUTTE
HEGAR

The amendment to **CSHB 1926** 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 **CSHB 1926** (senate committee report) as follows:

(1) In SECTION 1 of the bill, page 1, line 56, strike "four" and insert "three"

(2) In SECTION 22 of the bill, page 6, line 47, strike "four" and insert "three"

The amendment to **CSHB 1926** 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 1926 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: Deuell, Uresti, Watson, West, Whitmire.

COMMITTEE SUBSTITUTE HOUSE BILL 1926 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 1926** 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, Duncan, Ellis, Eltife, Estes, Fraser, Garcia, Hancock, Hegar, Hinojosa, Huffman, Lucio, Nelson, Nichols, Patrick, Paxton, Rodríguez, Schwertner, Seliger, Taylor, Van de Putte, Williams, Zaffirini.

Nays: Deuell, Uresti, Watson, West, Whitmire.

The bill was read third time and was passed by the following vote: Yeas 26, Nays 5. (Same as previous roll call)

HOUSE BILL 3350 ON THIRD READING

Senator Watson moved to suspend the regular order of business to take up for consideration **HB 3350** at this time on its third reading and final passage:

HB 3350, Relating to homestead preservation districts and reinvestment zones.

The motion prevailed by the following vote: Yeas 21, Nays 10.

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

Nays: Campbell, Fraser, Hancock, Hegar, Huffman, Nelson, Nichols, Paxton, Schwertner, Williams.

The bill was read third time and was passed by the following vote: Yeas 20, Nays 11.

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

Nays: Birdwell, Campbell, Fraser, Hancock, Hegar, Huffman, Nelson, Nichols, Paxton, Schwertner, Williams.

HOUSE JOINT RESOLUTION 24 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 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.

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 24 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 24** 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.

MOTION TO ADJOURN

On motion of Senator Whitmire and by unanimous consent, the Senate at 10:34 p.m. agreed to adjourn, upon conclusion of the Local and Uncontested Calendar Session, until 1:30 p.m. tomorrow.

RECESS

On motion of Senator Whitmire, the Senate at 10:34 p.m. recessed until 10:50 p.m. today for the Local and Uncontested Calendar Session.

AFTER RECESS

The Senate met at 10:55 p.m. and was called to order by Senator Eltife.

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.

CSHB 16 (Ellis)

Relating to a requirement that a state agency post its internal auditor's audit plan and audit report and other audit information on the agency's Internet website.

(viva voce vote) (31-0) (31-0)

HB 26 (Zaffirini)

Relating to unemployment compensation eligibility and chargebacks regarding certain persons who are victims or whose immediate family members are victims of sexual assault.

(viva voce vote) (26-5) "Nays" Estes, Fraser, Hancock, Nelson, Paxton (26-5) "Nays" Estes, Fraser, Hancock, Nelson, Paxton

CSHB 31 (Zaffirini)

Relating to certain requirements applicable to meetings of the governing board of a general academic teaching institution or a state university system.

(viva voce vote) (31-0) (31-0)

CSHB 38 (Paxton)

Relating to the penalty for an offense involving motor vehicle airbags.

(viva voce vote) (31-0) (31-0)

HB 78 (Eltife)

Relating to the exemption from the sales and use tax for certain coins and precious metals.

(viva voce vote) (31-0) (31-0)

HB 138 (Zaffirini)

Relating to funding for certain commercial service airport projects.

(viva voce vote) (30-1) "Nay" Hancock (30-1) "Nay" Hancock

CSHB 194 (Hinojosa)

Relating to the consideration of ownership interests of disabled veterans in determining whether a business is a historically underutilized business for purposes of state contracting.

(viva voce vote) (31-0) (31-0)

CSHB 195 (Van de Putte)

Relating to the availability on the Internet of reports of political expenditures and contributions filed in connection with certain county and municipal offices.

(viva voce vote) (31-0) (31-0)

CSHB 232 (Zaffirini)

Relating to allowing certain minors convicted of certain alcohol offenses to perform community service instead of attending an alcohol awareness program.

(viva voce vote) (31-0) (31-0)

HB 294 (Watson)

Relating to the exemption from ad valorem taxation of certain property owned by a charitable organization and used in providing housing and related services to certain homeless individuals.

(viva voce vote) (30-1) "Nay" Schwertner (30-1) "Nay" Schwertner

HB 316 (Williams)

Relating to the pilot program authorizing a property owner to appeal to the State Office of Administrative Hearings regarding certain appraisal review board determinations.

(viva voce vote) (31-0) (31-0)

HB 349 (Hinojosa)

Relating to electronically filing any court document in a criminal case in Hidalgo County.

(viva voce vote) (31-0) (31-0)

CSHB 431 (Huffman)

Relating to reconsideration of parole eligibility for certain inmates convicted of injury to a child, elderly person, or disabled person.

(viva voce vote) (31-0) (31-0)

HB 438 (Ellis)

Relating to the courts authorized to issue an occupational driver's license.

(viva voce vote) (31-0) (31-0)

HB 503 (Garcia)

Relating to the ability of a property owners' association to contract with an association board member or certain other persons or entities associated with the board member.

(viva voce vote) (30-1) "Nay" Paxton (30-1) "Nay" Paxton

HB 528 (Whitmire)

Relating to the restriction of access to the records and files of a child charged with or convicted of certain fine-only misdemeanor offenses.

(viva voce vote) (31-0) (31-0)

HB 555 (West)

Relating to certain criminal offenses for violations of the law regulating metal recycling entities.

(viva voce vote) (31-0) (31-0)

HB 577 (Ellis)

Relating to the representation of certain applicants for writs of habeas corpus in cases involving the death penalty.

(viva voce vote) (31-0) (31-0)

HB 590 (Zaffirini)

Relating to determining a child's eligibility for a school district's special education program on the basis of a visual impairment.

(viva voce vote) (29-2) "Nays" Hancock, Paxton (29-2) "Nays" Hancock, Paxton

CSHB 595 (Nelson)

Relating to certain health programs and councils.

(viva voce vote) (31-0) (31-0)

HB 628 (Paxton)

Relating to the right of a member of the board of trustees of a school district to obtain information, documents, and records.

(viva voce vote) (31-0) (31-0)

HB 633 (Davis)

Relating to a voluntary contribution to the fund for veterans' assistance when applying for a driver's license or personal identification certificate.

(viva voce vote) (31-0) (31-0)

HB 647 (Davis)

Relating to employment of persons by open-enrollment charter schools.

(viva voce vote) (31-0) (31-0)

CSHB 658 (Watson)

Relating to certain lawsuits seeking damages.

(viva voce vote) (31-0) (31-0)

CSHB 680 (Patrick)

Relating to provisions in the dedicatory instruments of property owners' associations regarding display of flags.

(viva voce vote) (31-0) (31-0)

HB 694 (Whitmire)

Relating to access by certain military personnel to juvenile and criminal history information.

(viva voce vote) (31-0) (31-0)

(Senator Uresti in Chair)**HB 696** (Hegar)

Relating to the duties of and the application of the professional prosecutors law to the county attorney in Gonzales County and to the duties of the district attorney for the 25th Judicial District.

(viva voce vote) (31-0) (31-0)

HB 714 (Zaffirini)

Relating to an agreement between a county and the Department of Public Safety for the joint operation of certain fixed-site facilities.

(viva voce vote) (31-0) (31-0)

HB 717 (Hegar)

Relating to the duties of and the application of the professional prosecutors law to the county attorney in Lavaca County and to the duties of the district attorney for the 25th Judicial District.

(viva voce vote) (31-0) (31-0)

HB 738 (Nelson)

Relating to the review of the creation of certain proposed municipal utility districts by county commissioners courts.

(viva voce vote) (31-0) (31-0)

HB 746 (Schwertner)

Relating to the registration of volunteer health practitioners and the services of volunteer health practitioners during disasters.

(viva voce vote) (31-0) (31-0)

CSHB 796 (Garcia)

Relating to the licensing of a journeyman lineman.

(viva voce vote) (31-0) (31-0)

HB 807 (Schwertner)

Relating to the practice of psychology; authorizing a fee.

(viva voce vote) (31-0) (31-0)

HB 833 (West)

Relating to certain procedures regarding an application for a writ of habeas corpus filed in a noncapital felony case.

(viva voce vote) (31-0) (31-0)

HB 847 (Rodríguez)

Relating to the enforcement of an order to pay child support by contempt and the awarding of costs and fees in certain proceedings.

(viva voce vote) (31-0) (31-0)

HB 869 (Paxton)

Relating to the issuance of a marriage license for an absent applicant, the participation of a proxy in certain marriage ceremonies, and the maintenance and submission of records relating to a marriage license issued for an absent applicant.

(viva voce vote) (31-0) (31-0)

CSHB 894 (Hegar)

Relating to the use of dealer's license plates on vehicles by independent motor vehicle dealers to transport vehicles to or from a point of sale.

(viva voce vote) (31-0) (31-0)

HB 916 (Birdwell)

Relating to the amount of a chargeback for unemployment compensation benefits paid to a person who is partially unemployed.

(viva voce vote) (31-0) (31-0)

HB 939 (Hancock)

Relating to the transfer of certain amounts from the employment and training investment holding fund and the training stabilization fund.

(viva voce vote) (31-0) (31-0)

HB 970 (Deuell)

Relating to regulation of cottage food products and cottage food production operations.

(viva voce vote) (31-0) (31-0)

HB 983 (Patrick)

Relating to the eligibility of temporary election officers for unemployment compensation.

(viva voce vote) (31-0) (31-0)

HB 1020 (Huffman)

Relating to the certification of alcohol awareness programs required for minors convicted of or receiving deferred disposition for certain alcohol offenses.

(viva voce vote) (31-0) (31-0)

CSHB 1023 (Nelson)

Relating to recommendations by the Health and Human Services Commission or a designated health and human services agency regarding mental health workforce shortages.

(viva voce vote) (31-0) (31-0)

HB 1044 (Williams)

Relating to the operation of all-terrain vehicles and recreational off-highway vehicles; creating an offense.

(viva voce vote) (31-0) (31-0)

CSHB 1050 (Fraser)

Relating to purchasing and other contracts by governmental entities.

(viva voce vote) (31-0) (31-0)

HB 1114 (Schwertner)

Relating to restoring the jurisdiction of the constitutional county court in Brazos County.

(viva voce vote) (31-0) (31-0)

HB 1120 (Davis)

Relating to the duties of the Texas Crime Stoppers Council to encourage individuals to report criminal activity related to trafficking of persons.

(viva voce vote) (31-0) (31-0)

(Senator Campbell in Chair)**HB 1123** (Rodríguez)

Relating to discount programs for certain veterans provided by toll project entities.

(viva voce vote) (31-0) (31-0)

CSHB 1125 (Éltife)

Relating to the rights of an accused person in and the written waiver of extradition proceedings.

(viva voce vote) (31-0) (31-0)

CSHB 1127 (Patrick)

Relating to the regulation of game rooms by certain counties; providing penalties; authorizing a fee.

(viva voce vote) (28-3) "Nays" Birdwell, Fraser, Paxton (28-3) "Nays" Birdwell, Fraser, Paxton

HB 1174 (Nelson)

Relating to the penalties for illegally passing a stopped school bus.

(viva voce vote) (31-0) (31-0)

HB 1185 (Hancock)

Relating to the retention of certain records in a suit affecting the parent-child relationship by a child's attorney ad litem, guardian ad litem, or amicus attorney.

(viva voce vote) (31-0) (31-0)

HB 1193 (Zaffirini)

Relating to the appointment of bailiffs for certain district courts.

(viva voce vote) (31-0) (31-0)

HB 1206 (Huffman)

Relating to the duties of a law enforcement agency regarding certain children who are reported to be missing.

(viva voce vote) (31-0) (31-0)

(Senator Hancock in Chair)**HB 1260** (Williams)

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.

(viva voce vote) (31-0) (31-0)

HB 1284 (Huffman)

Relating to the offense of making or causing a false alarm or report involving a public or private institution of higher education.

(viva voce vote) (31-0) (31-0)

CSHB 1324 (Taylor)

Relating to exclusion of land from certain water districts that fail to provide service to the land; clarifying and limiting the authority of those districts with outstanding bonds payable from ad valorem taxes to impose taxes on excluded land; providing for a financial review.

(viva voce vote) (31-0) (31-0)

HB 1330 (Birdwell)

Relating to the election of members of the board of directors of the Benbrook Water Authority.

(viva voce vote) (31-0) (31-0)

HB 1354 (Schwertner)

Relating to the creation of the Leander Hills Municipal Utility District of Williamson County; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

(viva voce vote) (31-0) (31-0)

HB 1355 (Schwertner)

Relating to the creation of the North San Gabriel Municipal Utility District of Williamson County; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

(viva voce vote) (31-0) (31-0)

HB 1357 (Hinojosa)

Relating to the power of the Nueces County Road District No. 4 to lease or sell land.

(viva voce vote) (31-0) (31-0)

HB 1372 (Hinojosa)

Relating to filling certain vacancies on the governing body of certain home-rule municipalities.

(viva voce vote) (31-0) (31-0)

HB 1376 (Nelson)

Relating to advertising by certain facilities that provide emergency services; providing an administrative penalty.

(viva voce vote) (31-0) (31-0)

HB 1384 (Hegar)

Relating to the authority of a county road department to accept donations.

(viva voce vote) (31-0) (31-0)

HB 1392 (Nelson)

Relating to information provided by the Department of State Health Services on food regulation.

(viva voce vote) (31-0) (31-0)

HB 1394 (Duncan)

Relating to the sunset review of certain powers and duties performed by the Department of State Health Services.

(viva voce vote) (31-0) (31-0)

HB 1396 (Nelson)

Relating to a study on alcohol and controlled substance statistics prepared by the Department of Family and Protective Services and the Department of State Health Services.

(viva voce vote) (29-2) "Nays" Hancock, Paxton (29-2) "Nays" Hancock, Paxton

CSHB 1435 (Seliger)

Relating to certain notices, reports, and descriptions provided by or filed with court and county clerks.

(viva voce vote) (30-1) "Nay" Patrick (30-1) "Nay" Patrick

CSHB 1479 (Van de Putte)

Relating to establishing a committee in certain counties to recommend a uniform truancy policy.

(viva voce vote) (31-0) (31-0)

HB 1501 (Zaffirini)

Relating to the commemoration of September 11, 2001, at public schools.

(viva voce vote) (31-0) (31-0)

HB 1523 (Whitmire)

Relating to the offense of money laundering.

(viva voce vote) (31-0) (31-0)

HB 1544 (Ellis)

Relating to the authority of a county to contract with a private vendor for the operation of a detention facility.

(viva voce vote) (31-0) (31-0)

HB 1562 (Hinojosa)

Relating to notice provided when a bail bond surety is in default.

(viva voce vote) (31-0) (31-0)

HB 1586 (Williams)

Relating to municipal consent provisions applicable to the Montgomery County Municipal Utility District No. 126.

(viva voce vote) (31-0) (31-0)

HB 1587 (Williams)

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.

(viva voce vote) (31-0) (31-0)

HB 1588 (Williams)

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.

(viva voce vote) (31-0) (31-0)

HB 1597 (Hinojosa)

Relating to installment payments of ad valorem taxes.
(viva voce vote) (31-0) (31-0)

CSHB 1606 (Carona)

Relating to the prosecution of the offenses of harassment and stalking.
(viva voce vote) (30-1) "Nay" Hancock (30-1) "Nay" Hancock

CSHB 1632 (Paxton)

Relating to the confidentiality of certain identifying information of peace officers, county jailers, security officers, employees of the Texas Department of Criminal Justice or a prosecutor's office, or judges and their spouses.
(viva voce vote) (31-0) (31-0)

HB 1662 (Seliger)

Relating to the use of local hotel occupancy tax revenue to conduct an audit.
(viva voce vote) (31-0) (31-0)

HB 1678 (Duncan)

Relating to the issuance of specialty license plates for surviving spouses of disabled veterans of the United States armed forces; authorizing a fee.
(viva voce vote) (31-0) (31-0)

CSHB 1692 (Patrick)

Relating to the regulation of motor vehicle dealers, manufacturers, and distributors.
(viva voce vote) (31-0) (31-0)

HB 1728 (Seliger)

Relating to the use of an unsworn declaration, the disposition of certain court exhibits, and the seal of a constitutional county court or county clerk.
(viva voce vote) (31-0) (31-0)

HB 1734 (Uresti)

Relating to the authority of the mayors of certain municipalities to call a special meeting.
(viva voce vote) (31-0) (31-0)

HB 1751 (Van de Putte)

Relating to the public school educator excellence innovation program.
(viva voce vote) (31-0) (31-0)

Senator Van de Putte offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **HB 1751** as follows and adjust accordingly:
Section 21.7061, page 6, line 20, strike "21.402,"

The amendment to **HB 1751** 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 Van de Putte and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

(Senator Garcia in Chair)**HB 1781** (Seliger)

Relating to a limitation on sanctions imposed on school districts for the sale of foods of minimal nutritional value.

(viva voce vote) (31-0) (31-0)

HB 1813 (Hinojosa)

Relating to the authority of a municipality to confiscate packaged fireworks; providing an affirmative defense for possessing fireworks in certain circumstances.

(viva voce vote) (31-0) (31-0)

HB 1824 (Hancock)

Relating to the operation of master mixed-use property owners' associations.

(viva voce vote) (31-0) (31-0)

HB 1862 (Hinojosa)

Relating to the criminal consequences of engaging in certain conduct with respect to a switchblade knife.

(viva voce vote) (31-0) (31-0)

CSHB 1864 (Estes)

Relating to certain energy security technologies for critical governmental facilities.

(viva voce vote) (31-0) (31-0)

HB 1874 (Rodríguez)

Relating to an appeal from an interlocutory order of certain courts.

(viva voce vote) (31-0) (31-0)

HB 1875 (West)

Relating to a case transferred from one district court to another district court.

(viva voce vote) (31-0) (31-0)

HB 1903 (Williams)

Relating to the allocation of amounts deposited into the oyster sales account and the abolishment of the oyster advisory committee.

(viva voce vote) (31-0) (31-0)

HB 1908 (Hancock)

Relating to sports and community venue projects.

(viva voce vote) (31-0) (31-0)

HB 1913 (Williams)

Relating to the waiver of penalties and interest on certain delinquent ad valorem taxes.

(viva voce vote) (31-0) (31-0)

HB 1960 (Campbell)

Relating to reciprocity for emergency medical services personnel certification for certain United States military personnel.

(viva voce vote) (31-0) (31-0)

HB 1966 (Williams)

Relating to a project that may be undertaken by certain development corporations in connection with infrastructure improvements necessary for municipal area development and revitalization.

(viva voce vote) (28-3) "Nays" Birdwell, Fraser, Hancock (28-3) "Nays" Birdwell, Fraser, Hancock

CSHB 2000 (Hancock)

Relating to the qualification of certain nonprofit schools and educational institutions for exemption from state laws regulating career schools and colleges and to complaints made against those entities.

(viva voce vote) (31-0) (31-0)

CSHB 2028 (Davis)

Relating to the eligibility requirements for plumbing licenses issued to applicants with military service.

(viva voce vote) (31-0) (31-0)

(Senator Schwertner in Chair)**CSHB 2029** (Davis)

Relating to the eligibility requirements for electrician licenses issued to applicants with military experience.

(viva voce vote) (31-0) (31-0)

HB 2055 (Estes)

Relating to the authority to issue bonds of the Marilee Special Utility District.

(viva voce vote) (31-0) (31-0)

CSHB 2062 (Taylor)

Relating to the regulation of plumbing.

(viva voce vote) (30-1) "Nay" Hancock (30-1) "Nay" Hancock

HB 2075 (West)

Relating to the operation of certain condominium unit owners' associations.

(viva voce vote) (31-0) (31-0)

HB 2090 (Hinojosa)

Relating to a written statement made by an accused as a result of custodial interrogation.

(viva voce vote) (31-0) (31-0)

HB 2110 (Campbell)

Relating to requirements for certain election officers.

(viva voce vote) (31-0) (31-0)

HB 2112 (Zaffirini)

Relating to financial disclosure reports made by a member of a county planning commission.

(viva voce vote) (31-0) (31-0)

HB 2117 (Duncan)

Relating to the election of the board of directors of the Hamlin Hospital District.

(viva voce vote) (31-0) (31-0)

HB 2118 (Duncan)

Relating to procedures for the dissolution of the Hamlin Hospital District; authorizing the imposition of a tax.

(viva voce vote) (31-0) (31-0)

HB 2135 (Rodríguez)

Relating to waivers and grants of credit for the requirements to obtain certain private security licenses to individuals who hold security credentials from the United States armed forces.

(viva voce vote) (31-0) (31-0)

HB 2148 (Williams)

Relating to the motor fuel tax on compressed natural gas and liquefied natural gas; providing penalties; imposing a tax.

(viva voce vote) (31-0) (31-0)

HB 2153 (Garcia)

Relating to the abolition of wind erosion conservation districts.

(viva voce vote) (31-0) (31-0)

HB 2163 (Van de Putte)

Relating to an annual assessment on insurers for the examination of insurers; imposing an assessment.

(viva voce vote) (28-3) "Nays" Hancock, Nelson, Paxton (28-3) "Nays" Hancock, Nelson, Paxton

HB 2202 (Williams)

Relating to the disposition of fees collected by or on behalf of the Texas Department of Motor Vehicles; authorizing fees.

(viva voce vote) (30-1) "Nay" Birdwell (30-1) "Nay" Birdwell

CSHB 2204 (Watson)

Relating to the establishment of a variable speed limit pilot program by the Texas Transportation Commission.

(viva voce vote) (31-0) (31-0)

CSHB 2259 (Rodríguez)

Relating to circumstances under which a vacancy on the governing body occurs in certain municipalities.

(viva voce vote) (31-0) (31-0)

HB 2267 (Van de Putte)

Relating to the confidentiality of certain home address information in ad valorem tax appraisal records.

(viva voce vote) (31-0) (31-0)

HB 2373 (Estes)

Relating to the use of an electronic device to capture a voter's signature for the signature roster.

(viva voce vote) (31-0) (31-0)

CSHB 2388 (Van de Putte)

Relating to the application of certain contracting laws to a defense base development authority.

(viva voce vote) (31-0) (31-0)

HB 2407 (Huffman)

Relating to restoration of a person's right to purchase a firearm on termination of a guardianship.

(viva voce vote) (31-0) (31-0)

HB 2424 (Hinojosa)

Relating to the designation of the part of U.S. Highway 83 Business in Hidalgo and Cameron Counties as a portion of the national Purple Heart Trail.

(viva voce vote) (31-0) (31-0)

HB 2451 (Hegar)

Relating to the exclusion by taxable entities engaged in providing services as an agricultural aircraft operation of certain costs in determining total revenue for purposes of the franchise tax.

(viva voce vote) (31-0) (31-0)

HB 2460 (Carona)

Relating to the possession of stamps indicating the payment of taxes by certain permittees.

(viva voce vote) (31-0) (31-0)

HB 2483 (Ellis)

Relating to including oral health education as part of the coordinated health program for public elementary, middle, and junior high school students.

(viva voce vote) (31-0) (31-0)

HB 2485 (Birdwell)

Relating to Air Medal and Air Medal with Valor specialty license plates.

(viva voce vote) (31-0) (31-0)

HB 2539 (Davis)

Relating to requiring computer technicians to report images of child pornography; providing a criminal penalty.

(viva voce vote) (31-0) (31-0)

HB 2562 (Van de Putte)

Relating to an annual report on the Public Assistance Reporting Information System.

(viva voce vote) (31-0) (31-0)

CSHB 2590 (Eltife)

Relating to the foreclosure sale of property subject to an oil or gas lease.

(viva voce vote) (31-0) (31-0)

HB 2607 (Davis)

Relating to the representation through a telephone conference call of a school district employee under a district grievance policy.

(viva voce vote) (31-0) (31-0)

CSHB 2615 (Fraser)

Relating to the use of state water; providing a penalty.

(viva voce vote) (29-2) "Nays" Hancock, Patrick (29-2) "Nays" Hancock, Patrick

(Senator Birdwell in Chair)

HB 2619 (West)

Relating to the educational needs of children in the conservatorship of the Department of Family and Protective Services.

(viva voce vote) (31-0) (31-0)

CSHB 2620 (Deuell)

Relating to the creation of a task force on domestic violence.

(viva voce vote) (31-0) (31-0)

CSHB 2645 (Ellis)

Relating to certification and operation of independent review organizations.

(viva voce vote) (30-1) "Nay" Williams (30-1) "Nay" Williams

HB 2668 (Davis)

Relating to requirements applicable to meetings of the governing board of certain junior college districts.

(viva voce vote) (31-0) (31-0)

HB 2676 (Van de Putte)

Relating to the confidentiality of certain home address information in ad valorem tax appraisal records.

(viva voce vote) (31-0) (31-0)

HB 2679 (Rodríguez)

Relating to permitting an alternative plea for a defendant detained in jail pending trial for a Class C misdemeanor.

(viva voce vote) (31-0) (31-0)

CSHB 2694 (Duncan)

Relating to the provision of credit by examination for public school students.

(viva voce vote) (31-0) (31-0)

HB 2704 (Hegar)

Relating to bids for construction contracts for certain conservation and reclamation districts.

(viva voce vote) (31-0) (31-0)

HB 2718 (Deuell)

Relating to the cultural and fine arts district program administered by the Texas Commission on the Arts.

(viva voce vote) (30-1) "Nay" Birdwell (30-1) "Nay" Birdwell

HB 2719 (Rodríguez)

Relating to collecting and reporting information concerning inmates who have been in the conservatorship of a state agency responsible for providing child protective services and concerning inmate parole, reentry, and integration.

(viva voce vote) (31-0) (31-0)

CSHB 2733 (Whitmire)

Relating to the administration and operation of the Texas Juvenile Justice Department.

(viva voce vote) (31-0) (31-0)

HB 2767 (Estes)

Relating to the treatment and recycling for beneficial use of certain waste arising out of or incidental to the drilling for or production of oil or gas.

(viva voce vote) (31-0) (31-0)

CSHB 2825 (Seliger)

Relating to the authority of a county to establish a centralized sex offender registration authority.

(viva voce vote) (31-0) (31-0)

CSHB 2895 (Taylor)

Relating to authorizing the sale of certain real property in Brazoria County by the Texas Board of Criminal Justice.

(viva voce vote) (30-1) "Nay" Birdwell (30-1) "Nay" Birdwell

(Senator Taylor in Chair)

HB 2902 (Taylor)

Relating to lost, damaged, or overdue county library property; authorizing fines; authorizing a civil penalty.

(viva voce vote) (31-0) (31-0)

HB 2907 (Duncan)

Relating to the Knox County Hospital District; authorizing the imposition of a tax.

(viva voce vote) (31-0) (31-0)

HB 2924 (Davis)

Relating to military leave time accounts for police and fire departments.

(viva voce vote) (31-0) (31-0)

HB 2975 (Rodríguez)

Relating to the merger of housing authorities in certain municipalities and counties.

(viva voce vote) (31-0) (31-0)

HB 2984 (Ellis)

Relating to lobbying expenditures that are made jointly.

(viva voce vote) (31-0) (31-0)

HB 3005 (Williams)

Relating to the authority of the Texas Workforce Commission to use certain unemployment compensation funds for reemployment activities.

(viva voce vote) (31-0) (31-0)

CSHB 3028 (Birdwell)

Relating to the use of the skills development fund and other funds available to the Texas Workforce Commission to support certain joint credit courses offered by school districts under agreements with lower-division institutions of higher education.

(viva voce vote) (31-0) (31-0)

HB 3038 (Carona)

Relating to licensing and regulation of auctioneers; authorizing a fee.

(viva voce vote) (28-3) "Nays" Birdwell, Patrick, Paxton (28-3) "Nays" Birdwell, Patrick, Paxton

CSHB 3063 (Van de Putte)

Relating to defense base development authorities.

(viva voce vote) (31-0) (31-0)

HB 3066 (Van de Putte)

Relating to the qualification of an area inside a base defense authority as an enterprise zone.

(viva voce vote) (31-0) (31-0)

HB 3067 (Van de Putte)

Relating to the composition of an administrative authority for a defense economic readjustment zone.

(viva voce vote) (31-0) (31-0)

HB 3070 (Eltime)

Relating to the designation of U.S. Highway 80 as a historic highway.

(viva voce vote) (31-0) (31-0)

HB 3085 (Garcia)

Relating to the regulation of automotive wrecking and salvage yards in certain counties; increasing the civil penalty.

(viva voce vote) (30-1) "Nay" Birdwell (30-1) "Nay" Birdwell

HB 3096 (Eltime)

Relating to an exemption from the use of an emergency notification system by certain public service providers.

(viva voce vote) (31-0) (31-0)

CSHB 3103 (Duncan)

Relating to the administration of primary elections, the nomination of candidates by convention, and voting by certain military and overseas voters.

(viva voce vote) (31-0) (31-0)

HB 3121 (Deuell)

Relating to the qualifications for the exemption from ad valorem taxation for aircraft parts located in this state for a limited time.

(viva voce vote) (31-0) (31-0)

HB 3125 (Lucio)

Relating to route designation for the issuance of a permit for the movement of oversize and overweight vehicles in certain counties.

(viva voce vote) (31-0) (31-0)

HB 3159 (Zaffirini)

Relating to an agreement to allocate sales and use tax after a municipality annexes land in an emergency services district and to the provision of emergency services in that area.

(viva voce vote) (31-0) (31-0)

HB 3161 (Eltife)

Relating to the Upshur County Juvenile Board.

(viva voce vote) (31-0) (31-0)

(Senator Uresti in Chair)

HB 3196 (Nelson)

Relating to licensing and certification requirements for certain health facilities and to the allocation of Medicaid beds in certain of those facilities; increasing fees.

(viva voce vote) (31-0) (31-0)

CSHB 3209 (Uresti)

Relating to creating a recognition day in honor of Willie Velasquez.

(viva voce vote) (27-4) "Nays" Huffman, Nelson, Patrick, Paxton (27-4) "Nays" Huffman, Nelson, Patrick, Paxton

HB 3241 (Whitmire)

Relating to the civil prosecution of racketeering related to trafficking of persons; providing penalties.

(viva voce vote) (31-0) (31-0)

HB 3296 (Schwertner)

Relating to the rates of municipal and county hotel occupancy taxes in certain municipalities and counties and the use of certain revenue from those taxes; changing the rates of taxes.

(viva voce vote) (31-0) (31-0)

HB 3357 (Duncan)

Relating to the administration of and benefits payable by the Teacher Retirement System of Texas.

(viva voce vote) (31-0) (31-0)

Senator Duncan offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **HB 3357** as follows:

(1) Strike SECTION 6 of the bill, adding Section 825.103(h), Government Code (page 4, lines 20-22).

(2) In SECTION 9 of the bill (page 7, lines 16-22), strike amended Section 825.212(c), Government Code, and substitute the following:

(c) This chapter modifies the common law of conflict of interests as applied to trustees, employees, and contracts of the retirement system to the extent that violations of the common law of conflict of interests do not void retirement system contracts. The retirement system shall by rule or policy adopt procedures for disclosing and curing violations of the common law of conflict of interests and any such rule or policy may specify time periods in which disclosures and cures must be

~~completed [An employee who has a business or commercial relationship that could reasonably be expected to diminish the employee's independence of judgment in the performance of the employee's responsibilities to the retirement system shall disclose that relationship in writing to a person designated by the board].~~

(3) Strike SECTION 22 of the bill, repealing certain provisions of the Government Code, and substitute the following appropriately numbered SECTION:

SECTION 22. The following laws are repealed:

- (1) Section 825.211, Government Code;
- (2) Sections 825.212(d), (e), (f), (g), and (h), Government Code;
- (3) Sections 825.402(b), (c), and (d), Government Code;
- (4) Section 825.404(d), Government Code;
- (5) Section 825.411, Government Code; and
- (6) Section 1579.103, Insurance Code.

(4) Strike SECTION 23 of the bill, providing an effective date for the Act, and substitute the following appropriately numbered SECTION:

SECTION 23. EFFECTIVE DATE. (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) Sections 824.1012 and 824.1013, Government Code, as amended by this Act, take effect September 1, 2013.

(5) Renumber SECTIONS of the bill appropriately.

The amendment to **HB 3357** 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 committee amendment to the bill:

Committee Amendment No. 2

Amend **HB 3357** (engrossed version) by inserting the following new SECTIONS, appropriately numbered, and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. 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 holder for services at a campus charter. An employee of the district or open-enrollment charter holder 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 operated by the charter holder.

SECTION ____ . 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.

The amendment to **HB 3357** 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 Duncan and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 3378 (Seliger)

Relating to an annual term for the 47th District Court.
(viva voce vote) (31-0) (31-0)

HB 3401 (Nelson)

Relating to nutrition and wellness education for certain recipients of certain state benefits.
(viva voce vote) (29-2) "Nays" Hancock, Patrick (29-2) "Nays" Hancock, Patrick

CSHB 3422 (Eltife)

Relating to donations of landscape materials and services to the Texas Department of Transportation.
(viva voce vote) (31-0) (31-0)

HB 3460 (Carona)

Relating to the requirement that certain information be reported to the Texas Department of Insurance and the confidentiality of that information.
(viva voce vote) (31-0) (31-0)

CSHB 3511 (Eltife)

Relating to the adjudication of certain claims under a written contract with a special-purpose district or authority or local governmental entity.
(viva voce vote) (31-0) (31-0)

CSHB 3520 (Carona)

Relating to the designation of a segment of U.S. Highway 75 in Dallas County as the Presidential Library Expressway.
(viva voce vote) (31-0) (31-0)

CSHB 3556 (Nelson)

Relating to the licensing and regulation of emergency medical services providers and a moratorium on the issuance of emergency medical services provider licenses.

(viva voce vote) (31-0) (31-0)

HB 3573 (Patrick)

Relating to the requirements for obtaining a health science technology education teaching certificate and to the scope of courses a person may teach holding a technology applications teaching certificate.

(viva voce vote) (31-0) (31-0)

CSHB 3578 (Hancock)

Relating to the allocation and transfer of money from the capital access fund by the Texas Economic Development Bank.

(viva voce vote) (31-0) (31-0)

CSHB 3593 (Ellis)

Relating to the determination that a voter is deceased.

(viva voce vote) (25-6) "Nays" Campbell, Hancock, Nelson, Patrick, Paxton, Schwertner (25-6) "Nays" Campbell, Hancock, Nelson, Patrick, Paxton, Schwertner

HB 3604 (Hegar)

Relating to the implementation of a water conservation plan and drought contingency plan, as applicable, by certain entities.

(viva voce vote) (31-0) (31-0)

HB 3613 (Lucio)

Relating to the release of delinquent tax liens on manufactured homes.

(viva voce vote) (31-0) (31-0)

HB 3640 (Birdwell)

Relating to the creation of an extension center of the Texas State Technical College System.

(viva voce vote) (31-0) (31-0)

HB 3659 (Ellis)

Relating to the Houston Community College System District service area.

(viva voce vote) (31-0) (31-0)

HB 3662 (Seliger)

Relating to the Texas Workforce Innovation Needs Program; authorizing a fee.

(viva voce vote) (31-0) (31-0)

HB 3674 (Hinojosa)

Relating to eligibility of municipalities to participate in the historic courthouse preservation and maintenance programs administered by the Texas Historical Commission.

(viva voce vote) (28-3) "Nays" Birdwell, Hancock, Paxton (28-3) "Nays" Birdwell, Hancock, Paxton

HB 3677 (Patrick)

Relating to the issuance of Foundation School Program license plates.
(viva voce vote) (31-0) (31-0)

HB 3764 (Hinojosa)

Relating to audit requirements of certain emergency services districts.
(viva voce vote) (30-1) "Nay" Birdwell (30-1) "Nay" Birdwell

HB 3787 (Nelson)

Relating to the determination of an applicant's eligibility for any program administered by the Health and Human Services Commission.
(viva voce vote) (31-0) (31-0)

(Senator Eltife in Chair)**HB 3792** (Ellis)

Relating to the intercollegiate athletics fee at Texas Southern University.
(viva voce vote) (31-0) (31-0)

HB 3798 (Hinojosa)

Relating to expenditures made by emergency services districts.
(viva voce vote) (31-0) (31-0)

HB 3831 (Hinojosa)

Relating to the designation of a portion of State Highway 358 as the Peace Officers Memorial Highway.
(viva voce vote) (31-0) (31-0)

CSHB 3860 (Whitmire)

Relating to the creation of the Generation Park Management District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
(viva voce vote) (31-0) (31-0)

CSHB 3871 (Ellis)

Relating to the powers and duties of the Gulf Coast Waste Disposal Authority.
(viva voce vote) (31-0) (31-0)

HB 3874 (Schwertner)

Relating to the creation of Rock Prairie Management District No. 2; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
(viva voce vote) (31-0) (31-0)

HB 3875 (Schwertner)

Relating to the creation of Rock Prairie Management District No. 1; providing authority to issue bonds; providing authority to impose assessments or fees.
(viva voce vote) (31-0) (31-0)

HB 3877 (Birdwell)

Relating to the powers and duties of the Ellis County Municipal Utility District No. 1; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose taxes.
(viva voce vote) (31-0) (31-0)

HB 3895 (Williams)

Relating to the name of The Woodlands Road Utility District No. 1, of Montgomery County, Texas, and to the administration, powers, and duties of the district.

(viva voce vote) (31-0) (31-0)

HB 3910 (Williams)

Relating to the boundaries of the East Montgomery County Municipal Utility Districts Nos. 6 and 7.

(viva voce vote) (31-0) (31-0)

HB 3913 (Nelson)

Relating to the powers and duties of the Canyon Falls Water Control and Improvement District No. 2 of Denton County; providing authority to issue bonds; providing authority to impose taxes.

(viva voce vote) (31-0) (31-0)

HB 3932 (Schwertner)

Relating to the period for confirmation of the Williamson County Municipal Utility District No. 21.

(viva voce vote) (31-0) (31-0)

HB 3933 (Rodríguez)

Relating to the transfer of territory, assets, liabilities, and duties of the former Cuadrilla Improvement Corporation to the Lower Valley Water District.

(viva voce vote) (31-0) (31-0)

HB 3934 (Patrick)

Relating to powers of the North Harris County Regional Water Authority relating to certain wells.

(viva voce vote) (31-0) (31-0)

HB 3943 (Whitmire)

Relating to the creation of the Harris County Municipal Utility District No. 537; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

(viva voce vote) (31-0) (31-0)

HB 3946 (Rodríguez)

Relating to the designation of the Officer Angel David Garcia Memorial Interchange.

(viva voce vote) (31-0) (31-0)

HB 3947 (Garcia)

Relating to the powers and duties of the Harris County Municipal Utility District No. 402 regarding road projects.

(viva voce vote) (31-0) (31-0)

HCR 82 (Hinojosa)

Requesting the creation of a joint interim committee to study education policy as it relates to developing a skilled workforce.

(31-0)

HCR 89 (Estes)

Requesting the creation of a joint interim committee to study recruiting firearms and ammunition manufacturers to Texas.

(31-0)

HCR 111 (Van de Putte)

Designating April as Texas Personal Financial Literacy Month for a 10-year period beginning in 2013.

(31-0)

HCR 115 (Davis)

Designating the city of Mansfield as the Pickle Capital of Texas for a 10-year period beginning in 2013.

(31-0)

**BILLS REMOVED FROM
LOCAL AND UNCONTESTED CALENDAR**

Senator Campbell and Senator Eltife requested in writing that **HB 124** be removed from the Local and Uncontested Calendar.

Senator Garcia and Senator Eltife requested in writing that **HB 1128** be removed from the Local and Uncontested Calendar.

Senator Watson and Senator Eltife requested in writing that **HB 2305** be removed from the Local and Uncontested Calendar.

Senator Carona and Senator Eltife requested in writing that **HB 2818** be removed from the Local and Uncontested Calendar.

Senator Paxton and Senator Eltife requested in writing that **HB 2824** be removed from the Local and Uncontested Calendar.

Senator West and Senator Eltife requested in writing that **HB 2862** be removed from the Local and Uncontested Calendar.

Senator Hinojosa and Senator Eltife requested in writing that **HB 3793** be removed from the Local and Uncontested Calendar.

Senator Watson and Senator Eltife requested in writing that **HB 3813** be removed from the Local and Uncontested Calendar.

Senator Estes and Senator Eltife requested in writing that **HB 3898** be removed from the Local and Uncontested Calendar.

Senator Campbell and Senator Eltife requested in writing that **HB 3903** be removed from the Local and Uncontested Calendar.

Senator Estes and Senator Eltife requested in writing that **HB 3914** be removed from the Local and Uncontested Calendar.

Senator Hegar and Senator Eltife requested in writing that **HB 3954** be removed from the Local and Uncontested Calendar.

**SESSION CONCLUDED FOR
LOCAL AND UNCONTESTED CALENDAR**

The Presiding Officer announced that the session to consider bills and resolutions placed on the Local and Uncontested Calendar was concluded.

ADJOURNMENT

Pursuant to a previously adopted motion, the Senate at 12:37 a.m. Thursday, May 23, 2013, adjourned until 1:30 p.m. today.

APPENDIX

COMMITTEE REPORTS

The following committee reports were received by the Secretary of the Senate in the order listed:

May 22, 2013

NATURAL RESOURCES — CSHB 2133

BILLS AND RESOLUTIONS ENROLLED

May 21, 2013

SB 31, SB 34, SB 45, SB 49, SB 62, SB 112, SB 119, SB 122, SB 127, SB 138, SB 147, SB 171, SB 198, SB 232, SB 242, SB 273, SB 279, SB 284, SB 355, SB 381, SB 389, SB 391, SB 427, SB 462, SB 464, SB 474, SB 504, SB 515, SB 516, SB 517, SB 518, SB 533, SB 540, SB 542, SB 545, SB 551, SB 564, SB 583, SB 608, SB 609, SB 623, SB 631, SB 632, SB 639, SB 658, SB 660, SB 673, SB 677, SB 679, SB 691, SB 699, SB 702, SB 734, SB 742, SB 746, SB 747, SB 758, SB 804, SB 816, SB 817, SB 818, SB 833, SB 836, SB 856, SB 863, SB 875, SB 877, SB 895, SB 904, SB 978, SB 981, SB 1033, SB 1057, SB 1061, SB 1064, SB 1065, SB 1067, SB 1068, SB 1069, SB 1095, SB 1114, SB 1151, SB 1185, SB 1189, SB 1235, SB 1238, SB 1241, SB 1251, SB 1282, SB 1299, SB 1364, SB 1372, SB 1401, SB 1422, SB 1425, SB 1432, SB 1461, SB 1473, SB 1474, SB 1479, SB 1480, SB 1510, SB 1531, SB 1548, SB 1584, SB 1708, SB 1756, SB 1757, SB 1820, SB 1823, SB 1828, SB 1831, SB 1836, SB 1845, SB 1847, SB 1852, SB 1854, SB 1855, SB 1869, SB 1870, SB 1872, SB 1878, SB 1884, SB 1893, SB 1900, SB 1901, SB 1902, SCR 10, SCR 13, SR 1022, SR 1023, SR 1024, SR 1025, SR 1026, SR 1027, SR 1028

SENT TO SECRETARY OF STATE

May 22, 2013

SJR 54

SENT TO GOVERNOR

May 22, 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

SENATE JOURNAL

EIGHTY-THIRD LEGISLATURE — REGULAR SESSION

AUSTIN, TEXAS

PROCEEDINGS

SIXTY-FIFTH DAY

(Thursday, May 23, 2013)

The Senate met at 1:39 p.m. pursuant to adjournment and was called to order by the President.

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 President announced that a quorum of the Senate was present.

Pastor Danny Biddy, Old River Baptist Church, Old River-Winfree, was introduced by Senator Williams and offered the invocation as follows:

Almighty God, as the 83rd session of the Texas Legislature nears completion, I want to thank You for each of these men and women whom You have appointed to make up the Senate of this great state. Thank You for their contributions, their willingness to work long hours, and the considerations given to their constituents. I ask that You be with them as they soon return to the districts they represent and begin preparing to carry out what they have thought out and wrought out over these past few months. And, Lord, we also ask for Your comfort and provision for those in our state and neighboring state, Oklahoma, who have experienced recent tragedy and loss through storms and explosions. In Jesus' name, I 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.

BILL SIGNED

The President announced the signing of the following enrolled bill in the presence of the Senate after the caption had been read: **SB 24**.

- SB 321** Williams Sponsor: Toth
Relating to the powers and duties of the Montgomery County Water Control and Improvement District No. 2.
(Amended)
- SB 392** West Sponsor: Lewis
Relating to notice to the attorney general of challenges to the constitutionality of Texas statutes.
(Committee Substitute)
- SB 401** Lucio Sponsor: Allen
Relating to a notification requirement if a school counselor is not assigned to a public school campus.
(Amended)
- SB 404** Schwertner Sponsor: Davis, Sarah
Relating to complaints filed with the Texas State Board of Pharmacy; authorizing fees.
- SB 414** Ellis Sponsor: Davis, Sarah
Relating to a study and report regarding authorizing certain public junior colleges to offer baccalaureate degree programs to address regional workforce needs.
(Amended)
- SB 429** Nelson Sponsor: Raymond
Relating to the dismissal or nonsuit of a suit to terminate the parent-child relationship filed by the Department of Family and Protective Services.
(Committee Substitute)
- SB 443** Birdwell Sponsor: Orr
Relating to leave for reserve law enforcement officers for required training.
- SB 453** Deuell Sponsor: Flynn
Relating to payment of tuition to attend public schools for students holding certain United States student visas.
- SB 454** Hegar Sponsor: Stephenson
Relating to the authority of the Jackson County Navigation District to file an annual compilation or review report with the executive director of the Texas Commission on Environmental Quality in lieu of filing an annual audit report.
(Committee Substitute)
- SB 475** Van de Putte Sponsor: Rodriguez, Justin
Relating to the expiration of the municipal sales and use tax for street maintenance in certain municipalities.
- SB 482** Williams Sponsor: Bell
Relating to the creation of the Montgomery County Municipal Utility District No. 136; granting a limited power of eminent domain; providing authority to issue bonds and impose a tax.

- SB 490** Seliger Sponsor: Patrick, Diane
Relating to the expiration of tuition equalization grant requirements for grants awarded before the 2005-2006 academic year.
- SB 497** Seliger Sponsor: Branch
Relating to the number of semester credit hours required to earn an associate degree at public institutions of higher education.
- SB 498** Seliger Sponsor: Guillen
Relating to applying credit earned by a student at a general academic teaching institution to an associate's degree at a lower-division institution of higher education previously attended by the student.
- SB 512** Carona Sponsor: Frullo
Relating to the specialized telecommunications assistance program.
- SB 519** Deuell Sponsor: King, Susan
Relating to the definition of autism and other pervasive developmental disorders.
- SB 555** Davis Sponsor: Laubenberg
Relating to provisions in protective orders regarding pets and other companion animals; providing a penalty.
- SB 585** Hegar Sponsor: Morrison
Relating to the use of municipal hotel occupancy tax revenue to enhance and upgrade sports facilities in certain municipalities.
- SB 597** Birdwell Sponsor: Taylor, Van
Relating to the issuance of specialty license plates for certain Operation Enduring Freedom veterans.
- SB 615** Estes Sponsor: King, Phil
Relating to the contracting authority of the Texas Historical Commission.
- SB 624** Williams Sponsor: Toth
Relating to the creation of the Montgomery County Municipal Utility District No. 137; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.
- SB 637** Paxton Sponsor: Flynn
Relating to notice and election order requirements for bond approval elections held by political subdivisions.
- SB 659** West Sponsor: Dutton
Relating to compliance with certain requirements of programs administered by the Texas Department of Housing and Community Affairs.
- SB 662** Carona Sponsor: Villalba
Relating to the composition of the drought preparedness council.

SB 680 West Sponsor: Patrick, Diane
Relating to a pilot program to improve student loan default rates and financial aid literacy among postsecondary students.

SB 692 Carona Sponsor: Miller, Doug
Relating to the filing by electronic mail of financial disclosures by certain county officers, county employees, or candidates for county office.
(Committee Substitute)

SB 709 Lucio Sponsor: Allen
Relating to representation of a person in a special education impartial due process hearing.
(Committee Substitute/Amended)

SB 722 Ellis Sponsor: Johnson
Relating to eligibility to serve as an interpreter in an election.

SB 724 Williams Sponsor: 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, and taxes.

SB 725 Williams Sponsor: 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, and taxes.

SB 751 Patrick Sponsor: Fletcher
Relating to the creation of the Harris County Municipal Utility District No. 531; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.

SB 752 Patrick Sponsor: Riddle
Relating to the creation of the Harris County Municipal Utility District No. 530; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.

SB 757 Patrick Sponsor: Elkins
Relating to the powers and duties of the Harris County Municipal Utility District No. 257; providing authority to issue bonds.

SB 809 Carona Sponsor: Frullo
Relating to Public Utility Commission of Texas consideration of the rates for certain equalization surcharges and emergency service fees.

SB 832 Davis Sponsor: Dukes
Relating to training for school district and open-enrollment charter school liaisons who assist students in the conservatorship of the state with school enrollments and transfers.

SB 837 Ellis Sponsor: Bohac
Relating to the authority of a municipality to require owners of real property to keep the property free of certain conditions.

- SB 854** Van de Putte Sponsor: Harper-Brown
Relating to the regulation of motor vehicle dealers, manufacturers, distributors, and representatives.
- SB 872** Deuell Sponsor: Coleman
Relating to county expenditures for certain health care services.
(Committee Substitute)
- SB 906** Deuell Sponsor: Huberty
Relating to developmentally appropriate assessment of special education students.
- SB 949** Nelson Sponsor: Sheffield, J. D.
Relating to the definition of license holder in the Medical Practice Act.
(Amended)
- SB 950** Carona Sponsor: Thompson,
Senfronia
Relating to requiring certain alcoholic beverage permittees to be the primary American source of supply for certain alcoholic beverages.
(Amended)
- SB 1009** Fraser Sponsor: Farney
Relating to the creation of Burnet County Improvement District No. 1; providing authority to levy an assessment, impose a tax, and issue bonds.
- SB 1029** Campbell Sponsor: Phillips
Relating to the conversion of a nontolled state highway or segment of the state highway system to a toll project.
- SB 1040** Taylor Sponsor: Bohac
Relating to automated dial announcing devices.
- SB 1058** Nelson Sponsor: King, Susan
Relating to the regulation of the practice of nursing.
(Committee Substitute/Amended)
- SB 1080** Lucio Sponsor: Thompson,
Senfronia
Relating to a study on the adequacy and appropriateness of additional compensation paid to certain county judges.
- SB 1083** Rodríguez Sponsor: Lewis
Relating to an appeal from an interlocutory order of certain courts.
- SB 1090** Carona Sponsor: Geren
Relating to the manufacture, distribution, sale, and provision of alcoholic beverages and the regulation of those activities.
(Amended)
- SB 1098** Hinojosa Sponsor: Hunter
Relating to the creation of the Padre Isles Management District; providing authority to issue bonds.
- SB 1100** Van de Putte Sponsor: King, Susan
Relating to the licensing and inspection of certain out-of-state pharmacies by the Texas State Board of Pharmacy; authorizing fees.

- SB 1116** Zaffirini Sponsor: Kuempel
Relating to the creation, administration, powers, duties, functions, operations, and financing of the Crystal Clear Special Utility District; providing authority to issue bonds; granting a limited power of eminent domain.
(Amended)
- SB 1145** Hegar Sponsor: Bell
Relating to the intercollegiate athletics fee at Prairie View A&M University; authorizing an increase in the fee.
- SB 1158** Van de Putte Sponsor: Menéndez
Relating to higher education for veterans and their families.
(Committee Substitute/Amended)
- SB 1159** Van de Putte Sponsor: Patrick, Diane
Relating to higher education for certain military personnel and their dependents.
(Committee Substitute/Amended)
- SB 1175** Deuell Sponsor: Guillen
Relating to the establishment of a reuse program for durable medical equipment provided to recipients under the Medicaid program.
- SB 1195** Ellis Sponsor: Davis, Sarah
Relating to a contract for the acquisition of goods or services to which The University of Texas M. D. Anderson Cancer Center is a party.
- SB 1210** Zaffirini Sponsor: Branch
Relating to conditions on the receipt of tuition and fee exemptions and waivers at public institutions of higher education.
(Committee Substitute)
- SB 1255** Patrick Sponsor: Murphy
Relating to binding arbitration of an appraisal review board order determining a protest of an unequal appraisal of the owner's property.
- SB 1256** Patrick Sponsor: Bohac
Relating to the requirements for a sale to be considered a comparable sale for ad valorem tax purposes.
- SB 1266** Nichols Sponsor: Creighton
Relating to the creation of the Montgomery County Municipal Utility District No. 135; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.
- SB 1268** Lucio Sponsor: Guillen
Relating to recreational vehicles and recreational vehicle parks.
- SB 1285** Williams Sponsor: Otto
Relating to the operation of the special prosecution unit.
- SB 1289** Williams Sponsor: Bohac
Relating to certain business entities engaged in the publication of mug shots and other information regarding the involvement of an individual in the criminal justice system; providing a civil penalty.
(Committee Substitute/Amended)

- SB 1297** Watson Sponsor: Branch
Relating to written electronic communications between members of a governmental body.
- SB 1313** Schwertner Sponsor: Otto
Relating to the Correctional Management Institute of Texas at Sam Houston State University.
- SB 1317** Whitmire Sponsor: Thompson, Senfronia
Relating to persons authorized to perform a marriage ceremony.
(Amended)
- SB 1322** Van de Putte Sponsor: Oliveira
Relating to the provision of durable medical equipment and home health care services through informal and voluntary networks in the workers' compensation system; providing penalties.
- SB 1373** Hinojosa Sponsor: Miller, Rick
Relating to display of the Honor and Remember flag.
(Committee Substitute)
- SB 1393** Estes Sponsor: Pickett
Relating to homeland security strategy.
- SB 1394** Estes Sponsor: Pickett
Relating to the statewide critical infrastructure protection strategy.
- SB 1398** Estes Sponsor: Morrison
Relating to rules governing the allocation of delegates to a political party's national presidential nominating convention.
(Committee Substitute)
- SB 1400** Estes Sponsor: Geren
Relating to the municipal and county regulation of air guns.
- SB 1404** Patrick Sponsor: Parker
Relating to attendance at and completion of high school by students who are in the conservatorship of the Department of Family and Protective Services.
- SB 1413** Deuell Sponsor: King, Susan
Relating to the administration of retirement systems for paid, partly paid, or volunteer firefighters.
- SB 1419** West Sponsor: Lewis
Relating to funding for juvenile case managers through certain court costs and to the establishment of the truancy prevention and diversion fund.
(Amended)
- SB 1457** Duncan Sponsor: Frullo
Relating to management services for the physical facilities of the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf.

- SB 1508** Hegar Sponsor: Workman
Relating to the rendition of certain property for ad valorem tax purposes.
- SB 1512** Ellis Sponsor: Vo
Relating to the confidentiality of certain crime scene photographs and video recordings.
- SB 1525** Zaffirini Sponsor: Patrick, Diane
Relating to including disability awareness training in risk management programs required for members and advisors of student organizations at postsecondary educational institutions.
- SB 1533** Carona Sponsor: Ratliff
Relating to municipal sales and use tax remittances by certain retailers.
- SB 1553** Lucio Sponsor: Farias
Relating to the Homes for Texas Heroes home loan program.
- SB 1557** Lucio Sponsor: Villarreal
Relating to business and nonprofit organization participation in supporting early college high schools.
- SB 1585** Rodríguez Sponsor: Nevárez
Relating to the authority of certain counties to impose a county hotel occupancy tax.
- SB 1590** Zaffirini Sponsor: Branch
Relating to requirements for personal financial literacy training offered by public school districts and public universities.
- SB 1597** Zaffirini Sponsor: Smithee
Relating to the development of state agency information security plans.
- SB 1599** Zaffirini Sponsor: Lozano
Relating to county and municipal land development regulation.
(Committee Substitute)
- SB 1601** Zaffirini Sponsor: Raymond
Relating to the creation of the Central Laredo Municipal Management District; providing authority to impose a tax, levy an assessment, impose a fee, and issue bonds.
(Committee Substitute)
- SB 1604** Zaffirini Sponsor: Howard
Relating to asset management and acquisition by institutions of higher education.
- SB 1606** Zaffirini Sponsor: Strama
Relating to ad valorem tax liens on personal property.
- SB 1609** Schwertner Sponsor: Kolkhorst
Relating to the training of employees of certain covered entities.
- SB 1610** Schwertner Sponsor: Kolkhorst
Relating to the notification of individuals following a breach of security of computerized data.
(Committee Substitute)

- SB 1620** Paxton Sponsor: Lewis
Relating to certified communication access realtime translation providers.
(Committee Substitute)
- SB 1630** West Sponsor: Lewis
Relating to the protection of defendants against vexatious litigants.
(Committee Substitute)
- SB 1635** Deuell Sponsor: Burkett
Relating to the transfer of the assets of and the dissolution of the Dallas County Water Control and Improvement District No. 6.
- SB 1658** Paxton Sponsor: Huberty
Relating to the effect of certain state aid on school districts required to take action to equalize wealth under the school finance system.
- SB 1681** Zaffirini Sponsor: Harper-Brown
Relating to oversight and management of state contracts.
(Committee Substitute)
- SB 1720** Patrick Sponsor: Clardy
Relating to the Math and Science Scholars Loan Repayment Program for teachers who agree to teach mathematics or science in certain school districts in this state.
(Amended)
- SB 1806** Eltife Sponsor: Paddie
Relating to the Harrison County Court at Law.
- SB 1810** Ellis Sponsor: Coleman
Relating to the intercollegiate athletics fee at Texas Southern University.
- SB 1827** Deuell Sponsor: Gooden
Relating to an additional fee for filing civil cases in certain Rockwall County courts.
- SB 1833** Uresti Sponsor: Nevárez
Relating to the rate of the hotel occupancy tax in certain counties.
- SB 1842** Deuell Sponsor: Naishtat
Relating to restraint and seclusion procedures and reporting at certain facilities.
- SB 1853** Fraser Sponsor: Hilderbran
Relating to the amendment of restrictions affecting real property in certain subdivisions and the authority of the Llano County Municipal Utility District No. 1 to issue bonds.
(Committee Substitute)
- SB 1863** Hinojosa Sponsor: Herrero
Relating to use of district funds by the Nueces County Hospital District.
- SB 1867** Campbell Sponsor: Workman
Relating to the creation of the Cascades Municipal Utility District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
- SB 1873** Estes Sponsor: Fallon
Relating to the authority to issue bonds of the Mustang Special Utility District.

- SB 1877** Estes Sponsor: Fallon
Relating to the creation of the Venable Ranch Municipal Utility District No. 1 of Denton County; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
(Committee Substitute)
- SB 1879** Eltife Sponsor: Lavender
Relating to the powers of the TexAmericas Center.
- SB 1891** Watson Sponsor: Howard
Relating to the imposition of an additional fee for filing civil cases in certain Travis County courts.
- SB 1899** Zaffirini Sponsor: Isaac
Relating to the creation of the LaSalle 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 1906** Hegar Sponsor: Zerwas
Relating to the creation of Fort Bend County Municipal Management District No. 1; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.
- SB 1908** West Sponsor: Lewis
Relating to a study conducted by the Office of Court Administration of the Texas Judicial System and the repeal of certain court fees and costs.
(Committee Substitute)
- SB 1910** Hegar Sponsor: Zerwas
Relating to the creation of the Fulshear Municipal Utility District No. 3; providing authority to impose taxes and issue bonds; granting a limited power of eminent domain.
(Amended)
- SB 1913** Nichols Sponsor: Creighton
Relating to authorizing certain special districts in Montgomery County to enter into strategic partnership agreements.
- SB 1915** Campbell Sponsor: Miller, Doug
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.
(Amended)
- SB 1916** West Sponsor: Johnson
Relating to the authority of the Dallas County Hospital District or a nonprofit corporation formed by the district regarding certain technology or intellectual property owned by or licensed to the district or corporation.
(Committee Substitute)
- SB 1917** Birdwell Sponsor: Cook
Relating to the definition of an authorized emergency vehicle.

SB 1921 Hegar Sponsor: Stephenson
Relating to the creation of Kendleton Improvement District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

SCR 27 Rodríguez Sponsor: Márquez
Urging Congress to reauthorize Section 5056 of the Water Resources Development Act of 2007 and to appropriate sufficient funds for the Rio Grande Environmental Management Program.

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

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Thursday, May 23, 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 199 Menéndez
In memory of U.S. Army Staff Sergeant Omar L. Aceves of El Paso.

HCR 200 Menéndez
In memory of U.S. Army Sergeant Zainah C. Creamer of Texarkana.

HCR 201 Menéndez
In memory of U.S. Army Private First Class Ira B. Laningham IV of Zapata.

HCR 202 Menéndez
In memory of U.S. Army Specialist Omar Soltero of San Antonio.

HCR 203 Menéndez
In memory of U.S. Army Staff Sergeant Chauncy R. Mays of Cookeville.

HCR 204 Menéndez
In memory of U.S. Air Force Airman First Class Corey C. Owens of San Antonio.

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

HB 474 (142 Yeas, 4 Nays, 2 Present, not voting)

HB 506 (138 Yeas, 4 Nays, 3 Present, not voting)

HB 699 (144 Yeas, 0 Nays, 2 Present, not voting)

HB 899 (145 Yeas, 0 Nays, 3 Present, not voting)

HB 1122 (129 Yeas, 11 Nays, 2 Present, not voting)

- HB 1302** (144 Yeas, 0 Nays, 2 Present, not voting)
HB 1487 (140 Yeas, 0 Nays, 2 Present, not voting)
HB 1513 (143 Yeas, 1 Nays, 2 Present, not voting)
HB 1605 (132 Yeas, 12 Nays, 2 Present, not voting)
HB 1741 (118 Yeas, 27 Nays, 2 Present, not voting)
HB 1888 (77 Yeas, 51 Nays, 2 Present, not voting)
HB 2197 (87 Yeas, 58 Nays, 2 Present, not voting)
HB 2294 (146 Yeas, 1 Nays, 2 Present, not voting)
HB 2318 (145 Yeas, 0 Nays, 2 Present, not voting)
HB 2414 (145 Yeas, 1 Nays, 2 Present, not voting)
HB 2690 (109 Yeas, 37 Nays, 2 Present, not voting)
HB 3253 (144 Yeas, 1 Nays, 2 Present, not voting)
HB 3279 (118 Yeas, 28 Nays, 2 Present, not voting)
HB 3436 (142 Yeas, 0 Nays, 2 Present, not voting)
HB 3483 (137 Yeas, 8 Nays, 2 Present, not voting)
HB 3813 (146 Yeas, 1 Nays, 2 Present, not voting)
HB 3838 (136 Yeas, 6 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 2152 (non-record vote)

House Conferees: Callegari - Chair/Dutton/Frullo/Lucio III/Orr

HB 3093 (non-record vote)

House Conferees: Elkins - Chair/Button/Gonzales, Larry/Laubenberg/Reynolds

HB 3361 (non-record vote)

House Conferees: Dutton - Chair/Alvarado/Geren/King, Ken/Riddle

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 1160 (139 Yeas, 1 Nays, 2 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

SENATE RESOLUTION 534

Senator Van de Putte offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to pay tribute to Larry Coker, the head coach of The University of Texas at San Antonio Roadrunners; and

WHEREAS, Coach Coker, who was twice named the National Coach of the Year during his tenure with the University of Miami, was hired in 2009 to create the football program at The University of Texas at San Antonio; within two seasons, he had brought victories, accolades, and unprecedented national exposure to the school; and

WHEREAS, In its first two seasons, his team posted a 12-10 record, with five players earning all-conference honors and 14 players receiving academic all-conference honors; and

WHEREAS, Coach Coker steered the Roadrunners to an 8-4 season in 2012 and led them to their first Football Bowl Subdivision win; the team ended the season with a thrilling matchup against Texas State University in the Alamodome, with 40,000 spectators on hand; and

WHEREAS, Coach Coker has a history of stellar coaching achievements, but he is also known for his high standards and for encouraging scholastic excellence; during his career, 87 of his student athletes have earned academic all-conference awards, and he places tremendous value on seeing that his athletes graduate from college; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 83rd Legislature, hereby congratulate Coach Larry Coker for his outstanding leadership at The University of Texas at San Antonio during his football program's first two seasons and extend to him sincere best wishes for continued success in the future; and, be it further

RESOLVED, That a copy of this Resolution be prepared for Coach Coker as an expression of high regard from the Texas Senate.

SR 534 was read and was adopted without objection.

GUEST PRESENTED

Senator Van de Putte was recognized and introduced to the Senate Larry Coker, The University of Texas at San Antonio head football coach.

The Senate welcomed its guest.

SENATE RESOLUTION 1030

Senator Zaffirini offered the following resolution:

WHEREAS, Postsecondary education offers numerous opportunities and benefits for young people, including those with intellectual disabilities; and

WHEREAS, Education is a key determinant for the future success of students with intellectual disabilities, much as it is for the general population; research studies have found that persons with disabilities who attend college are significantly more likely to obtain competitive employment with higher wages, live with less support, and play an active role in their communities; and

WHEREAS, College can foster academic as well as personal growth by allowing students to explore new interests, pursue goals, and form friendships, and the experience of studying alongside peers without disabilities can have a positive effect on self-esteem; moreover, postsecondary education can provide a healthy challenge to students with intellectual disabilities that segregated school programs do not, and maintaining high expectations for these students is vital to their success; and

WHEREAS, A range of federal laws and initiatives exists to help persons with intellectual disabilities seamlessly transition into places of higher learning and to encourage the establishment of inclusive programs; from 2002 to 2010, the number of college programs open to students with intellectual disabilities increased from 4 to more than 250, according to the Administration on Developmental Disabilities; even so, too few people with intellectual disabilities advance to postsecondary education, in part because programs that accommodate them do not exist within their communities; and

WHEREAS, Regardless of ability, all students stand to gain from the rigor, resources, and advantages afforded by a quality postsecondary education, and its increased accessibility is indeed an endeavor worthy of support; now, therefore, be it

RESOLVED, That the Senate of the 83rd Texas Legislature hereby recognize the importance of postsecondary education for persons with intellectual disabilities in attaining a secure and rewarding livelihood.

SR 1030 was read and was adopted without objection.

GUESTS PRESENTED

Senator Zaffirini was recognized and introduced to the Senate members from the Down Syndrome Association of Central Texas, the National Down Syndrome Society, and the Texas Down Syndrome Advocacy Coalition.

The Senate welcomed its guests.

SENATE BILL 1376 WITH HOUSE AMENDMENT

Senator Eltife called **SB 1376** 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 1376** (house committee printing) on page 1 by striking lines 11 through 12 and substituting the following:

(c) A letter from any branch of the military under the jurisdiction of the United States Department of Defense or the United States Department of Homeland Security

The amendment was read.

Senator Eltife moved to concur in the House amendment to **SB 1376**.

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

SENATE BILL 745 WITH HOUSE AMENDMENT

Senator Nelson called **SB 745** 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 745** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to sexual assault prevention and crisis services and to the administration of the Crime Victims' Compensation Act.

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

SECTION 1. Article 56.39(a), Code of Criminal Procedure, is amended to read as follows:

(a) An order for a mental or physical examination or an autopsy as provided by Article 56.38(c)(2) [~~56.38(e)(3)~~] may be made for good cause shown on notice to the individual to be examined and to all persons who have appeared.

SECTION 2. Article 56.61, Code of Criminal Procedure, as amended by Chapters 496 (S.B. 808) and 716 (H.B. 2916), Acts of the 81st Legislature, Regular Session, 2009, is reenacted and amended to read as follows:

Art. 56.61. COMPENSATION FOR CERTAIN CRIMINALLY INJURIOUS CONDUCT PROHIBITED; EXCEPTION. (a) Except as provided by Subsection (b), the attorney general may not award compensation for pecuniary loss arising from criminally injurious conduct that occurred before January 1, 1980.

(b) The attorney general may award compensation for pecuniary loss arising from criminally injurious conduct that occurred before January 1, 1980, if:

(1) the conduct was in violation of Chapter 19, Penal Code;

(2) the identity of the victim is established by a law enforcement agency on or after January 1, 2009, ~~and the pecuniary loss was incurred with respect to the victim's funeral or burial on or after that date~~; and

(3) the claimant files the application for compensation within the limitations period provided by Article 56.37(e).

SECTION 3. Section 420.003, Government Code, is amended by adding Subdivisions (1-e) and (7-a) and amending Subdivisions (5), (6), and (7) to read as follows:

(1-e) "Minimum services" means:

(A) a 24-hour crisis hotline;

(B) crisis intervention;

(C) public education;

(D) advocacy; and

(E) accompaniment to hospitals, law enforcement offices, prosecutors'

offices, and courts.

(5) "Sexual assault examiner" means a person who uses an attorney general-approved [~~a service-approved~~] evidence collection kit and protocol to collect and preserve evidence of a sexual assault or other sex offense.

(6) "Sexual assault nurse examiner" means a registered nurse who has completed an attorney general-approved ~~[a service approved]~~ examiner training course described by Section 420.011 and who is certified according to minimum standards prescribed by attorney general rule.

(7) "Sexual assault program" means any local public or private nonprofit corporation, independent of a law enforcement agency or prosecutor's office, that is operated as an independent program or as part of a municipal, county, or state agency and that provides the minimum services to adult survivors of stranger and non-stranger sexual assault ~~[established by this chapter]~~.

(7-a) "State sexual assault coalition" means a statewide nonprofit organization that has been identified as a state sexual assault coalition by a state or federal agency authorized to make that designation.

SECTION 4. Section 420.004, Government Code, is amended to read as follows:

Sec. 420.004. ADMINISTRATION OF PROGRAM ~~[SERVICE]~~. ~~[(a)]~~ The attorney general shall administer the Sexual Assault Prevention and Crisis Services Program and may delegate a power or duty given to the attorney general under this chapter to an employee in the attorney general's office ~~[Service is a division in the office of the attorney general]~~.

~~[(b) The attorney general may adopt rules relating to assigning service areas, monitoring services, distributing funds, and collecting information from programs in accordance with this chapter.]~~

SECTION 5. Sections 420.005(a), (b), and (d), Government Code, are amended to read as follows:

(a) For purposes described by Section 420.008, the ~~[The]~~ attorney general may award grants to sexual assault programs, state sexual assault coalitions, and other appropriate local and statewide programs and organizations related to sexual assault ~~[programs described by Section 420.008. A grant may not result in the reduction of the financial support a program receives from another source]~~.

(b) The attorney general may by rule:

(1) determine eligibility requirements for any grant awarded under this chapter;

(2) require a grant recipient to offer minimum services for not less than nine months before receiving a grant and to continue to offer minimum services during the grant period; and

(3) require a grant recipient to submit financial and programmatic reports ~~[require that to be eligible for a grant, certain programs must provide at a minimum:~~

~~[(1) a 24-hour crisis hotline;~~

~~[(2) crisis intervention;~~

~~[(3) public education;~~

~~[(4) advocacy and accompaniment to hospitals, law enforcement offices, prosecutors' offices, and courts for survivors and their family members; and~~

~~[(5) crisis intervention volunteer training].~~

(d) This section does not prohibit a grant recipient ~~[program]~~ from offering any additional service, including a service for sexual assault offenders.

SECTION 6. Section 420.006, Government Code, is amended to read as follows:

Sec. 420.006. SPECIAL PROJECTS. The attorney general may consult and contract with or award grants to entities described by Section 420.005(a) [~~local and statewide programs~~] for special projects to prevent sexual assault and improve services to survivors.

SECTION 7. Section 420.007(b), Government Code, is amended to read as follows:

(b) The attorney general may not use more than 15 percent of the annual legislative appropriation to the attorney general under Section 420.008(c)(1) [~~service~~] for the administration of this chapter.

SECTION 8. Section 420.009, Government Code, is amended to read as follows:

Sec. 420.009. REPORT. Not later than December 10 of each even-numbered year, the [The] attorney general shall publish a report regarding grants awarded under this chapter [~~on the service not later than December 10 of each even-numbered year~~]. The report must [~~summarize reports from programs receiving grants from the attorney general,~~] analyze the effectiveness of the grants[;] and include information on the expenditure of funds authorized by this chapter, the services provided, the number of persons receiving services, and any other information relating to the provision of sexual assault services. A copy of the report shall be submitted to the governor, lieutenant governor, speaker of the house of representatives, Legislative Budget Board, Senate Committee on Health and Human Services or its successor committee, and House Committee on Human Services or its successor committee.

SECTION 9. Section 420.010, Government Code, is amended to read as follows:

Sec. 420.010. CONFIDENTIALITY. The attorney general may not disclose any information received from reports, collected case information, or site-monitoring visits that would identify a person working at or receiving services from a sexual assault program.

SECTION 10. The heading to Section 420.011, Government Code, is amended to read as follows:

Sec. 420.011. CERTIFICATION BY ATTORNEY GENERAL; [AND] RULES.

SECTION 11. Section 420.011(a), Government Code, is amended to read as follows:

(a) The attorney general may adopt rules necessary to implement this chapter. A proposed rule must be provided to grant recipients [~~programs receiving grants~~] at least 60 days before the date of adoption.

SECTION 12. Section 420.013(a), Government Code, is amended to read as follows:

(a) The comptroller shall deposit any money received under this subchapter and any money credited to the Sexual Assault Prevention and Crisis Services Program [~~program~~] by another law in the sexual assault prevention and crisis services fund.

SECTION 13. Sections 420.031(a), (b), and (c), Government Code, are amended to read as follows:

(a) The attorney general [~~service~~] shall develop and distribute to law enforcement agencies and proper medical personnel an evidence collection protocol that shall include collection procedures and a list of requirements for the contents of an evidence collection kit for use in the collection and preservation of evidence of a sexual assault or other sex offense. Medical or law enforcement personnel collecting evidence of a sexual assault or other sex offense shall use an attorney general-approved [~~a service-approved~~] evidence collection kit and protocol.

(b) An evidence collection kit must contain [~~the following items:~~

[~~(1)~~] items to collect and preserve evidence of a sexual assault or other sex offense[;] and

[~~(2)~~] other items [~~recommended by the Evidence Collection Protocol Advisory Committee of the attorney general and~~] determined necessary for the kit by the attorney general.

(c) In developing the evidence collection kit and protocol [~~procedures and requirements~~], the attorney general [~~service~~] shall consult with individuals and organizations having knowledge and experience in the issues of sexual assault and other sex offenses.

SECTION 14. Section 420.051, Government Code, is amended to read as follows:

Sec. 420.051. ADVOCATES FOR SURVIVORS OF SEXUAL ASSAULT. An individual may act as an advocate for survivors of sexual assault for the purposes of Article 56.045, Code of Criminal Procedure, if the individual has completed a sexual assault training program certified by the attorney general [~~department~~] and is an employee or volunteer of a sexual assault program[~~:~~

[~~(1) is employed by a sexual assault program; or~~

[~~(2) provides services through a sexual assault program as a volunteer under the supervision of an advocate~~].

SECTION 15. Section 420.073(b), Government Code, is amended to read as follows:

(b) A survivor or other person authorized to consent may withdraw consent to the release of information by submitting a written notice of withdrawal to the person or sexual assault program to which consent was provided. Withdrawal of consent does not affect information disclosed before the date written notice of the withdrawal was received.

SECTION 16. Section 420.0735(e), Government Code, is amended to read as follows:

(e) A survivor or other person authorized to consent may withdraw consent to the release of evidence by submitting a written notice of withdrawal to the person or sexual assault program to which consent was provided. Withdrawal of consent does not affect evidence disclosed before the date written notice of the withdrawal was received.

SECTION 17. Sections 420.003(2) and (3) and Sections 420.005(c) and (f), Government Code, are repealed.

SECTION 18. The changes in law made by this Act to Articles 56.39 and 56.61, Code of Criminal Procedure, apply only to criminally injurious conduct committed against a victim whose identity is established by a law enforcement agency on or after

January 1, 2009. Criminally injurious conduct committed against a victim whose identity is established by a law enforcement agency before January 1, 2009, is governed by the law in effect on the date the victim's identity was established, and the former law is continued in effect for that purpose.

SECTION 19. This Act takes effect September 1, 2013.

The amendment was read.

Senator Nelson moved to concur in the House amendment to **SB 745**.

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

SENATE BILL 1214 WITH HOUSE AMENDMENT

Senator Schwertner called **SB 1214** 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 1214** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to certain economic development programs administered by the Department of Agriculture.

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

SECTION 1. Section 12.027, Agriculture Code, is amended by amending Subsections (b) and (d) and adding Subsection (g) to read as follows:

(b) In administering the program, the department shall:

- (1) promote economic growth in rural areas;
- (2) identify potential opportunities for business in rural areas and assist rural communities in maximizing those opportunities;
- (3) work with rural communities to identify economic development needs and direct those communities to persons who can address and assist in meeting those needs;

(4) encourage communication between organizations, industries, and regions to improve economic and community development services to rural areas;

(5) coordinate meetings with public and private entities to distribute information beneficial to rural areas;

(6) enter into a memorandum of agreement to work cooperatively with the Texas ~~Department of~~ Economic Development and Tourism Office, the Texas A&M AgriLife ~~[Agricultural]~~ Extension Service, and other entities the department deems appropriate to further program objectives; and

(7) perform any other functions necessary to carry out the program.

(d) The department by rule may charge a membership fee to a ~~each~~ participant in the program.

(g) In addition to the department's authority under Subsection (a), the department may request, accept, and use any gift, grant, loan, donation, aid, appropriation, guaranty, allocation, subsidy, or contribution of any item of value to further an economic development program in this state.

SECTION 2. Chapter 12, Agriculture Code, is amended by adding Section 12.0272 to read as follows:

Sec. 12.0272. TEXAS ECONOMIC DEVELOPMENT FUND. (a) The Texas economic development fund is a fund in the state treasury. The fund consists of:

(1) all interest, income, revenue, and other assets associated with economic development programs established using money allocated and paid to the department under the August 15, 2011, allocation agreement between the department and the United States Department of the Treasury, as amended, to implement the State Small Business Credit Initiative Act of 2010 (12 U.S.C. Section 5701 et seq.);

(2) all money, deposits, distributions, dividends, earnings, gain, income, interest, proceeds, profits, program income, rents, returns of capital, returns on investments, royalties, revenue, or yields received or realized by the department as a result of an investment made by or on behalf of the department pursuant to the August 15, 2011, allocation agreement between the department and the United States Department of the Treasury, as amended;

(3) gifts, loans, donations, aid, appropriations, guaranties, allocations, subsidies, grants, or contributions received under Section 12.027(g);

(4) interest and income earned on the investment of money in the fund; and

(5) other money required by law to be deposited in the fund.

(b) Money in the Texas economic development fund may be appropriated only to the department for the purpose of administering, establishing, implementing, or maintaining an economic development program under this section and is dedicated to and may be used only for the administration, establishment, implementation, or maintenance of one or more of the department's economic development programs.

(c) The Texas economic development fund is exempt from Section 403.095, Government Code.

SECTION 3. Subsections (d) and (g), Section 12.040, Agriculture Code, are amended to read as follows:

(d) To be eligible to be a Texas certified retirement community, a community shall:

(1) through a board or panel that serves as the community's official program sponsor:

(A) complete a retiree desirability assessment, as developed by the department, to include facts regarding crime statistics, tax information, recreational opportunities, housing availability, and other appropriate factors, including criteria listed in Subsection (e); and

(B) work to gain the support of churches, clubs, businesses, media, and other entities, as necessary for the success of the program in the community;

(2) identify emergency medical services and a hospital within a 75-mile radius of the community; and

(3) submit to the department:

(A) a ~~an application~~ fee in an amount equal to the greater of:

(i) \$5,000; or

(ii) \$0.25 multiplied by the population of the community, as determined by the most recent census;

(B) a marketing plan detailing the mission as applied to the community, the target market, the competition, an analysis of the community's strengths, weaknesses, opportunities and dangers, and the strategies the community will employ to attain the goals of the program; and

(C) a long-term plan outlining the steps the community will undertake to maintain its desirability as a destination for retirees, including an outline of plans to correct any facility and service deficiencies identified in the retiree desirability assessment required by Subdivision (1)(A).

(g) If the department finds that a community successfully meets the requirements of a Texas certified retirement community, not later than the 90th day after the application is submitted and approved, the department shall provide ~~the following~~ assistance to the community as determined by department rule:

~~[(1) assistance in the training of local staff and volunteers;~~

~~[(2) ongoing oversight and guidance in marketing, plus updates on retirement trends;~~

~~[(3) inclusion in the state's national advertising and public relations campaigns and travel show promotions, including a prominent feature on the department's Internet website, to be coordinated with the Internet websites of other agencies, as appropriate;~~

~~[(4) eligibility for state financial assistance for brochures, support material, and advertising; and~~

~~[(5) an evaluation and progress assessment on maintaining and improving the community's desirability as a home for retirees].~~

SECTION 4. Subsection (a), Section 44.007, Agriculture Code, is amended to read as follows:

(a) The board shall establish an interest rate reduction program to foster the:

(1) creation and expansion of enterprises based on agriculture in this state;

or

(2) development or expansion of businesses in rural areas of this state.

SECTION 5. Section 58.022, Agriculture Code, is amended to read as follows:

Sec. 58.022. POWERS OF AUTHORITY. The authority has all powers necessary to accomplish the purposes and programs of the authority, including the power:

(1) to adopt and enforce bylaws, rules, and procedures and perform all functions necessary for the board to carry out this chapter;

(2) to sue and be sued, complain, and defend, in its own name;

(3) to adopt and use an official seal and alter it when considered advisable;

(4) to acquire, hold, invest, use, pledge, and dispose of its revenues, income, receipts, funds, and money from every source and to select one or more depositories, inside or outside the state, subject to this chapter, any resolution, bylaws, or in any indenture pursuant to which the funds are held;

(5) to establish, charge, and collect fees, charges, and penalties in connection with the programs, services, and activities provided by the authority in accordance with this chapter;

(6) to issue its bonds, to provide for and secure the payment of the bonds, and provide for the rights of the owners of the bonds, in the manner and to the extent permitted by this chapter, and to purchase, hold, cancel, or resell or otherwise dispose of its bonds, subject to any restrictions in any resolution authorizing the issuance of its bonds;

(7) to procure insurance and pay premiums on insurance of any type, in amounts, and from insurers as the board considers necessary and advisable to accomplish any of its purposes;

(8) to make, enter into, and enforce contracts, agreements, including management agreements, for the management of any of the authority's property, leases, indentures, mortgages, deeds of trust, security agreements, pledge agreements, credit agreements, and other instruments with any person, including any lender and any federal, state, or local governmental agency, and to take other actions as may accomplish any of its purposes;

(9) to own, rent, lease, or otherwise acquire, accept, or hold real, personal, or mixed property, or any interest in property in performing its duties and exercising its powers under this chapter, by purchase, exchange, gift, assignment, transfer, foreclosure, mortgage, sale, lease, or otherwise and to hold, manage, operate, or improve real, personal, or mixed property, wherever situated;

(10) to sell, lease, encumber, mortgage, exchange, donate, convey, or otherwise dispose of any or all of its properties or any interest in its properties, deed of trust or mortgage lien interest owned by it or under its control, custody, or in its possession, and release or relinquish any right, title, claim, lien, interest, easement, or demand however acquired, including any equity or right of redemption in property foreclosed by it, and to do any of the foregoing by public or private sale, with or without public bidding, notwithstanding any other law; and to lease or rent any improvements, lands, or facilities from any person to effect the purposes of this chapter;

(11) to request, accept, and use gifts, loans, donations, aid, appropriations, guaranties, allocations, subsidies, grants, or contributions of any item of value for the furtherance of any of its purposes;

(12) to make secured or unsecured loans for the purpose of providing temporary or permanent financing or refinancing for eligible agricultural businesses for the purposes authorized by this chapter, including the refunding of outstanding obligations, mortgages, or advances issued for those purposes, and charge and collect interest on those loans for such loan payments and on such terms and conditions as the board may consider advisable and not in conflict with this chapter;

(13) to secure the payment by the state or the authority on guarantees and to pay claims from money in the authority's funds pursuant to the loan guarantee and insurance programs implemented by the authority;

(14) to purchase or acquire, sell, discount, assign, negotiate, and otherwise dispose of notes, debentures, bonds, or other evidences of indebtedness of eligible agricultural businesses, whether unsecured or secured, as the board may determine, or portions or portfolios of or participations in those evidences of indebtedness, and sell and guarantee securities, whether taxable or tax exempt under federal law in primary and secondary markets in furtherance of any of the authority's purposes; and

(15) to exercise all powers given to a corporation under Chapter 22, Business Organizations Code [~~the Texas Non Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes)~~], to the extent not inconsistent with this chapter.

SECTION 6. Subsection (a), Section 58.053, Agriculture Code, is amended to read as follows:

(a) An eligible applicant's documentation shall include the following for the board's review:

(1) the plan, as submitted to the lender, for the applicant's proposed farm or ranch operation or agriculture-related business to be financed that includes a budget for the proposed operation;

(2) a completed application for a loan from a commercial lender on which an eligible applicant has indicated how the loan proceeds will be used to implement the applicant's plan; and

(3) the signed statement of a loan officer of the commercial lender that a loan guarantee is requested [~~required~~] for approval of the loan application.

SECTION 7. The heading to Section 502.404, Transportation Code, is amended to read as follows:

Sec. 502.404. VOLUNTARY ASSESSMENT FOR TEXAS AGRICULTURAL FINANCE AUTHORITY [~~YOUNG FARMER LOAN GUARANTEES~~].

SECTION 8. Subsection (f), Section 12.040, Agriculture Code, is repealed.

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 Schwertner moved to concur in the House amendment to **SB 1214**.

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

SENATE BILL 421 WITH HOUSE AMENDMENT

Senator Zaffirini called **SB 421** 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 421** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the Texas System of Care and the development of local mental health systems of care for certain children.

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

SECTION 1. The heading to Subchapter G-1, Chapter 531, Government Code, is amended to read as follows:

SUBCHAPTER G-1. DEVELOPING LOCAL MENTAL HEALTH [CARE]
SYSTEMS OF CARE FOR CERTAIN CHILDREN

SECTION 2. Section 531.251, Government Code, is amended to read as follows:

Sec. 531.251. TEXAS SYSTEM OF CARE [~~PILOT PROJECT~~]
CONSORTIUM[~~;~~ EXPANSION PLAN]. (a) The commission shall form a consortium to have responsibility [~~develop criteria~~] for and oversight over a state system of care [~~and implement the expansion of the Texas Integrated Funding Initiative pilot project and~~] to develop local mental health systems of care [~~systems~~] in communities for minors who are receiving residential mental health services or inpatient mental health hospitalization or who are at risk of being removed from the minor's home and placed in a more restrictive environment to receive mental health services, including an inpatient mental health hospital, a residential treatment facility, or a facility or program operated by the Department of Family and Protective Services or an agency that is part of the juvenile justice system [~~placement to receive mental health services~~].

(a-1) The consortium must include:

(1) representatives of the [~~Texas~~] Department of State [~~Mental~~] Health Services [~~and Mental Retardation~~], Department of Family and Protective [~~and Regulatory~~] Services, Health and Human Services Commission's Medicaid program, Texas Education Agency, [~~Texas Youth Commission,~~] Texas Juvenile Justice Department [~~Probation Commission~~], and Texas Correctional Office on Offenders with Medical or Mental Impairments;

(2) one youth or young adult who has a serious emotional disturbance and has received mental health services and supports; or

(3) a family member of a youth or young adult described by Subdivision (2) [~~Commission on Alcohol and Drug Abuse and an equal number of family advocates~~].

(a-2) The consortium may coordinate with the Children's Policy Council for the purposes of including the representation required by Subsections (a-1)(2) and (3).

(b) The commission and the consortium shall:

(1) maintain [~~develop~~] a comprehensive plan [~~model and guidelines~~] for the delivery of mental health services and supports [~~support~~] to a minor and a minor's family using a system of care framework [~~;~~ initiated before the person's 18th birthday], including best practices in the financing, administration, governance, and delivery of those services;

(2) implement strategies [~~establish a plan~~] to expand the use of system of care practices [~~Texas Integrated Funding Initiative so that the initiative may operate~~] in the planning and delivery of services throughout the state [~~up to six communities~~]; [~~and~~]

(3) identify appropriate local, [~~sources of~~] state, and federal funding sources to finance infrastructure and mental health services needed to support state and local system of care efforts; and

(4) develop an evaluation system to measure outcomes of state and local system of care efforts [~~under the initiative from a central fund for expansion communities~~].

(b-1) Not later than November 1 of each even-numbered year, the consortium shall submit a report to the legislature and the Council on Children and Families that contains an evaluation of the outcomes of the Texas System of Care and recommendations on strengthening state policies and practices that support local systems of care, including recommendations relating to:

(1) methods to increase access to effective and coordinated services and supports;

(2) methods to increase community capacity to implement local systems of care through training and technical assistance;

(3) use of cross-system performance and outcome data to make informed decisions at individual and system levels; and

(4) strategies to maximize public and private funding at the local, state, and federal levels.

SECTION 3. Section 531.255(a), Government Code, is amended to read as follows:

(a) The commission and the ~~[Texas]~~ Department of ~~State~~ ~~[Mental]~~ Health Services ~~[and Mental Retardation]~~ jointly shall monitor the progress of the ~~[expansion]~~ communities that implement a local system of care, including monitoring cost avoidance and the net savings that result from implementing a local system of care.

SECTION 4. Section 531.257, Government Code, is amended to read as follows:

Sec. 531.257. TECHNICAL ASSISTANCE FOR ~~[GRANT]~~ PROJECTS. The commission may provide technical assistance to a community that implements a local system of care [receives a grant under Section 531.256].

SECTION 5. Sections 531.252, 531.253, 531.254, 531.255(b), (c), and (d), 531.256, and 531.258, Government Code, are repealed.

SECTION 6. This Act takes effect September 1, 2013.

The amendment was read.

Senator Zaffirini moved to concur in the House amendment to **SB 421**.

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

SENATE BILL 1192 WITH HOUSE AMENDMENT

Senator Davis called **SB 1192** 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 1192** (house committee printing) as follows:

(1) On page 5, line 25, between "investigation" and "of", insert "or prosecution".

(2) On page 6, line 16, between "investigation" and "of", insert "or prosecution".

The amendment was read.

Senator Davis moved to concur in the House amendment to **SB 1192**.

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

SENATE BILL 393 WITH HOUSE AMENDMENTS

Senator West called **SB 393** 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 393** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the criminal procedures related to children who commit certain Class C misdemeanors.

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

SECTION 1. Article 42.15, Code of Criminal Procedure, is amended by amending Subsection (b) and adding Subsections (d), (e), and (f) to read as follows:

(b) Subject to Subsections ~~[Subsection]~~ (c) and (d), when imposing a fine and costs, a court may direct a defendant:

- (1) to pay the entire fine and costs when sentence is pronounced;
- (2) to pay the entire fine and costs at some later date; or
- (3) to pay a specified portion of the fine and costs at designated intervals.

(d) A judge may allow a defendant who is a child, as defined by Article 45.058(h), to elect at the time of conviction, as defined by Section 133.101, Local Government Code, to discharge the fine and costs by:

(1) performing community service or receiving tutoring under Article 45.0492, as added by Chapter 227 (H.B. 350), Acts of the 82nd Legislature, Regular Session, 2011; or

(2) paying the fine and costs in a manner described by Subsection (b).

(e) The election under Subsection (d) must be made in writing, signed by the defendant, and, if present, signed by the defendant's parent, guardian, or managing conservator. The court shall maintain the written election as a record of the court and provide a copy to the defendant.

(f) The requirement under Article 45.0492(a), as added by Chapter 227 (H.B. 350), Acts of the 82nd Legislature, Regular Session, 2011, that an offense occur in a building or on the grounds of the primary or secondary school at which the defendant was enrolled at the time of the offense does not apply to the performance of community service or the receipt of tutoring to discharge a fine or costs under Subsection (d)(1).

SECTION 2. Article 43.091, Code of Criminal Procedure, is amended to read as follows:

Art. 43.091. WAIVER OF PAYMENT OF FINES AND COSTS FOR INDIGENT DEFENDANTS AND CHILDREN. A court may waive payment of a fine or cost imposed on a defendant who defaults in payment if the court determines that:

(1) the defendant is indigent or was, at the time the offense was committed, a child as defined by Article 45.058(h); and

(2) each alternative method of discharging the fine or cost under Article 43.09 or 42.15 would impose an undue hardship on the defendant.

SECTION 3. Article 44.2811, Code of Criminal Procedure, is amended to read as follows:

Art. 44.2811. RECORDS RELATING TO CHILDREN CONVICTED OF OR RECEIVING DEFERRED DISPOSITION FOR FINE-ONLY MISDEMEANORS.

(a) This article applies only to a misdemeanor offense punishable by fine only, other than a traffic offense.

(b) All records and files and information stored by electronic means or otherwise, from which a record or file could be generated, relating to a child who is convicted of and has satisfied the judgment for or who has received a dismissal after deferral of disposition for an [a fine only misdemeanor] offense described by Subsection (a) [other than a traffic offense] are confidential and may not be disclosed to the public except as provided under Article 45.0217(b). [All records and files and information stored by electronic means or otherwise, from which a record or file could be generated, relating to a child whose conviction for a fine only misdemeanor other than a traffic offense is affirmed are confidential upon satisfaction of the judgment and may not be disclosed to the public except as provided under Article 45.0217(b).]

SECTION 4. Article 45.0217, Code of Criminal Procedure, is amended to read as follows:

Art. 45.0217. CONFIDENTIAL RECORDS RELATED TO THE CONVICTION OF OR DEFERRAL OF DISPOSITION FOR A CHILD. (a) This article applies only to a misdemeanor offense punishable by fine only, other than a traffic offense.

(a-1) Except as provided by Article 15.27 and Subsection (b), all records and files, including those held by law enforcement, and information stored by electronic means or otherwise, from which a record or file could be generated, relating to a child who is convicted of and has satisfied the judgment for or who has received a dismissal after deferral of disposition for an [a fine only misdemeanor] offense described by Subsection (a) [other than a traffic offense] are confidential and may not be disclosed to the public.

(b) Information subject to Subsection (a-1) ~~(a)~~ may be open to inspection only by:

- (1) judges or court staff;
- (2) a criminal justice agency for a criminal justice purpose, as those terms are defined by Section 411.082, Government Code;
- (3) the Department of Public Safety;
- (4) an attorney for a party to the proceeding;
- (5) the child defendant; or
- (6) the defendant's parent, guardian, or managing conservator.

SECTION 5. Article 45.041, Code of Criminal Procedure, is amended by amending Subsection (b) and adding Subsections (b-3), (b-4), and (b-5) to read as follows:

(b) Subject to Subsections ~~Subsection~~ (b-2) and (b-3), the justice or judge may direct the defendant:

- (1) to pay:

- (A) the entire fine and costs when sentence is pronounced;
 - (B) the entire fine and costs at some later date; or
 - (C) a specified portion of the fine and costs at designated intervals;
- (2) if applicable, to make restitution to any victim of the offense; and
 - (3) to satisfy any other sanction authorized by law.

(b-3) A judge may allow a defendant who is a child, as defined by Article 45.058(h), to elect at the time of conviction, as defined by Section 133.101, Local Government Code, to discharge the fine and costs by:

(1) performing community service or receiving tutoring under Article 45.0492, as added by Chapter 227 (H.B. 350), Acts of the 82nd Legislature, Regular Session, 2011; or

(2) paying the fine and costs in a manner described by Subsection (b).

(b-4) The election under Subsection (b-3) must be made in writing, signed by the defendant, and, if present, signed by the defendant's parent, guardian, or managing conservator. The court shall maintain the written election as a record of the court and provide a copy to the defendant.

(b-5) The requirement under Article 45.0492(a), as added by Chapter 227 (H.B. 350), Acts of the 82nd Legislature, Regular Session, 2011, that an offense occur in a building or on the grounds of the primary or secondary school at which the defendant was enrolled at the time of the offense does not apply to the performance of community service or the receipt of tutoring to discharge a fine or costs under Subsection (b-3)(1).

SECTION 6. Article 45.0491, Code of Criminal Procedure, is amended to read as follows:

Art. 45.0491. WAIVER OF PAYMENT OF FINES AND COSTS FOR INDIGENT DEFENDANTS AND CHILDREN. A municipal court, regardless of whether the court is a court of record, or a justice court may waive payment of a fine or costs imposed on a defendant who defaults in payment if the court determines that:

(1) the defendant is indigent or was, at the time the offense was committed, a child as defined by Article 45.058(h); and

(2) discharging the fine and costs under Article 45.049 or as otherwise authorized by this chapter would impose an undue hardship on the defendant.

SECTION 7. Articles 45.056(a) and (c), Code of Criminal Procedure, are amended to read as follows:

(a) On approval of the commissioners court, city council, school district board of trustees, juvenile board, or other appropriate authority, a county court, justice court, municipal court, school district, juvenile probation department, or other appropriate governmental entity may:

(1) employ a case manager to provide services in cases involving juvenile offenders who are before a court consistent with the court's statutory powers or referred to a court by a school administrator or designee for misconduct that would otherwise be within the court's statutory powers prior to a case being filed, with the consent of the juvenile and the juvenile's parents or guardians; or

(2) agree in accordance with Chapter 791, Government Code, to jointly employ a case manager.

(c) A county or justice court on approval of the commissioners court or a municipality or municipal court on approval of the city council may employ one or more juvenile case managers who:

(1) shall [to] assist the court in administering the court's juvenile docket and in supervising its court orders in juvenile cases; and

(2) may provide:

(A) prevention services to a child considered at-risk of entering the juvenile justice system; and

(B) intervention services to juveniles engaged in misconduct prior to cases being filed, excluding traffic offenses.

SECTION 8. Section 25.0915, Education Code, is amended by adding Subsection (c) to read as follows:

(c) A court shall dismiss a complaint or referral made by a school district under this section that is not made in compliance with Subsection (b).

SECTION 9. Section 37.081(b), Education Code, is amended to read as follows:

(b) In a peace officer's jurisdiction, a peace officer commissioned under this section:

(1) has the powers, privileges, and immunities of peace officers;

(2) may enforce all laws, including municipal ordinances, county ordinances, and state laws; ~~and~~

(3) may, in accordance with Chapter 52, Family Code, take a juvenile into custody; and

(4) may dispose of cases in accordance with Section 52.03 or 52.031, Family Code.

SECTION 10. Section 37.124(d), Education Code, is amended to read as follows:

(d) It is an exception to the application of Subsection (a) that, at the time the person engaged in conduct prohibited under that subsection, the person was younger than 12 years of age ~~[a student in the sixth grade or a lower grade level]~~.

SECTION 11. Section 37.126(c), Education Code, is amended to read as follows:

(c) It is an exception to the application of Subsection (a)(1) that, at the time the person engaged in conduct prohibited under that subdivision, the person was younger than 12 years of age ~~[a student in the sixth grade or a lower grade level]~~.

SECTION 12. Chapter 37, Education Code, is amended by adding Subchapter E-1 to read as follows:

SUBCHAPTER E-1. CRIMINAL PROCEDURE

Sec. 37.141. DEFINITIONS. In this subchapter:

(1) "Child" has the meaning assigned by Article 45.058(h), Code of Criminal Procedure, except that the person must also be a student.

(2) "School offense" means an offense committed by a child enrolled in a public school that is a Class C misdemeanor other than a traffic offense and that is committed on property under the control and jurisdiction of a school district.

Sec. 37.142. CONFLICT OF LAW. To the extent of any conflict, this subchapter controls over any other law applied to a school offense alleged to have been committed by a child.

Sec. 37.143. CITATION PROHIBITED; CUSTODY OF CHILD. (a) A peace officer may not issue a citation to a child who is alleged to have committed a school offense.

(b) This subchapter does not prohibit a child from being taken into custody under Section 52.01, Family Code.

Sec. 37.144. GRADUATED SANCTIONS FOR CERTAIN SCHOOL OFFENSES. (a) A school district that commissions peace officers under Section 37.081 shall develop a system of graduated sanctions that must be imposed on a child before a complaint is filed under Section 37.145 against the child for a school offense that is an offense under Section 37.124 or 37.126 or under Section 42.01(a)(1), (2), (3), (4), (5), or (6), Penal Code. A system adopted under this section must include multiple graduated sanctions. The system must require:

(1) a warning letter to be issued to the child and the child's parent or guardian that specifically states the child's alleged school offense and explains the consequences if the child engages in additional misconduct;

(2) a behavior contract with the child that must be signed by the child, the child's parent or guardian, and an employee of the school and that includes a specific description of the behavior that is required or prohibited for the child and the penalties for additional alleged school offenses, including additional disciplinary action or the filing of a complaint in a criminal court;

(3) the performance of school-based community service by the child; and

(4) the referral of the child to counseling, community-based services, or other in-school or out-of-school services aimed at addressing the child's behavioral problems.

(b) A referral made under Subsection (a)(4) may include participation by the child's parent or guardian if necessary.

Sec. 37.145. COMPLAINT. If a child fails to comply with or complete graduated sanctions under Section 37.144, the school may file a complaint against the child with a criminal court in accordance with Section 37.146.

Sec. 37.146. REQUISITES OF COMPLAINT. (a) A complaint alleging the commission of a school offense must, in addition to the requirements imposed by Article 45.019, Code of Criminal Procedure:

(1) be sworn to by a person who has personal knowledge of the underlying facts giving rise to probable cause to believe that an offense has been committed; and

(2) be accompanied by a statement from a school employee stating:

(A) whether the child is eligible for or receives special services under Subchapter A, Chapter 29; and

(B) the graduated sanctions, if required under Section 37.144, that were imposed on the child before the complaint was filed.

(b) After a complaint has been filed under this subchapter, a summons may be issued under Articles 23.04 and 45.057(e), Code of Criminal Procedure.

Sec. 37.147. PROSECUTING ATTORNEYS. An attorney representing the state in a court with jurisdiction may adopt rules pertaining to the filing of a complaint under this subchapter that the state considers necessary in order to:

(1) determine whether there is probable cause to believe that the child committed the alleged offense;

(2) review the circumstances and allegations in the complaint for legal sufficiency; and

(3) see that justice is done.

SECTION 13. Section 51.08, Family Code, is amended by adding Subsection (f) to read as follows:

(f) A court shall waive original jurisdiction for a complaint against a child alleging a violation of a misdemeanor offense punishable by fine only, other than a traffic offense, and refer the child to juvenile court if the court or another court has previously dismissed a complaint against the child under Section 8.08, Penal Code.

SECTION 14. The heading to Chapter 52, Family Code, is amended to read as follows:

CHAPTER 52. PROCEEDINGS BEFORE AND INCLUDING REFERRAL TO
[JUVENILE] COURT

SECTION 15. Section 52.03(a), Family Code, is amended to read as follows:

(a) A law-enforcement officer authorized by this title to take a child into custody may dispose of the case of a child taken into custody or accused of a Class C misdemeanor, other than a traffic offense, without referral to juvenile court or charging a child in a court of competent criminal jurisdiction, if:

(1) guidelines for such disposition have been adopted by the juvenile board of the county in which the disposition is made as required by Section 52.032;

(2) the disposition is authorized by the guidelines; and

(3) the officer makes a written report of the officer's disposition to the law-enforcement agency, identifying the child and specifying the grounds for believing that the taking into custody or accusation of criminal conduct was authorized.

SECTION 16. Sections 52.031(a), (d), (f), (i), and (j), Family Code, are amended to read as follows:

(a) A juvenile board may establish a first offender program under this section for the referral and disposition of children taken into custody, or accused prior to the filing of a criminal charge, of [for]:

(1) conduct indicating a need for supervision; [or]

(2) a Class C misdemeanor, other than a traffic offense; or

(3) delinquent conduct other than conduct that constitutes:

(A) a felony of the first, second, or third degree, an aggravated controlled substance felony, or a capital felony; or

(B) a state jail felony or misdemeanor involving violence to a person or the use or possession of a firearm, illegal knife, or club, as those terms are defined by Section 46.01, Penal Code, or a prohibited weapon, as described by Section 46.05, Penal Code.

(d) A law enforcement officer taking a child into custody or accusing a child of an offense described in Subsection (a)(2) may refer the child to the law enforcement officer or agency designated under Subsection (b) for disposition under the first offender program and not refer the child to juvenile court or a court of competent criminal jurisdiction only if:

(1) the child has not previously been adjudicated as having engaged in delinquent conduct;

(2) the referral complies with guidelines for disposition under Subsection (c); and

(3) the officer reports in writing the referral to the agency, identifying the child and specifying the grounds for taking the child into custody or accusing a child of an offense described in Subsection (a)(2).

(f) The parent, guardian, or other custodian of the child must receive notice that the child has been referred for disposition under the first offender program. The notice must:

(1) state the grounds for taking the child into custody or accusing a child of an offense described in Subsection (a)(2);

(2) identify the law enforcement officer or agency to which the child was referred;

(3) briefly describe the nature of the program; and

(4) state that the child's failure to complete the program will result in the child being referred to the juvenile court or a court of competent criminal jurisdiction.

(i) The case of a child who successfully completes the first offender program is closed and may not be referred to juvenile court or a court of competent criminal jurisdiction, unless the child is taken into custody under circumstances described by Subsection (j)(3).

(j) The case of a child referred for disposition under the first offender program shall be referred to juvenile court or a court of competent criminal jurisdiction if:

(1) the child fails to complete the program;

(2) the child or the parent, guardian, or other custodian of the child terminates the child's participation in the program before the child completes it; or

(3) the child completes the program but is taken into custody under Section 52.01 before the 90th day after the date the child completes the program for conduct other than the conduct for which the child was referred to the first offender program.

SECTION 17. Section 8.07, Penal Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) Notwithstanding Subsection (a), a person may not be prosecuted for or convicted of an offense described by Subsection (a)(4) or (5) that the person committed when younger than 10 years of age.

(e) A person who is at least 10 years of age but younger than 15 years of age is presumed incapable of committing an offense described by Subsection (a)(4) or (5), other than an offense under a juvenile curfew ordinance or order. This presumption may be refuted if the prosecution proves to the court by a preponderance of the evidence that the actor had sufficient capacity to understand that the conduct engaged in was wrong at the time the conduct was engaged in. The prosecution is not required to prove that the actor at the time of engaging in the conduct knew that the act was a criminal offense or knew the legal consequences of the offense.

SECTION 18. Chapter 8, Penal Code, is amended by adding Section 8.08 to read as follows:

Sec. 8.08. CHILD WITH MENTAL ILLNESS, DISABILITY, OR LACK OF CAPACITY. (a) On motion by the state, the defendant, or a person standing in parental relation to the defendant, or on the court's own motion, a court with

jurisdiction of an offense described by Section 8.07(a)(4) or (5) shall determine whether probable cause exists to believe that a child, including a child with a mental illness or developmental disability:

(1) lacks the capacity to understand the proceedings in criminal court or to assist in the child's own defense and is unfit to proceed; or

(2) lacks substantial capacity either to appreciate the wrongfulness of the child's own conduct or to conform the child's conduct to the requirement of the law.

(b) If the court determines that probable cause exists for a finding under Subsection (a), after providing notice to the state, the court may dismiss the complaint.

(c) A dismissal of a complaint under Subsection (b) may be appealed as provided by Article 44.01, Code of Criminal Procedure.

(d) In this section, "child" has the meaning assigned by Article 45.058(h), Code of Criminal Procedure.

SECTION 19. Section 42.01(f), Penal Code, is amended to read as follows:

(f) Subsections (a)(1), (2), (3), (5), and (6) do not apply to a person who, at the time the person engaged in conduct prohibited under the applicable subdivision, was a student younger than 12 years of age [~~in the sixth grade or a lower grade level~~], and the prohibited conduct occurred at a public school campus during regular school hours.

SECTION 20. Except as provided by Sections 21 and 22 of this Act, the changes in law made by this Act apply 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.

SECTION 21. (a) Articles 42.15 and 45.041, Code of Criminal Procedure, as amended by this Act, apply only to a sentencing proceeding that commences on or after the effective date of this Act.

(b) Articles 43.091 and 45.0491, Code of Criminal Procedure, as amended by this Act, apply to a sentencing proceeding that commences before, on, or after the effective date of this Act.

SECTION 22. Articles 44.2811 and 45.0217, Code of Criminal Procedure, as amended by this Act, apply to the disclosure of a record or file on or after the effective date of this Act regardless of whether the offense that is the subject of the record or file was committed before, on, or after the effective date of this Act.

SECTION 23. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 393** (house committee report) as follows:

(1) On page 9, line 8, strike "shall" and substitute "may".

(2) On page 9, line 9, strike "must" and substitute "the school district may require to".

(3) On page 9, line 12, strike "(5), or (6)" and substitute "or (5)".

(4) On page 9, line 14, strike "must" and substitute "may".

(5) On page 10, line 7, between "37.144" and the comma, insert ", or if the school district has not elected to adopt a system of graduated sanctions under that section".

The amendments were read.

Senator West moved to concur in the House amendments to **SB 393**.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Watson.

SENATE BILL 1390 WITH HOUSE AMENDMENTS

Senator Davis called **SB 1390** 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 1390** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to an audit by the state auditor of the Texas Enterprise Fund.

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

SECTION 1. (a) The state auditor shall conduct an audit of the Texas Enterprise Fund established under Section 481.078, Government Code. The state auditor may establish the scope of the audit and objectives for the audit that are consistent with generally accepted government auditing standards and with other audits conducted by the state auditor under Chapter 321, Government Code.

(b) The audit may determine whether money from the fund is:

(1) disbursed in compliance with the requirements of the Government Code and other relevant laws or standards;

(2) monitored to determine whether the persons or entities awarded money from the fund comply with the terms of any applicable agreements and with the requirements of the Government Code and other relevant laws or standards; and

(3) maintained in a manner that provides adequate financial control systems to ensure accountability for the proper use of the disbursed money.

(c) To the extent practicable, the state auditor may assess the efficiency and effectiveness of the Texas Enterprise Fund.

(d) The state auditor shall prepare a report of the audit conducted under this section. Not later than January 1, 2015, the state auditor shall file 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. The report may include:

(1) details on the grant approval process;

(2) details on the compliance of past and present grant recipients with the terms of applicable agreements and with the requirements of the Government Code and other relevant laws or standards;

(3) a synopsis of grant agreements that have been amended to reduce the job creation goals established in the original agreement or to extend the time allotted to achieve job creation goals; and

(4) an itemization of grant money returned to this state, including a summary of the reasons the money was returned.

SECTION 2. This Act expires September 1, 2015.

SECTION 3. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 1390** (house committee printing) by striking page 1, lines 12-23, and substituting the following:

(b) The audit may determine whether money from the fund is:

(1) disbursed in compliance with the requirements of Section 481.078, Government Code, and other relevant laws or standards; and

(2) monitored to determine whether the persons or entities awarded money from the fund comply with the terms of any applicable agreements and with the requirements of Section 481.078, Government Code, and other relevant laws or standards.

(c) Consistent with generally accepted government auditing standards and with other audits conducted by the state auditor under Chapter 321, Government Code, the state auditor may assess the efficiency and effectiveness of the Texas Enterprise Fund.

The amendments were read.

Senator Davis moved to concur in the House amendments to **SB 1390**.

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, Patrick, Paxton, Rodriguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Hancock, Nichols, Schwertner.

SENATE BILL 1086 WITH HOUSE AMENDMENT

Senator Campbell called **SB 1086** 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 1086** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of certain water and sewage utilities to ensure public safety in and around certain municipalities.

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

SECTION 1. Section 341.0358(a), Health and Safety Code, is amended by amending Subdivision (1) and adding Subdivision (1-a) to read as follows:

(1) "Industrial district" has the meaning assigned by Section 42.044, Local Government Code, and includes an area that is designated by the governing body of a municipality as a zoned industrial area.

(1-a) "Public utility" has the meaning assigned by Section 13.002, Water Code.

SECTION 2. Section 341.0358(g), Health and Safety Code, is amended to read as follows:

(g) This section also applies to:

(1) a municipality with a population of more than 36,000 and less than 41,000 located in two counties, one of which is a county with a population of more than 1.8 million;

(2) a municipality, including any industrial district within the municipality or its extraterritorial jurisdiction, with a population of more than 7,000 and less than 30,000 located in a county with a population of more than 155,000 and less than 180,000; and

(3) a municipality, including any industrial district within the municipality or its extraterritorial jurisdiction, with a population of more than 11,000 and less than 18,000 located in a county with a population of more than 125,000 and less than 230,000.

SECTION 3. Subchapter C, Chapter 341, Health and Safety Code, is amended by adding Section 341.03585 to read as follows:

Sec. 341.03585. FIRE HYDRANT FLOW AND PRESSURE STANDARDS IN CERTAIN MUNICIPALITIES. (a) In this section:

(1) "Industrial district" has the meaning assigned by Section 42.044, Local Government Code, and includes an area that is designated by the governing body of a municipality as a zoned industrial area.

(2) "Municipal utility" means a retail public utility, as defined by Section 13.002, Water Code, that is owned by a municipality.

(3) "Residential area" has the meaning assigned by Section 341.0358.

(4) "Utility" includes a "public utility" and "water supply or sewer service corporation" as defined by Section 13.002, Water Code.

(b) This section applies only to:

(1) a municipality, including any industrial district within the municipality or its extraterritorial jurisdiction, with a population of more than 7,000 and less than 30,000 located in a county with a population of more than 155,000 and less than 180,000; and

(2) a municipality, including any industrial district within the municipality or its extraterritorial jurisdiction, with a population of more than 11,000 and less than 18,000 located in a county with a population of more than 125,000 and less than 230,000.

(c) The governing body of a municipality by ordinance shall adopt standards requiring a utility to maintain a sufficient water flow and pressure to fire hydrants in a residential area or an industrial district located in the municipality or the municipality's extraterritorial jurisdiction. The standards:

(1) in addition to a utility's maximum daily demand, must provide, for purposes of emergency fire suppression, for:

(A) a sufficient water flow not in excess of 250 gallons per minute for at least two hours; and

(B) a sufficient water pressure not in excess of 20 pounds per square inch;

(2) must require a utility to maintain at least the sufficient water flow and pressure described by Subdivision (1) in fire hydrants in a residential area or an industrial district located within the municipality or the municipality's extraterritorial jurisdiction; and

(3) notwithstanding Subdivisions (1) and (2), if the municipality owns a municipal utility, may not require another utility located in the municipality or the municipality's extraterritorial jurisdiction to provide water flow and pressure in a fire hydrant greater than that provided by the municipal utility.

(d) Except as provided by this subsection, an ordinance under Subsection (c) may not require a utility to build, retrofit, or improve fire hydrants and related infrastructure in existence at the time the ordinance is adopted. An ordinance under Subsection (c) may apply to a utility's fire hydrants and related infrastructure that the utility:

(1) installs after the effective date of the ordinance; or

(2) acquires after the effective date of the ordinance if the hydrants and infrastructure comply with the standards adopted by the ordinance at the time the hydrants and infrastructure are acquired.

(e) After adoption of an ordinance under Subsection (c), the municipality shall encourage any responsible emergency services district, as described by Chapter 775, to enter into a written memorandum of understanding with the utility to provide for:

(1) the necessary testing of fire hydrants; and

(2) other relevant issues pertaining to the use of the water and maintenance of the fire hydrants to ensure compliance with this section.

(f) After adoption of an ordinance under Subsection (c), the utility shall paint all fire hydrants in accordance with the ordinance or a memorandum of understanding under Subsection (e) that are located in a residential area or an industrial district within the municipality or the municipality's extraterritorial jurisdiction.

(g) Notwithstanding any provision of Chapter 101, Civil Practice and Remedies Code, to the contrary, a utility is not liable for a hydrant's or metal flush valve's inability to provide adequate water supply in a fire emergency. This subsection does not waive a municipality's immunity under Subchapter I, Chapter 271, Local Government Code, or any other law and does not create any liability on the part of a municipality or utility under a joint enterprise theory of liability.

SECTION 4. This Act takes effect September 1, 2013.

The amendment was read.

Senator Campbell moved to concur in the House amendment to **SB 1086**.

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

SENATE BILL 146 WITH HOUSE AMENDMENT

Senator Williams called **SB 146** 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 on Third Reading

Amend **SB 146** (house committee report) as follows:

(1) On page 2, line 4, following the underlined period, insert "The institution shall notify a student who is the subject of the criminal history record information of any use of the information to deny the student the opportunity to reside in on-campus housing at the institution."

(2) On page 2, line 13, between "Subsection (b)" and "shall be destroyed", insert ", including any copy of the content of that information held by the institution,".

The amendment was read.

Senator Williams moved to concur in the House amendment to **SB 146**.

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

SENATE BILL 839 WITH HOUSE AMENDMENT

Senator Hancock called **SB 839** 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 839** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the provision of insurance coverage for certain portable electronic devices.

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

SECTION 1. Chapter 551, Insurance Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. PORTABLE ELECTRONICS INSURANCE

Sec. 551.201. DEFINITIONS. In this subchapter, "customer," "portable electronic devices," and "vendor" have the meanings assigned by Section 4055.251.

Sec. 551.202. REQUIRED NOTICE OF TERMINATION OR CHANGE TO POLICY. (a) Except as otherwise provided by this subchapter, an insurer may terminate or change the terms and conditions of a policy of portable electronics insurance only after notice to the master or group policyholder and each enrolled customer. Notice under this section must be provided not later than the 30th day before the date of the termination or change.

(b) If the insurer changes the terms and conditions of the policy, the insurer shall:

(1) provide to the master or group policyholder a revised policy or endorsement; and

(2) provide to each enrolled customer:

(A) a revised certificate, revised endorsement, updated brochure, or other document indicating that a change in the terms and conditions has occurred;

(B) a summary of the material changes; and

(C) a disclosure, in a font that is capitalized, boldfaced, italicized, or underlined or is larger than or set off from the remainder of the document, that enrollment in coverage is optional and that provides information on how to discontinue enrollment.

Sec. 551.203. TERMINATION FOR FRAUD OR MISREPRESENTATION.

(a) An insurer may terminate the coverage of an enrolled customer under a portable electronics insurance policy for fraud or material misrepresentation in obtaining coverage or in the presentation of a claim under the coverage.

(b) Termination of coverage under this section may not be effective before the 15th day after the date the insurer provides the customer notice of the termination.

Sec. 551.204. TERMINATION WITHOUT NOTICE. (a) An insurer may terminate the coverage of an enrolled customer under a portable electronics insurance policy without notice:

(1) for nonpayment of premium;

(2) if the enrolled customer ceases to have an active service with the vendor of portable electronics; or

(3) if the enrolled customer exhausts the aggregate limit of liability, if any, under the terms of the portable electronics insurance policy.

(b) If a portable electronics insurance policy is terminated under Subsection (a)(3), the insurer must send notice of termination to the enrolled customer not later than the 30th day after the date of exhaustion of the limit. If the notice is not timely sent, the insurer shall continue the customer's coverage, and the aggregate limit of liability is waived, until the insurer sends the notice of termination to the enrolled customer.

Sec. 551.205. TERMINATION BY POLICYHOLDER. A master or group policyholder who terminates a portable electronics insurance policy shall provide notice to each enrolled customer advising the enrolled customer of the termination of the policy and the effective date of termination. The notice must be provided to the enrolled customer not later than the 30th day before the date the termination becomes effective.

Sec. 551.206. FORM OF NOTICE OR CORRESPONDENCE. (a) A notice required by this subchapter, or another notice or correspondence with respect to a portable electronics insurance policy that is required by law, must be:

(1) in writing; and

(2) sent within the notice period, if any, specified by the statute or rule requiring the notice or correspondence.

(b) Notwithstanding any other law, the notice or correspondence may be sent by mail or by electronic means.

(c) If the notice or correspondence is mailed:

(1) it must be sent to the master or group policyholder at the policyholder's mailing address specified for this purpose and to each affected enrolled customer's last known mailing address on file with the insurer; and

(2) the insurer or master or group policyholder shall maintain proof of mailing in a form authorized or accepted by the United States Postal Service or other commercial mail delivery service.

(d) If the notice or correspondence is sent by electronic means:

(1) it must be sent to the master or group policyholder at the policyholder's e-mail address specified for this purpose and to each affected enrolled customer's last known e-mail address as provided by the customer to the insurer or master or group policyholder; and

(2) the insurer or master or group policyholder shall maintain proof that the notice or correspondence was sent.

(e) For purposes of Subsection (d), an enrolled customer's provision of an e-mail address to the insurer or master or group policyholder is considered consent to receive notices and correspondence by electronic means.

(f) A notice or correspondence described by this section may be sent on behalf of an insurer or master or group policyholder by a licensed agent or agency appointed by the insurer.

SECTION 2. Section 4055.253, Insurance Code, is amended to read as follows:

Sec. 4055.253. **AUTHORITY OF VENDOR OF PORTABLE ELECTRONIC DEVICES.** (a) A vendor licensed under this subchapter and the vendor's employee and authorized representative may act as an agent for an authorized insurer in connection with the sale and use of portable electronic devices and related services only with respect to:

(1) insurance coverage provided to customers that covers portable electronic devices against one or more of the following:

- (A) loss;
- (B) theft;
- (C) mechanical failure;
- (D) malfunction;
- (E) damage; or
- (F) other applicable perils; or

(2) the provision of any other coverage the commissioner approves as meaningful and appropriate in connection with the use of portable electronic devices or related services.

(b) A vendor licensed under this subchapter may bill a customer for, and collect from a customer payment for, insurance coverage provided to the customer under this subchapter.

(c) An insurer issuing a policy to a licensed vendor is considered to have received a premium from a vendor's customer enrolled in coverage on the customer's payment of the premium to the vendor.

SECTION 3. Subchapter F, Chapter 4055, Insurance Code, is amended by adding Section 4055.256 to read as follows:

Sec. 4055.256. **REQUIRED DISCLOSURES.** (a) A licensed vendor must separately itemize on a customer's bill any charge to the customer for insurance coverage provided under this subchapter that is not included in the cost associated with the purchase or lease of the covered portable electronic device or related services.

(b) If insurance coverage provided under this subchapter is included in the cost associated with the purchase or lease of a covered portable electronic device or related services, a licensed vendor shall, at the time of the purchase or lease, clearly and conspicuously disclose the inclusion of that coverage to the customer.

SECTION 4. This Act takes effect September 1, 2013.

The amendment was read.

Senator Hancock moved to concur in the House amendment to **SB 839**.

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

SENATE BILL 124 WITH HOUSE AMENDMENT

Senator Rodríguez called **SB 124** 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 124** (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 39.03(d), Penal Code, is amended to read as follows:

(d) An offense under this section is a Class A misdemeanor, except that an offense is a felony of the third degree if the public servant acted with the intent to impair the accuracy of data reported to the Texas Education Agency through the Public Education Information Management System (PEIMS) described by Section 42.006, Education Code, under a law requiring that reporting.

The amendment was read.

Senator Rodríguez moved to concur in the House amendment to **SB 124**.

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

(Senator Eltife in Chair)

SENATE BILL 652 WITH HOUSE AMENDMENT

Senator Van de Putte called **SB 652** 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 652** (house committee printing) as follows:

(1) On page 1, line 24, strike "Section 109.63" and substitute "Sections 109.63 and 109.64".

(2) On page 2, between lines 12 and 13, insert the following:

Sec. 109.64. BULK PURCHASE BY HOLDER OF INDUSTRIAL PERMIT. Section 102.32 applies to the bulk purchase of liquor by the holder of an industrial permit from the holder of a wholesaler's permit.

The amendment was read.

Senator Van de Putte moved to concur in the House amendment to **SB 652**.

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

SENATE BILL 59 WITH HOUSE AMENDMENTS

Senator Nelson called **SB 59** 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 59** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to required reports and other documents prepared by state agencies and institutions of higher education.

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

SECTION 1. Section 15.006, Agriculture Code, is amended to read as follows:

Sec. 15.006. BIENNIAL [~~ANNUAL~~] REPORT. The department [~~and the Texas Department of Health~~] shall [~~jointly~~] prepare a biennial [~~an annual~~] report concerning the special nutrition program and submit a copy of the report to the governor, lieutenant governor, and speaker of the house of representatives. The report must include information on the condition of the program, persons served, amount of food coupons redeemed, and funds received and expended.

SECTION 2. Section 102.167(e), Agriculture Code, is amended to read as follows:

(e) Not later than December 1 [~~the 30th day~~] before the first day of each regular session of the legislature, the department shall submit to the governor a full report of transactions under this subchapter during the preceding biennium. The report must include a complete statement of receipts and expenditures under this subchapter during the biennium.

SECTION 3. Section 201.028, Agriculture Code, is amended to read as follows:

Sec. 201.028. ANNUAL [~~SEMIANNUAL~~] REPORT. Not later than January 1 [~~and July 1~~] of each year, the state board shall prepare and deliver to the governor, the lieutenant governor, and the speaker of the house of representatives a report relating to the status of the budget areas of responsibility assigned to the board, including outreach programs, grants made and received, federal funding applied for and received, special projects, and oversight of water conservation district activities.

SECTION 4. Article 59.11, Code of Criminal Procedure, is amended to read as follows:

Art. 59.11. REPORT OF SEIZED AND FORFEITED AIRCRAFT. Not later than the 10th day after the last day of each quarter of the fiscal year, the Department of Public Safety shall report to the Texas Department of Transportation [~~State Aircraft Pooling Board~~]:

(1) a description of each aircraft that the Department of Public Safety [~~department~~] has received by forfeiture under this chapter during the preceding quarter and the purposes for which the Department of Public Safety [~~department~~] intends to use the aircraft; and

(2) a description of each aircraft the Department of Public Safety [~~department~~] knows to have been seized under this chapter during the preceding quarter and the purposes for which the Department of Public Safety [~~department~~] would use the aircraft if it were forfeited to the Department of Public Safety [~~department~~].

SECTION 5. Article 60.02(j), Code of Criminal Procedure, is amended to read as follows:

(j) At least once during each five-year period the council shall coordinate an examination of the records and operations of the criminal justice information system to ensure the accuracy and completeness of information in the system and to ensure the promptness of information reporting. The state auditor, or other appropriate entity selected by the council, shall conduct the examination with the cooperation of the council, the Department of Public Safety, and the Texas Department of Criminal Justice. The Department of Public Safety, the council, and the Texas Department of Criminal Justice may examine the records of the agencies required to report information to the Department of Public Safety or the Texas Department of Criminal Justice. The examining entity shall submit to the legislature and the council a report that summarizes the findings of each examination and contains recommendations for improving the system. Not later than the first anniversary after the date the examining entity submits its report, the Department of Public Safety shall report to the Legislative Budget Board, the governor, [~~the state auditor,~~] and the council on the department's progress in implementing the examining entity's recommendations, including for each recommendation not implemented the reason for not implementing the recommendation. The Department of Public Safety shall submit a similar report each year following the submission of the first report until each of the examining entity's recommendations is implemented.

SECTION 6. Section 32.157(a), Education Code, is amended to read as follows:

(a) After the expiration of the project, the agency may review the project based on the annual reports the agency receives from the board of trustees of participating school districts. The agency may include the review of the project in the comprehensive biennial [~~annual~~] report required under Section 39.332 that includes [~~covers~~] the 2012-2013 school year.

SECTION 7. Section 39.027(e), Education Code, is amended to read as follows:

(e) The commissioner shall develop an assessment system that shall be used for evaluating the academic progress, including reading proficiency in English, of all students of limited English proficiency, as defined by Section 29.052. A student who is exempt from the administration of an assessment instrument under Subsection (a)(1) or (2) who achieves reading proficiency in English as determined by the assessment system developed under this subsection shall be administered the assessment instruments described by Sections 39.023(a) and (c). The performance under the assessment system developed under this subsection of students to whom Subsection (a)(1) or (2) applies shall be included in the indicator systems under Section 39.301, as applicable, the performance report under Section 39.306, and the comprehensive biennial [~~annual~~] report under Section 39.332. This information shall be provided in a manner that is disaggregated by the bilingual education or special language program, if any, in which the student is enrolled.

SECTION 8. The heading to Section 39.332, Education Code, is amended to read as follows:

Sec. 39.332. COMPREHENSIVE BIENNIAL [~~ANNUAL~~] REPORT.

SECTION 9. Section 39.332(a), Education Code, is amended to read as follows:

(a) Not later than December 1 of each even-numbered year, the agency shall prepare and deliver to the governor, the lieutenant governor, the speaker of the house of representatives, each member of the legislature, the Legislative Budget Board, and the clerks of the standing committees of the senate and house of representatives with primary jurisdiction over the public school system a comprehensive report covering the two preceding school years [~~year~~] and containing the information described by Subsection (b).

SECTION 10. Section 39.333, Education Code, is amended to read as follows:

Sec. 39.333. REGIONAL AND DISTRICT LEVEL REPORT. As part of the comprehensive biennial report under Section 39.332, the [~~The~~] agency shall submit [~~prepare and deliver to the governor, the lieutenant governor, the speaker of the house of representatives, each member of the legislature, the Legislative Budget Board, and the clerks of the standing committees of the senate and house of representatives with primary jurisdiction over the public school system~~] a regional and district level report covering the preceding two school years and containing:

(1) a summary of school district compliance with the student/teacher ratios and class-size limitations prescribed by Sections 25.111 and 25.112, including:

(A) the number of campuses and classes at each campus granted an exception from Section 25.112; and

(B) for each campus granted an exception from Section 25.112, a statement of whether the campus has been awarded a distinction designation under Subchapter G or has been identified as an unacceptable campus under Subchapter E;

(2) a summary of the exemptions and waivers granted to campuses and school districts under Section 7.056 or 39.232 and a review of the effectiveness of each campus or district following deregulation;

(3) an evaluation of the performance of the system of regional education service centers based on the indicators adopted under Section 8.101 and client satisfaction with services provided under Subchapter B, Chapter 8;

(4) an evaluation of accelerated instruction programs offered under Section 28.006, including an assessment of the quality of such programs and the performance of students enrolled in such programs; and

(5) the number of classes at each campus that are currently being taught by individuals who are not certified in the content areas of their respective classes.

SECTION 11. Section 51.406, Education Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) A rule or policy of a state agency, including the Texas Higher Education Coordinating Board, in effect on June 1, 2011, that requires reporting by a university system or an institution of higher education has no effect on or after September 1, 2013, unless the rule or policy is affirmatively and formally readopted before that date by formal administrative rule published in the Texas Register and adopted in compliance with Chapter 2001, Government Code. This subsection does not apply to:

- (b);
- (1) a rule or policy for which the authorizing statute is listed in Subsection
 - (2) a rule or policy for which the authorizing statute is repealed on or before September 1, 2013, by legislation enacted by the legislature that becomes law; or
 - (3) a report required under any of the following provisions [laws]:
 - (A) Article 59.06(g)(1), Code of Criminal Procedure;
 - (B) Section 51.005;
 - (C) Section 51.0051;
 - (D) [~~(B)~~] Section 51.3062;
 - (E) [~~(C)~~] Section 51.402;
 - (F) [~~(D)~~] Section 56.039;
 - (G) [~~(E)~~] Section 61.051(k);
 - (H) [~~(F)~~] Section 61.059;
 - (I) [~~(G)~~] Section 62.095(b);
 - (J) Section 62.098;
 - (K) Section 411.187(b), Government Code;
 - (L) Subchapter C, Chapter 606, Government Code;
 - (M) Subchapter E, Chapter 815, Government Code; or
 - (N) Chapter 1551, Insurance Code.

(d) This section does not apply to a request for information by the state auditor.

SECTION 12. Section 51.752(g), Education Code, is amended to read as follows:

(g) Not later than December 1 of each year, the [~~The~~] committee shall report to the Legislative Budget Board, [~~at least once a year. The committee shall also report to~~] the governor, the State Board of Education, the Texas Higher Education Coordinating Board, and the legislature [~~before the convening of each regular session~~].

SECTION 13. Section 54.633(j), Education Code, is amended to read as follows:

(j) The board may contract with an independent certified public accountant to annually audit the direct-support organization under rules adopted by the board. The board shall submit the audit to the comptroller, governor, lieutenant governor, speaker of the house of representatives, Legislative Budget Board, Legislative Audit Committee, [~~state auditor,~~] and Texas Higher Education Coordinating Board. The comptroller [~~or state auditor~~] may require the direct-support organization or independent certified public accountant to provide additional information relating to the operation of the organization.

SECTION 14. Sections 54.642(a) and (c), Education Code, are amended to read as follows:

(a) Not later than December 1 of each year, the board shall submit to the governor, lieutenant governor, speaker of the house of representatives, Legislative Budget Board, Legislative Audit Committee, [~~state auditor,~~] and Texas Higher Education Coordinating Board a report including:

- (1) the board's fiscal transactions during the preceding fiscal year;
- (2) the market and book value of the fund as of the end of the preceding fiscal year;

(3) the asset allocations of the fund expressed in percentages of stocks, fixed income, cash, or other financial investments;

(4) the rate of return on the investment of the fund's assets during the preceding fiscal year; and

(5) an actuarial valuation of the assets and liabilities of the program, including the extent to which the program's liabilities are unfunded.

(c) The ~~[Not later than December 1 of each year, the]~~ board shall include in the report described by Subsection (a):

(1) ~~[provide to the Texas Higher Education Coordinating Board]~~ complete prepaid tuition contract sales information, including projected enrollments of beneficiaries at institutions of higher education; and

(2) the information maintained by the board under Section 54.777.

SECTION 15. The heading to Section 54.777, Education Code, is amended to read as follows:

Sec. 54.777. INFORMATION REQUIRED FOR ANNUAL REPORT
~~[REPORTS].~~

SECTION 16. Section 54.777(a), Education Code, is amended to read as follows:

(a) The ~~[Not later than December 1 of each year, the]~~ board shall maintain the following information for the purpose of inclusion in the annual report under Section 54.642 ~~[submit to the governor, lieutenant governor, speaker of the house of representatives, Legislative Budget Board, Legislative Audit Committee, state auditor, and Texas Higher Education Coordinating Board a report including]:~~

(1) the fiscal transactions of the board and the plan manager under this subchapter during the preceding fiscal year;

(2) the market and book value of the fund as of the end of the preceding fiscal year;

(3) the asset allocations of the fund expressed in percentages of stocks, fixed income, cash, or other financial investments;

(4) the rate of return on the investment of the fund's assets during the preceding fiscal year; and

(5) an actuarial valuation of the assets and liabilities of the program, including the extent to which the program's liabilities are unfunded.

SECTION 17. Section 61.051(i), Education Code, is amended to read as follows:

(i) The board shall develop and periodically revise a long-range statewide plan to provide information and guidance to policy makers to ensure that institutions of higher education meet the current and future needs of each region of this state for higher education services and that adequate higher education services at all levels are reasonably and equally available to the residents of each region of this state. The board in developing the plan shall examine existing undergraduate, graduate, professional, and research programs provided by institutions of higher education and identify the geographic areas of this state that, as a result of current population or projected population growth, distance from other educational resources, economic trends, or other factors, have or are reasonably likely to have in the future significantly greater need for higher education services than the services currently provided in the

area by existing institutions of higher education. The board shall also consider the higher education services provided by private and independent institutions of higher education in developing the plan. The board shall identify as specifically as practicable the programs or fields of study for which an area has or is projected to have a significant unmet need for services. In determining the need for higher education ~~[educational]~~ services in an area, the board shall consider the educational attainment of the current population and the extent to which residents from the area attend institutions of higher education outside of the area or do not attend institutions of higher education. The board shall include in the plan specific recommendations, including alternative recommendations, for administrative or legislative action to address an area's unmet need for higher education ~~[educational]~~ services as efficiently as possible. Not later than November 1 of each even-numbered year, the board shall deliver to the governor, the lieutenant governor, the speaker of the house of representatives, and the legislature a report of the current long-range plan developed under this section.

SECTION 18. Section 61.063, Education Code, is amended to read as follows:

Sec. 61.063. LISTING AND CERTIFICATION OF JUNIOR COLLEGES. The commissioner of higher education shall file with ~~[the state auditor and]~~ the state comptroller on or before October 1 of each year a list of the public junior colleges in this state. The commissioner shall certify the names of those colleges that have complied with the standards, rules, and regulations prescribed by the board. Only those colleges which are so certified shall be eligible for and may receive any appropriation made by the legislature to public junior colleges.

SECTION 19. Section 96.652(e), Education Code, is amended to read as follows:

(e) The Crime Victims' Institute shall prepare a complete annual financial report as prescribed by Section 2101.011, Government Code ~~[file annually with the governor and the presiding officer of each house of the legislature a complete and detailed written report accounting for all funds received and disbursed by the institute during the preceding year. The form of the annual report and the reporting time shall be as provided by the General Appropriations Act. The Crime Victims' Institute shall determine the format and contents of the report and may have copies of the report printed for distribution as the institute considers appropriate].~~

SECTION 20. Section 151.008, Education Code, is amended to read as follows:

Sec. 151.008. STRATEGIC PLAN ~~[BIENNIAL REPORTING]~~. The ~~[(a) Not later than December 1 of each even-numbered year, each member of the]~~ institute shall develop [provide] a long-term strategic plan that includes ~~[for that member to:~~

~~(1) each member of the governing board of the institute;~~

~~(2) each member of the legislature whose district includes any portion of a county where the Border Health Institute is established or operating; and~~

~~(3) the Texas Higher Education Coordinating Board.~~

~~[(b) The long-term strategic plan for each member must include]~~ a statement of the institute's ~~[member's]~~ goals and objectives for:

(1) providing health care services to persons living in the border region;

(2) providing health care education to persons living in the border region;

and

(3) conducting research into issues affecting public health in the border region, including research related to:

- (A) diabetes;
- (B) health issues of particular concern to persons of Hispanic descent;
- (C) infectious diseases;
- (D) emerging infections;
- (E) trauma care;
- (F) environmental health; and
- (G) children's health.

SECTION 21. Section 264.608(a), Family Code, is amended to read as follows:

(a) Not later than December 1 of each year [~~Before each regular session of the legislature~~], the attorney general shall publish a report that:

(1) summarizes reports from volunteer advocate programs under contract with the attorney general;

(2) analyzes the effectiveness of the contracts made by the attorney general under this chapter; and

(3) provides information on:

(A) the expenditure of funds under this chapter;

(B) services provided and the number of children for whom the services were provided; and

(C) any other information relating to the services provided by the volunteer advocate programs under this chapter.

SECTION 22. Section 81.023(b), Government Code, is amended to read as follows:

(b) The state bar shall file annually with the supreme court, the governor, and the presiding officer of each house of the legislature a copy of the annual financial report prepared by the state bar under Section 2101.011 [~~complete and detailed written report accounting for all funds received and disbursed by the state bar during the preceding fiscal year. The annual report must be in the form and reported in the time provided by the General Appropriations Act~~].

SECTION 23. Section 82.035(b), Government Code, is amended to read as follows:

(b) The board shall file annually with the supreme court, the governor, and the presiding officer of each house of the legislature a copy of the annual financial report prepared by the board under Section 2101.011 [~~complete and detailed written report accounting for all funds received or disbursed by the board during the preceding fiscal year. The annual report must be in the form and reported in the time provided by the General Appropriations Act~~].

SECTION 24. Section 322.011(c), Government Code, is amended to read as follows:

(c) As soon as practicable after completion of the audit or evaluation under Subsection (a) [~~On the third Tuesday of each January in which the legislature meets in regular session~~], the board shall make a performance report to the governor and the legislature.

SECTION 25. Section 324.008(d), Government Code, is amended to read as follows:

(d) The governing body of a state agency, as defined by Sections 2151.002(1) and (3) [~~2151.002(2)(A) and (C)~~], shall deliver to the library and the Texas State Library and Archives Commission immediately after transcription a certified copy of the minutes of any meeting of the governing body. Any changes or corrections to the minutes shall also be delivered to the library and the Texas State Library and Archives Commission.

SECTION 26. Section 403.021(b), Government Code, is amended to read as follows:

(b) A state agency that expends appropriated funds shall report into the uniform statewide accounting system all payables and binding encumbrances by appropriation account for the first three quarters of the current appropriation year within 30 days after the close of each quarter. A state agency shall report payables and binding encumbrances for all appropriation years annually to the comptroller~~], the state auditor,~~ and the Legislative Budget Board no later than October 30 of each year.

SECTION 27. Section 403.1041(g), Government Code, is amended to read as follows:

(g) Before December 1 of each year the comptroller shall prepare a written report regarding the account during the fiscal year ending on the preceding August 31. Not later than January 1 of each year the comptroller shall distribute the report to the advisory committee, the governor, the lieutenant governor, ~~the state auditor,~~ the attorney general, and the Legislative Budget Board. The comptroller shall furnish a copy of the report to any member of the legislature or other interested person on request. The report must include:

- (1) statements of assets and a schedule of changes in book value of the investments from the account;
- (2) a summary of the gains, losses, and income from investments on August 31;
- (3) an itemized list of the securities held for the account on August 31; and
- (4) any other information needed to clearly indicate the nature and extent of the investments made of the account and the income realized from the components of the account.

SECTION 28. Section 411.0097(d), Government Code, as added by Chapter 693 (S.B. 293), Acts of the 79th Legislature, Regular Session, 2005, is amended to read as follows:

(d) The department, in conjunction with the border commerce coordinator, shall develop short-range and long-range plans, including recommendations to increase bilateral relations with Mexico and expedite trade by mitigating delays in border crossing inspections for northbound truck traffic. In developing the plans, the department and coordinator shall consider information obtained from any meetings under Subsection (a). The department shall update the plan biennially [~~and submit the updated plan to the lieutenant governor, the speaker of the house of representatives, and each other member of the legislature on or before December 1 of each even numbered year~~].

SECTION 29. Section 419.008(e), Government Code, is amended to read as follows:

(e) Not later than January 1 of each odd-numbered year, the ~~[The]~~ commission shall report to the governor ~~[annually]~~ and to the legislature ~~[at each regular session]~~ on the commission's activities. The commission may make recommendations in those reports on matters under its jurisdiction. The commission may make other reports in its discretion.

SECTION 30. Section 420.009, Government Code, is amended to read as follows:

Sec. 420.009. REPORT. The attorney general shall publish a report on the service not later than December 10 of each ~~[even-numbered]~~ year. The report must summarize reports from programs receiving grants from the attorney general, analyze the effectiveness of the grants, and include information on the expenditure of funds authorized by this chapter, the services provided, the number of persons receiving services, and any other information relating to the provision of sexual assault services. A copy of the report shall be submitted to the governor, lieutenant governor, speaker of the house of representatives, Legislative Budget Board, Senate Committee on Health and Human Services or its successor committee, and House Committee on Human Services or its successor committee.

SECTION 31. Section 431.030(b), Government Code, is amended to read as follows:

(b) Not later than August 1 of the year in which the Commissioner of the General Land Office submits a report as provided by Section 31.157, Natural Resources Code, the adjutant general shall submit a preliminary report of the report required under Subsection (a) to the Commissioner of the General Land Office identifying the real property used for military purposes. Not later than September 1 of the year in which the Commissioner of the General Land Office submits a report as provided by Section 31.157, Natural Resources Code, the adjutant general shall submit the report as required by Subsection (a) to:

- (1) the governor;
- (2) the presiding officer of each house of the legislature; and
- (3) ~~[the Legislative Budget Board; and~~
- ~~[(4)]~~ the Governor's Office of Budget, Planning, and Policy ~~[governor's budget office].~~

SECTION 32. Section 431.034(a), Government Code, is amended to read as follows:

(a) The adjutant general annually shall report to the governor. The report shall be delivered to the legislature. The report must include:

(1) ~~[a complete and detailed written statement accounting for all funds received and disbursed by the department during the preceding fiscal year that meets the reporting requirements applicable to financial reporting provided in the General Appropriations Act;~~

~~[(2)]~~ an account, to the extent of the adjutant general's knowledge, of all arms, ammunition, and other military property owned by or in possession of the state, the source from which it was received, to whom it is issued, and its present condition;

(2) ~~[(3)]~~ a statement of the number, condition, and organization of the Texas National Guard and reserve militia;

(3) [(4)] suggestions that the adjutant general considers important to the military interests and conditions of the state and the perfection of its military organization;

(4) [(5)] a list and description of all Texas National Guard missions that are in progress at the time the report is prepared; and

(5) [(6)] a statement of department plans to obtain and maintain future Texas National Guard missions, including proposed missions that are consistent with the United States Department of Defense's war-fighting strategies, including strategies used in the war on terrorism.

SECTION 33. Section 531.0141(b), Government Code, is amended to read as follows:

(b) To assist the secretary of state in preparing the report required under Section 405.021, the commission, on an annual [a quarterly] basis, shall provide a report to the secretary of state detailing any projects funded by the commission that provide assistance to colonias. The secretary of state may prescribe the date on which the report required under this section is due.

SECTION 34. Section 531.02492(b), Government Code, is amended to read as follows:

(b) The commission shall electronically publish on the commission's Internet website [prepare and deliver] a biennial report and, on or before the date the report is due, shall notify [to] the governor, the lieutenant governor, the speaker of the house of representatives, the comptroller, the Legislative Budget Board, and the appropriate legislative committees that the report is available on the commission's Internet website. The report must address [on] the efforts of the health and human services agencies to provide health and human services to children younger than six years of age. The report may contain recommendations by the commission to better coordinate state agency programs relating to the delivery of health and human services to children younger than six years of age and may propose joint agency collaborative programs.

SECTION 35. Section 531.03131, Government Code, is amended by amending Subsection (f) and adding Subsection (g) to read as follows:

(f) Not later than December 1 [the last day] of [the month following] each year [calendar quarter], the commission shall file with the legislature a report regarding the use of the Internet site in the provision and delivery of child-care and education services during the reporting period. The report must include:

(1) the number of referrals made to Head Start or Early Head Start offices or centers;

(2) the number of referrals made to local workforce development centers; and

(3) the number of referrals made to each school district.

(g) The report required under Subsection (f) may be made in conjunction with any other report the commission is required to submit to the legislature.

SECTION 36. The heading to Section 531.042, Government Code, is amended to read as follows:

Sec. 531.042. INFORMATION AND ASSISTANCE REGARDING CARE AND SUPPORT OPTIONS[~~;-REPORTS~~].

SECTION 37. Section 531.103(c), Government Code, is amended to read as follows:

(c) The commission and the office of the attorney general shall jointly prepare and submit an annual [~~a semiannual~~] report to the governor, lieutenant governor, and speaker of the house of representatives [~~and comptroller~~] concerning the activities of those agencies in detecting and preventing fraud, waste, and abuse under the state Medicaid program or other program administered by the commission or a health and human services agency. The report may be consolidated with any other report relating to the same subject matter the commission or office of the attorney general is required to submit under other law.

SECTION 38. Section 531.108(e), Government Code, is amended to read as follows:

(e) The commission shall submit to the governor and Legislative Budget Board an annual [~~a semiannual~~] report on the results of computerized matching of commission information with information from neighboring states, if any, and information from the Texas Department of Criminal Justice. The report may be consolidated with any other report relating to the same subject matter the commission is required to submit under other law.

SECTION 39. Section 614.102(e), Government Code, is amended to read as follows:

(e) The director shall prepare an annual written report on the activity, status, and effectiveness of the fund and shall submit the report to the lieutenant governor and [~~the~~] the speaker of the house of representatives [~~and the comptroller~~] before November 1 of each year.

SECTION 40. Section 661.202(j), Government Code, is amended to read as follows:

(j) A state agency shall maintain [~~file~~] a written statement [~~with the state auditor~~] covering the policies and procedures for an extension of leave under Subsection (i) and shall make the statement available to all agency employees. The state agency shall provide a copy of the statement to the state auditor on request.

SECTION 41. Section 663.052(a), Government Code, is amended to read as follows:

(a) The commission shall report to the legislature not later than December 1 of each even-numbered year [~~legislative session~~].

SECTION 42. Sections 772.009(f) and (g), Government Code, are amended to read as follows:

(f) Each state agency shall designate an employee on the management or senior staff level to serve as the agency's federal funds coordinator. An agency may not create a staff position for a federal funds coordinator. The coordinator's duties are additional duties of an employee of the agency. Each federal funds coordinator shall:

(1) oversee and coordinate the agency's efforts in acquiring discretionary federal funds;

(2) send the grant writing team an annual [~~a quarterly~~] report listing the grants for which the agency has applied and the catalogue of federal domestic assistance number and giving a short description of the grant; and

(3) notify the grant writing team of an award or denial of a federal grant to the agency.

(g) Each state agency other than an [or] institution of higher education shall file an annual report with the grant writing team concerning the agency's efforts in acquiring available discretionary federal funds during the preceding state fiscal year. The grant writing team shall establish guidelines for information included in the annual report required by this section. The grant writing team shall evaluate the effectiveness of each agency in acquiring discretionary federal funds and shall report the evaluation to the governor and the Legislative Budget Board.

SECTION 43. Section 802.301, Government Code, is amended by adding Subsection (h) to read as follows:

(h) The board shall provide to the Legislative Budget Board a copy of any actuarial impact statement required under this section.

SECTION 44. Sections 825.108(c) and (d), Government Code, are amended to read as follows:

(c) A copy of the report required by Subsection (a) must be filed with the governor, the lieutenant governor, the speaker of the house of representatives, the State Pension Review Board, and the legislative audit committee [~~and the state auditor~~] no later than December 15 of each year.

(d) A copy of the report required by Subsection (b) must be filed with the governor, the lieutenant governor, the speaker of the house of representatives, the State Pension Review Board, and the legislative audit committee [~~and the state auditor~~] no later than March 1 of each year.

SECTION 45. Section 825.407(e), Government Code, is amended to read as follows:

(e) After the end of each fiscal year, the retirement system shall report to the comptroller of public accounts [~~and the State Auditor~~] the name of any general academic teaching institution and any medical and dental unit delinquent in the reimbursement of contributions under this section for the preceding fiscal year and the amount by which each reported institution or unit is delinquent.

SECTION 46. Section 1231.086(b), Government Code, is amended to read as follows:

(b) On November 15 of each year, the board shall send to the lieutenant governor, the speaker of the house, and each member of the legislature [~~and the joint committee~~] a report of the information received under this subchapter for the fiscal year ending August 31 of that year.

SECTION 47. Section 2054.1015(d), Government Code, is amended to read as follows:

(d) A state agency shall notify the department and [~~the Legislative Budget Board, and the state auditor's office~~] if the agency makes a substantive change to a planned procurement schedule for commodity items.

SECTION 48. Subchapter F, Chapter 2054, Government Code, is amended by adding Section 2054.1211 to read as follows:

Sec. 2054.1211. REPORTING REQUIREMENTS OF INSTITUTIONS OF HIGHER EDUCATION. The department and the Information Technology Council for Higher Education established under Section 2054.121(b) shall review all plans and

reports required of institutions of higher education under this chapter. After September 1, 2014, an institution of higher education is not required to prepare or submit a plan or report generally required of a state agency under this chapter except to the extent expressly provided by a rule adopted by the department on or after September 1, 2013.

SECTION 49. Section 2102.0091, Government Code, is amended by amending Subsections (a) and (c) and adding Subsection (d) to read as follows:

(a) A state agency shall file with the Sunset Advisory Commission, the Governor's Office of Budget, Planning, and Policy [~~budget division of the governor's office~~], the state auditor, and the Legislative Budget Board a copy of each report submitted to the state agency's governing board or the administrator of the state agency if the state agency does not have a governing board by the agency's internal auditor.

(c) In addition to the requirements of Subsection (a), a state agency shall file with the Governor's Office of Budget, Planning, and Policy [~~budget division of the governor's office~~], the state auditor, and the Legislative Budget Board any action plan or other response issued by the state agency's governing board or the administrator of the state agency if the state agency does not have a governing board in response to the report of the state agency's internal auditor.

(d) If the state agency does not file the report as required by this section, the Legislative Budget Board or the Governor's Office of Budget, Planning, and Policy may take appropriate action to compel the filing of the report.

SECTION 50. Section 2165.055, Government Code, is amended to read as follows:

Sec. 2165.055. REPORT ABOUT IMPROVEMENTS AND REPAIRS. Not later than December 1 of each even-numbered year, the [The] commission [biennially on December 1st] shall report to the governor:

- (1) all improvements and repairs that have been made, with an itemized account of receipts and expenditures; and
- (2) the condition of all property under its control, with an estimate of needed improvements and repairs.

SECTION 51. Sections 2165.1061(f) and (h), Government Code, are amended to read as follows:

(f) The commission shall conduct a study of the commission's efforts to collocate administrative office space at least once each fiscal biennium and shall include the findings of the study in the commission's master facilities plan required under Section 2166.102 [~~report the findings to the Governor's Office of Budget and Planning, the Legislative Budget Board, and the comptroller not later than July 1 of each even-numbered year~~].

(h) In addition to the requirements of Subsection (f), not later than July 1 of each even-numbered year, the commission shall complete a study on the amount of each state agency's administrative office space in Travis County to identify locations that exceed the space limitations prescribed by Section 2165.104(c) and include the findings of the study in the commission's master facilities plan required under Section 2166.102 [~~report the findings to the Governor's Office of Budget and Planning, the Legislative Budget Board, and the comptroller~~]. The findings [~~report~~] shall include:

- (1) the location of office space that exceeds the space limitations prescribed by Section 2165.104(c);
- (2) the amount of excess space;
- (3) the cost of the excess space;
- (4) the expiration dates of any leases covering the excess space;
- (5) the amount of exempt and nonexempt space under Section 2165.104(c);

and

(6) recommendations for the most cost-effective method by which a state agency could comply with the requirements of Section 2165.104(c), including recommendations that identify the amount and cost of office space that could be reduced or eliminated, state the moving costs and expenses associated with reductions in space, and state the earliest date by which the space reductions could be feasibly achieved.

SECTION 52. Sections 2166.101(d) and (e), Government Code, are amended to read as follows:

(d) The commission shall summarize its findings on the status of state-owned buildings and current information on construction costs and include the summary in the commission's master facilities plan required under Section 2166.102 ~~[in a report it shall make available to the governor, the legislature, and the state's budget offices]~~.

(e) State agencies, departments, and institutions shall cooperate with the commission in providing any [the] information needed by the commission to comply with this section ~~[necessary for the report]~~.

SECTION 53. The heading to Section 2166.103, Government Code, is amended to read as follows:

Sec. 2166.103. FINDINGS ON ~~[BIENNIAL REPORT ON]~~ SPACE NEEDS.

SECTION 54. Section 2166.103(b), Government Code, is amended to read as follows:

(b) The ~~[Before each legislative session, the]~~ commission shall identify ~~[send to the governor, the lieutenant governor, the speaker of the house of representatives, and the Legislative Budget Board a report identifying]~~ counties in which more than 50,000 square feet of usable office space is needed and make [the commission's] recommendations for meeting that need. The commission may recommend leasing or purchasing and renovating one or more existing buildings or constructing one or more buildings. The commission shall include the commission's findings and recommendations in the commission's master facilities plan required under Section 2166.102.

SECTION 55. The heading to Section 2166.104, Government Code, is amended to read as follows:

Sec. 2166.104. SUMMARY OF ~~[BIENNIAL REPORT ON]~~ REQUESTED PROJECTS.

SECTION 56. Sections 2166.104(a), (b), and (d), Government Code, are amended to read as follows:

(a) The [On or before a date specified by the state's budget agencies in each year immediately preceding a regular session of the legislature, the] commission shall compile a list of and summarize [send to the budget agencies a report listing] all projects requested under Subchapter D. The commission shall include the summary in the commission's master facilities plan required under Section 2166.102.

(b) The summary [report] must include [contain]:

(1) a brief and specific justification prepared by the using agency for each project;

(2) a summary of the project analysis or, if the analysis was not made, a statement briefly describing the method used to estimate costs for the project;

(3) a project cost estimate developed in accordance with Subchapter D, detailed enough to allow the budget agencies, the governor, and the legislature the widest possible latitude in developing policy regarding each project request;

(4) an estimate, prepared by the commission with the cooperation of both the using agency and any private design professional retained, of the annual cost of maintaining the completed project, including the estimated cost of utility services; and

(5) an estimate, prepared by the using agency, of the annual cost of staffing and operating the completed project, excluding maintenance cost.

(d) If a using agency requests three or more projects, it shall designate its priority rating for each project. The budget agencies shall, with the commission's cooperation, develop detailed instructions to implement the priority system required by this subsection. The commission's summary [report] must show the designated priority of each project to which a priority rating has been assigned.

SECTION 57. Subchapter I, Chapter 2166, Government Code, is amended by adding Section 2166.409 to read as follows:

Sec. 2166.409. STATE AGENCY ENERGY SAVINGS PROGRAM. (a) Each state agency shall develop a plan for conserving energy that includes a percentage goal for reducing the agency's use of electricity, gasoline, and natural gas.

(b) Each state agency shall file a quarterly report with the governor and the Legislative Budget Board listing the goals identified in the agency's energy conservation plan and a description of the progress made by the agency in meeting those goals. The report must include ideas for additional energy savings developed by the agency.

(c) Each state agency shall make the report required under Subsection (b) available to the public by posting the report in a conspicuous place on the agency's Internet website.

SECTION 58. Section 2205.039(c), Government Code, is amended to read as follows:

(c) A state agency other than the Texas Department of Transportation [board] shall send the agency's travel logs to the department on an annual basis. An agency is not required to file a travel log with the department if the agency did not operate an aircraft during the period covered by the travel log [board each month in which the agency operates an aircraft].

SECTION 59. Section 2262.052(b), Government Code, as amended by Chapters 309 (H.B. 3042) and 785 (S.B. 19), Acts of the 78th Legislature, Regular Session, 2003, is reenacted to read as follows:

(b) Subject to the legislative audit committee's approval of including the work described by this subsection in the audit plan under Section 321.013(c), the state auditor may:

- (1) periodically monitor compliance with this section;
- (2) report any noncompliance to:
 - (A) the governor;
 - (B) the lieutenant governor;
 - (C) the speaker of the house of representatives; and
 - (D) the team; and

(3) assist, in coordination with the attorney general and the comptroller, a noncomplying state agency to comply with this section.

SECTION 60. Section 2306.0721(c), Government Code, is amended to read as follows:

(c) The plan must include:

(1) an estimate and analysis of the housing needs of the following populations in each uniform state service region:

(A) individuals and families of moderate, low, very low, and extremely low income;

(B) individuals with special needs; and

(C) homeless individuals;

(2) a proposal to use all available housing resources to address the housing needs of the populations described by Subdivision (1) by establishing funding levels for all housing-related programs;

(3) an estimate of the number of federally assisted housing units available for individuals and families of low and very low income and individuals with special needs in each uniform state service region;

(4) a description of state programs that govern the use of all available housing resources;

(5) a resource allocation plan that targets all available housing resources to individuals and families of low and very low income and individuals with special needs in each uniform state service region;

(6) a description of the department's efforts to monitor and analyze the unused or underused federal resources of other state agencies for housing-related services and services for homeless individuals and the department's recommendations to ensure the full use by the state of all available federal resources for those services in each uniform state service region;

(7) strategies to provide housing for individuals and families with special needs in each uniform state service region;

(8) a description of the department's efforts to encourage in each uniform state service region the construction of housing units that incorporate energy efficient construction and appliances;

(9) an estimate and analysis of the housing supply in each uniform state service region;

(10) an inventory of all publicly and, where possible, privately funded housing resources, including public housing authorities, housing finance corporations, community housing development organizations, and community action agencies;

- (11) strategies for meeting rural housing needs;
- (12) a biennial action plan for colonias that:

(A) addresses current policy goals for colonia programs, strategies to meet the policy goals, and the projected outcomes with respect to the policy goals; and

(B) includes information on the demand for contract-for-deed conversions, services from self-help centers, consumer education, and other colonia resident services in counties some part of which is within 150 miles of the international border of this state; and

(13) a summary of public comments received at a hearing under this chapter or from another source that concern the demand for colonia resident services described by Subdivision (12); ~~and~~

~~[(14) any other housing-related information that the state is required to include in the one-year action plan of the consolidated plan submitted annually to the United States Department of Housing and Urban Development].~~

SECTION 61. Section 2306.559(a), Government Code, is amended to read as follows:

(a) The corporation shall file an annual report of the financial activity of the corporation with the department. The corporation's board of directors shall submit the report to the governor, lieutenant governor, speaker of the house of representatives, and comptroller~~[, and Legislative Budget Board]~~.

SECTION 62. Section 2306.560(a), Government Code, is amended to read as follows:

(a) The corporation shall hire an independent certified public accountant to audit the corporation's books and accounts for each fiscal year. The corporation shall file a copy of the audit with the department and shall submit the audit report to the governor, lieutenant governor, speaker of the house of representatives, comptroller, Bond Review Board, and State Auditor's Office ~~[, and Legislative Budget Board]~~ not later than the 30th day after the submission date established in the General Appropriations Act for the annual financial report.

SECTION 63. Section 103.013, Health and Safety Code, is amended by adding Subsection (g) to read as follows:

(g) The report required under Subsection (f) may be published electronically on a state agency's Internet website. A state agency that electronically publishes a report under this subsection shall notify each agency entitled to receive a copy of the report that the report is available on the agency's Internet website on or before the date the report is due.

SECTION 64. Section 161.0211(b), Health and Safety Code, is amended to read as follows:

(b) The department may conduct those investigations to determine the nature and extent of the disease or environmental exposure believed to be harmful to the public health. Any findings or determinations from such investigations that relate to environmental exposures believed to be harmful to the public shall be reported in writing to the Texas ~~[Natural Resource Conservation]~~ Commission on Environmental

Quality, and the two agencies shall coordinate corrective measures as appropriate. The department shall use generally accepted methods of epidemiology or toxicology in the conduct of an investigation.

SECTION 65. Subchapter Q, Chapter 361, Health and Safety Code, is amended by adding Section 361.5061 to read as follows:

Sec. 361.5061. PLANNING AND REPORTING REQUIREMENTS: INSTITUTIONS OF HIGHER EDUCATION. An institution of higher education that is required to develop a source reduction and waste minimization plan under this subchapter for more than one facility may:

(1) develop and submit one plan that covers all of the facilities; and

(2) submit one annual report and one executive summary under Section 361.506 that covers all of the facilities.

SECTION 66. Section 534.068, Health and Safety Code, is amended by adding Subsections (a-1) and (g) to read as follows:

(a-1) The audit required under Subsection (a) may be published electronically on an authority's Internet website. An authority that electronically publishes an audit under this subsection shall notify the department that the audit is available on the authority's Internet website on or before the date the audit is due.

(g) The report required under Subsection (f) may be published electronically on the department's Internet website. The department shall notify each entity entitled to receive a copy of the report that the report is available on the department's Internet website on or before the date the report is due.

SECTION 67. Section 22.0251(b), Human Resources Code, is amended to read as follows:

(b) The department shall submit to the governor and^[5] the Legislative Budget Board an annual~~[, and the Health and Human Services Commission a semiannual]~~ report detailing the department's progress in reaching its goals under Subsection (a)(2). The report may be consolidated with any other report relating to the same subject that the department is required to submit under other law.

SECTION 68. Section 22.0252(b), Human Resources Code, is amended to read as follows:

(b) The department shall submit to the governor and^[5] the Legislative Budget Board an annual~~[, and the Health and Human Services Commission a semiannual]~~ report on the operation and success of the telephone collection program. The report may be consolidated with any other report relating to the same subject that the department is required to submit under other law.

SECTION 69. Section 22.0292(d), Human Resources Code, is amended to read as follows:

(d) The department shall submit to the governor and^[5] the Legislative Budget Board an annual~~[, and the Health and Human Services Commission a semiannual]~~ report on the operation and success of the information matching system required by this section. The report may be consolidated with any other report relating to the same subject matter the department is required to submit under other law.

SECTION 70. Section 51.006, Human Resources Code, is amended to read as follows:

Sec. 51.006. REPORT. (a) Not later than November 1 of each even-numbered year, the department shall publish a report that summarizes reports from family violence centers under contract with the department and that analyzes the effectiveness of the contracts authorized by this chapter. The reports must include information on the expenditure of funds authorized under this chapter, the services provided, the number of persons for whom a service was provided, and any other information relating to the provision of family violence services. The report may be combined with the report required by Section 21.011. Copies of the report shall be submitted to the governor, the lieutenant governor, the speaker of the house of representatives, the Legislative Budget Board, and the standing committees of the senate and house of representatives having primary jurisdiction over the department.

(b) The report required under Subsection (a) may be published electronically on the department's Internet website. The department shall notify each agency entitled to receive a copy of the report that the report is available on the department's Internet website on or before the date the report is due.

SECTION 71. Section 114.008(a), Human Resources Code, is amended to read as follows:

(a) The agencies represented on the council and the public members shall report to the council any requirements identified by the agency or person to provide additional or improved services to persons with autism or other pervasive developmental disorders. Not later than November 1 of each even-numbered year, the council shall prepare and deliver to the executive commissioner of the Health and Human Services Commission, the governor, the lieutenant governor, and the speaker of the house of representatives a report summarizing the recommendations.

SECTION 72. Section 122.022, Human Resources Code, is amended to read as follows:

Sec. 122.022. REPORTS. (a) On or before November 1 of each year, the council shall file with the governor and the presiding officer of each house of the legislature a copy of the annual financial report prepared by the council under Section 2101.011, Government Code ~~[complete and detailed written report accounting for all funds received and disbursed by the council during the preceding year. The annual report must meet the reporting requirements applicable to financial reporting provided in the General Appropriations Act].~~

(b) As part of the report filed under Subsection (a), the council shall provide ~~[The report submitted under this section must include]:~~

(1) the number of persons with disabilities, according to their type of disability, who are employed in community rehabilitation programs participating in the programs established by this chapter or who are employed by businesses or workshops that receive supportive employment from community rehabilitation programs;

(2) the amount of annual wages paid to a person participating in the program;

(3) a summary of the sale of products offered by a community rehabilitation program;

(4) a list of products and services offered by a community rehabilitation program;

(5) the geographic distribution of the community rehabilitation programs;
 (6) the number of nondisabled workers who are employed in community rehabilitation programs under this chapter; and

(7) the average and range of weekly earnings for disabled and nondisabled workers who are employed in community rehabilitation programs under this chapter.

SECTION 73. Section 134.0041(g), Human Resources Code, is amended to read as follows:

(g) A state agency or medical school affected by the plan shall use the plan as the basis for its request for appropriations during the next biennium unless the agency or school disagrees with the plan. If the agency or school disagrees with the plan or intends to deviate from the plan in its budget request, the agency or school shall submit to the council~~[, Legislative Budget Board,]~~ and the Governor's Office of Budget, Planning, and Policy ~~[governor's budget office]~~ a written explanation of each disagreement or deviation and the reason for the disagreement or deviation. The state agency or medical school must submit the written explanation not later than November 1 of the year in which the plan is prepared.

SECTION 74. Section 32.021(a), Insurance Code, is amended to read as follows:

(a) The department shall file annually with the governor and the presiding officer of each house of the legislature a complete and detailed written report that includes:

(1) ~~[an accounting of all funds received and disbursed by the department during the preceding fiscal year;~~

~~[(2)]~~ a description of the commissioner's official acts;

~~[(3)]~~ a description of the condition of companies doing business in this state; and

~~[(4)]~~ other information that exhibits the affairs of the department.

SECTION 75. Section 21.003(d), Labor Code, is amended to read as follows:

(d) The commission at least annually shall make a comprehensive written report on the commission's activities to the governor and to the legislature.

SECTION 76. Section 21.552(b), Labor Code, is amended to read as follows:

(b) Each year the commission shall compile equal employment opportunity information reported to the commission by a state agency. The information must include:

(1) the total number of employees of the agency and the total number of new employees hired since the date of the last report made by the agency;

(2) the total number of employees of the agency listed by racial and ethnic group and the percentage of the total number of agency employees for each racial and ethnic group, including a distinction for those categories between the total number of employees and the total number of employees hired since the date of the last report made by the agency;

(3) the total number of male employees and the total number of female employees of the agency, including a distinction for those categories between the total number of employees and the total number of employees hired since the date of the last report made by the agency;

(4) the total number of male employees and the total number of female employees of the agency for each racial and ethnic group, including a distinction for those categories between the total number of employees and the total number of employees hired since the date of the last report made by the agency; and

(5) ~~the total number of disabled employees of the agency, including a distinction for that category between the total number of employees and the total number of employees hired since the date of the last report made by the agency; and~~

~~(6) the total number of employees of the agency listed by job classification and the total number of employees for each sex and [;] racial and ethnic group, and disability listed by job classification, including a distinction for those categories between the total number of employees and the total number of employees hired since the date of the last report made by the agency.~~

SECTION 77. The heading to Section 21.553, Labor Code, is amended to read as follows:

Sec. 21.553. COOPERATION WITH COMPTROLLER AND UNIFORM STATEWIDE ACCOUNTING SYSTEM; REPORT ~~[TO LEGISLATURE]~~.

SECTION 78. Section 21.553(b), Labor Code, is amended to read as follows:

(b) The commission shall conduct an analysis of the information reported to the commission under this subchapter and report the results of that analysis to the legislature, the Legislative Budget Board, and the governor not later than January 1 of each odd-numbered year ~~[the fifth day of each regular session of the legislature]~~. The report required under this subsection must be written in plain language.

SECTION 79. The heading to Section 412.051, Labor Code, is amended to read as follows:

Sec. 412.051. DUTIES OF STATE AGENCIES; INSURANCE NOTIFICATION ~~[REPORTING]~~ REQUIREMENTS.

SECTION 80. Section 412.051(b), Labor Code, is amended to read as follows:

(b) ~~Subject to Section 412.011 [In addition to the report required under Section 412.053]~~, each state agency that intends to purchase property, casualty, or liability insurance coverage in a manner other than through the services provided by the office shall notify the office of ~~[report]~~ the intended purchase ~~[to the office]~~ in the manner prescribed by the office. The state agency shall notify the office of ~~[report]~~ the intended purchase not later than the 30th day before the date on which the purchase of the coverage is scheduled to occur. The office may require a state agency to submit copies of insurance forms, policies, and other relevant information.

SECTION 81. Section 506.002(b), Labor Code, is amended to read as follows:

(b) The workers' compensation division of the office of the attorney general shall send to the comptroller ~~[and the state auditor]~~ a copy of each statement of amounts due from an agency or other instrumentality of state government that, with funds that are held outside the state treasury, reimburses the general revenue fund for workers' compensation payments made out of the general revenue fund.

SECTION 82. The heading to Section 91.1135, Natural Resources Code, is amended to read as follows:

Sec. 91.1135. OIL AND GAS REGULATION AND ~~[OIL-FIELD]~~ CLEANUP FUND ADVISORY COMMITTEE.

SECTION 83. Sections 91.1135(a), (d), (e), (f), and (g), Natural Resources Code, are amended to read as follows:

(a) In this section, "committee" means the Oil and Gas Regulation and [Oil Field] Cleanup Fund Advisory Committee.

(d) The committee shall:

(1) meet at least quarterly with the commission;
 (2) receive information about rules proposed by the commission relating to the oil and gas regulation and [oil-field] cleanup fund;

(3) review recommendations for legislation proposed by the commission; and

(4) monitor the effectiveness of the oil and gas regulation and [oil-field] cleanup fund.

(e) The commission shall provide quarterly reports to the committee and the Legislative Budget Board that include:

(1) the following information with respect to the period since the last report was provided as well as cumulatively:

(A) the amount of money deposited in the oil and gas regulation and [oil-field] cleanup fund;

(B) the amount of money spent from the fund;

(C) the balance of the fund;

(D) the number of wells plugged with money from the fund;

(E) the number of sites remediated with money from the fund; and

(F) the number of wells abandoned; and

(2) any additional information or data requested in writing by the committee.

(f) The committee may:

(1) submit to the commission comments of the committee regarding proposed rules relating to the oil and gas regulation and [oil-field] cleanup fund; and

(2) request reports and other information from the commission as necessary to implement this section.

(g) Not later than November 15 of each even-numbered year, the committee shall report to the governor, lieutenant governor, and speaker of the house of representatives on the committee's activities. The report must include:

(1) an analysis of any problems with the administration of the oil and gas regulation and [oil-field] cleanup fund; and

(2) recommendations for any legislation needed to address any problems identified with the administration of the fund or otherwise needed to further the purposes of the fund.

SECTION 84. Section 141.079, Natural Resources Code, is amended to read as follows:

Sec. 141.079. REPORT TO LEGISLATURE. Not later than January 1 of each odd-numbered year [~~During the first 30 days of each regular session of the legislature~~], the commissioner shall report to the legislature on the status of the exploration, development, and production of geothermal energy and associated resources under the land governed by this subchapter.

SECTION 85. Section 161.2111, Natural Resources Code, is amended to read as follows:

Sec. 161.2111. REPORT TO BOND REVIEW BOARD. With respect to purchases made under this chapter, the Veterans' Land Board shall file annually [~~semiannually~~] with the Bond Review Board a report on the performance of loans made by the Veterans' Land Board in connection with the purchases. The Bond Review Board shall review the reports filed by the Veterans' Land Board under this section to assess the performance of loans made under this chapter. The filing dates and the contents of the reports must comply with any rules adopted by the Bond Review Board.

SECTION 86. Section 162.003(e), Natural Resources Code, is amended to read as follows:

(e) With respect to loans made under the program, the Veterans' Land Board shall file annually [~~semiannually~~] with the Bond Review Board a report on the performance of the loans. The Bond Review Board shall review the reports filed by the Veterans' Land Board under this subsection to assess the performance of loans made under the program. The filing dates and the contents of the reports must comply with any rules adopted by the Bond Review Board.

SECTION 87. Section 651.162, Occupations Code, is amended to read as follows:

Sec. 651.162. BIENNIAL REPORT [~~ANNUAL REPORTS~~].

[(b)] The commission shall file biennially [~~annually~~] with the governor a written description of the activities of the commission during the two preceding fiscal years [~~year~~].

SECTION 88. Section 201.207(d), Transportation Code, is amended to read as follows:

(d) The department, in conjunction with the border commerce coordinator, shall develop short-range and long-range plans, including recommendations to increase bilateral relations with Mexico and expedite trade by mitigating delays in border crossing inspections for northbound truck traffic. In developing the plans, the department and coordinator shall consider information obtained from any meetings under Subsection (a). The department shall update the plan biennially [~~and submit the updated plan to the lieutenant governor, the speaker of the house of representatives, and each other member of the legislature on or before December 1 of each even-numbered year~~].

SECTION 89. Section 201.806(a), Transportation Code, is amended to read as follows:

(a) The department shall:

(1) tabulate and analyze the vehicle accident reports it receives; and

(2) annually or more frequently publish statistical information derived from the accident reports as to the number, cause, and location of highway accidents, including information regarding the number of:

(A) accidents involving injury to, death of, or property damage to a bicyclist or pedestrian; and

(B) fatalities caused by a bridge collapse, as defined by Section 550.081[; ~~and~~

~~[(3) not later than December 15 of each even-numbered year provide to the governor and the legislature:~~

~~[(A) an abstract of the statistical information for the biennium ending on the preceding August 31; and~~

~~[(B) a report with the department's conclusions, findings, and recommendations for decreasing highway accidents and increasing highway and bridge safety].~~

SECTION 90. Section 228.012(c), Transportation Code, is amended to read as follows:

(c) Not later than January 1 of each odd-numbered year, the department shall submit to the Legislative Budget Board and the Governor's Office of Budget, Planning, and Policy~~;~~ in the format prescribed by the Legislative Budget Board, a report on cash balances in the subaccounts created under this section and expenditures made with money in those subaccounts. The report must be in the form prescribed by the Legislative Budget Board.

SECTION 91. Section 456.008(a), Transportation Code, is amended to read as follows:

(a) Not later than January 1 of each year, the ~~[The]~~ commission by rule shall prepare and issue to the legislature a report on [the performance of] public transportation providers in this state that received state or federal funding during the previous 12-month period. A [The commission shall issue a] report under this section must:

(1) detail the performance of the transportation providers during the preceding state fiscal year; and

(2) include, as to each transportation provider, monthly data on industry utilized standards that best reflect ridership, mileage, revenue by source, and service effectiveness [at least once each state fiscal year].

SECTION 92. Section 12.203, Utilities Code, is amended to read as follows:

Sec. 12.203. BIENNIAL [ANNUAL] REPORT. Not later than December 1 of each [(a) The commission shall prepare annually a complete and detailed written report accounting for all funds received and disbursed by the commission during the preceding fiscal year. The annual report must meet the reporting requirements applicable to financial reporting in the General Appropriations Act.

[(b) In the annual report issued in the] year preceding the convening of each regular session of the legislature, the commission shall prepare a written report that includes [make] suggestions regarding modification and improvement of the commission's statutory authority and for the improvement of utility regulation in general that the commission considers appropriate for protecting and furthering the interest of the public.

SECTION 93. Section 51(c), Chapter 1406 (S.B. 758), Acts of the 80th Legislature, Regular Session, 2007, is amended to read as follows:

(c) The recommendations for expanding and improving provider capabilities under Subdivision (8), Subsection (b) of this section, must include provisions for start-up funding for providers to build necessary capacity in the state, partnerships with community leaders to identify local resources to support building capacity, and the development of pilot projects to procure regional capacity development.

~~[Beginning September 1, 2007, at the end of each fiscal year, the Department of Family and Protective Services shall prepare a progress report that details the department's activities in implementing the recommendations described in Subdivision (8), Subsection (b) of this section. The progress report must include regional data regarding the number of children in state conservatorship who are placed in their home region separated into classifications based on levels of care. The Department of Family and Protective Services shall submit the periodic progress reports required by this subsection to:~~

- ~~[(1) the governor;~~
- ~~[(2) the lieutenant governor;~~
- ~~[(3) the speaker of the house of representatives;~~
- ~~[(4) appropriate oversight committees of the legislature;~~
- ~~[(5) the Legislative Budget Board; and~~
- ~~[(6) the state auditor.]~~

SECTION 94. Section 1(c), Chapter 413 (H.B. 1966), Acts of the 81st Legislature, Regular Session, 2009, is amended to read as follows:

(c) Not later than December 1 of each year ~~[-2009]~~, the Health and Human Services Commission shall submit an annual ~~[initial]~~ report to the governor and the Legislative Budget Board regarding ~~[detailing]~~ the e-prescribing implementation plan developed under this section. The report must include the projected expenditures and cost savings anticipated for the plan during the state fiscal year and the total expenditures associated with and cost savings realized from the plan to date. This subsection expires January 1, 2015.

SECTION 95. Section 34, Chapter 1409 (H.B. 4586), Acts of the 81st Legislature, Regular Session, 2009, is amended by adding Subsection (d) to read as follows:

(d) After an agency or institution that receives money available under the American Recovery and Reinvestment Act has spent all the money received under that Act and completed all projects related to that Act, the agency or institution is no longer required to submit reports related to the agency's receipt of that money to the Legislative Budget Board.

SECTION 96. (a) This section applies to:

- (1) a municipality with a population of more than 50,000; and
- (2) a county in which there are more than 50 operating traffic-control signals.

(b) Not later than September 1, 2014, the governing body of each municipality and each county described by Subsection (a) of this section shall prepare and submit a report to the legislature and to the Texas A&M Transportation Institute on the status of the municipality's or county's current traffic-control signal system and primary arterial street operation.

(c) The report required under this section must include:

- (1) the municipality's or county's current practices relating to primary arterial streets and the performance of primary arterial streets, including the average speed, travel time, crash and delay rates at intersections, and estimated fuel consumption and vehicle emissions relating to those streets;

(2) a list of the nontraditional strategies employed by the municipality or county to design and operate highway intersections, if any, including single point urban interchanges, diverging diamonds, and continuous left turn treatments;

(3) a summary of the municipality's or county's current practices relating to:

(A) traffic management;

(B) traffic monitoring and data collection; and

(C) traffic signal timing, operation, and maintenance; and

(4) the amount of money spent and the number of people employed by the municipality or county in the preceding state fiscal year for purposes of managing and maintaining the municipality's or county's current traffic-control signal system and primary arterial street operation.

SECTION 97. The Department of Information Resources and the Information Technology Council for Higher Education shall complete the review required under Section 2054.1211, Government Code, as added by this Act, not later than March 1, 2014.

SECTION 98. The following provisions are repealed:

(1) Section 22.004(e), Education Code;

(2) Sections 29.160(e) and (f), Education Code;

(3) Subchapter L, Chapter 51, Education Code;

(4) Sections 54.777(b) and (c), Education Code;

(5) Section 61.0761(d), Education Code;

(6) Section 74.004(d), Education Code;

(7) Section 152.005, Education Code;

(8) Section 152.006, Education Code;

(9) Section 59.012, Family Code;

(10) Section 264.759, Family Code;

(11) Section 21.007(d), Government Code;

(12) Section 21.008(e), Government Code;

(13) Section 411.0097(c), Government Code, as added by Chapter 556 (H.B. 1239), Acts of the 79th Legislature, Regular Session, 2005;

(14) Section 499.028, Government Code;

(15) Section 531.02415(e), Government Code;

(16) Section 531.042(d), Government Code;

(17) Section 531.073(i), Government Code;

(18) Section 531.0731, Government Code;

(19) Section 825.510, Government Code;

(20) Section 825.518, Government Code;

(21) Section 2155.448(c), Government Code;

(22) Sections 2161.121(d) and (e), Government Code;

(23) Section 2165.2035(e), Government Code;

(24) Section 2306.560(d), Government Code;

(25) Section 101.0061(f), Human Resources Code;

(26) Section 221.012(b), Human Resources Code;

- (27) Section 1575.170(c), Insurance Code;
- (28) Section 205.019(b), Labor Code;
- (29) Section 201.103(c), Transportation Code;
- (30) Section 201.608(c), Transportation Code;
- (31) Section 222.103(e), Transportation Code;
- (32) Section 6.156(b), Water Code;
- (33) Section 26.051, Water Code;
- (34) Section 26.561, Water Code;
- (35) Section 21A(g), Texas Local Fire Fighters Retirement Act (Article 6243e, Vernon's Texas Civil Statutes);
- (36) Section 1(d), Chapter 413 (H.B. 1966), Acts of the 81st Legislature, Regular Session, 2009; and
- (37) Section 46, Chapter 1130 (H.B. 2086), Acts of the 81st Legislature, Regular Session, 2009.

SECTION 99. This Act takes effect September 1, 2013.

Floor Amendment No. 2

Amend **CSSB 59** (house committee printing) as follows:

(1) On page 49, line 12, strike "December 1 of each" and substitute "January 15 of each odd-numbered year".

(2) On page 49, strike lines 18-19 and substitute the following:

~~[(b) In the annual report issued in the year preceding the convening of each regular session of the legislature], the~~

(3) Strike page 51, line 18, through page 52, line 22.

(4) Add the following SECTIONS, appropriately numbered, to the bill:

SECTION __. Section 654.037, Government Code, is amended by adding Subsection (d) to read as follows:

(d) Each state fiscal biennium the classification officer shall:

(1) identify each state agency that experienced an employee turnover rate of more than 17 percent during the preceding state fiscal biennium;

(2) with respect to each state agency described by Subdivision (1), conduct a comparative study of salary rates at the agency that compares the salaries paid at the agency with:

(A) the market average maximum salary in other governmental units and in the private sector for similar work performed; and

(B) the market average mid-range salary in other governmental units and in the private sector for similar work performed; and

(3) report the findings of the study in the manner provided by Subsection (a)(2).

SECTION ____. Section 161.032, Health and Safety Code, is amended by adding Subsection (g) to read as follows:

(g) Notwithstanding any other provision of this section, the records of a medical committee of a university medical school or a health science center, including a joint committee, may be disclosed to the extent required under federal law as a condition on the receipt of federal money.

(5) Renumber the SECTIONS of the bill accordingly.

The amendments were read.

Senator Nelson moved to concur in the House amendments to **SB 59**.

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

SENATE BILL 1356 WITH HOUSE AMENDMENTS

Senator Van de Putte called **SB 1356** 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 1356** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 414.005, Government Code, is amended to read as follows:

Sec. 414.005. DUTIES. The council shall:

(1) encourage, advise, and assist in the creation of crime stoppers organizations;

(2) foster the detection of crime and encourage persons to report information about criminal acts;

(3) encourage news and other media to broadcast reenactments and to inform the public of the functions of crime stoppers organizations' operations and programs;

(4) promote the process of crime stoppers organizations to forward information about criminal acts to the appropriate law enforcement agencies;

(5) help law enforcement agencies detect and combat crime by increasing the flow of information to and between law enforcement agencies;

(6) create specialized programs targeted at detecting specific crimes or types of crimes, including at least one program that:

(A) encourages individuals to report sex offenders who have failed to register under Chapter 62, Code of Criminal Procedure; ~~and~~

(B) encourages individuals to report criminal activity relating to the trafficking of persons, as described under Chapter 20A, Penal Code; and

(C) financially rewards each individual who makes a report described by Paragraph (A) or (B) that leads or substantially contributes to the arrest or apprehension:

(i) of a sex offender who has failed to register under Chapter 62, Code of Criminal Procedure; or

(ii) of a person suspected of engaging in conduct that constitutes an offense under Chapter 20A, Penal Code; and

(7) encourage, advise, and assist crime stoppers organizations in implementing any programs created under Subdivision (6), including a program specifically described by Subdivision (6).

Floor Amendment No. 2

Amend **SB 1356** by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS of the bill appropriately:

SECTION _____. Subchapter A, Chapter 221, Human Resources Code, is amended by adding Section 221.0035 to read as follows:

Sec. 221.0035. BEST PRACTICES TO IDENTIFY AND ASSESS VICTIMS OF SEX TRAFFICKING. (a) In this section, "sex trafficking" means an offense under Section 20A.02(a)(7), Penal Code.

(b) The department shall evaluate the practices and screening procedures used by juvenile probation departments for the early identification of juveniles who are victims of sex trafficking for the purpose of developing a recommended set of best practices that may be used by a juvenile probation department to improve the juvenile probation department's ability to identify a juvenile who is a victim of sex trafficking.

(c) Best practices may include:

(1) examining a juvenile's referral history, including whether the juvenile has a history of running away from home or has been adjudicated for previous offenses;

(2) making inquiries into a juvenile's history of sexual abuse;

(3) assessing a juvenile's need for services, including counseling through a rape crisis center or other counseling; and

(4) asking the juvenile a series of questions designed to determine whether the juvenile is at high risk of being a victim of sex trafficking.

The amendments were read.

Senator Van de Putte moved to concur in the House amendments to **SB 1356**.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Nichols.

SENATE BILL 1265 WITH HOUSE AMENDMENT

Senator Nichols called **SB 1265** 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 1265** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the election of board members for emergency services districts in certain counties.

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

SECTION 1. Section 775.034(h), Health and Safety Code, is amended to read as follows:

(h) This section does not apply to a district located wholly in a county:

(1) with a population of more than three million;

(2) with a population of more than 200,000 that borders Lake Palestine; or

(3) with a population of less than 200,000 that borders another state and the Gulf Intracoastal Waterway.

SECTION 2. The heading to Section 775.0345, Health and Safety Code, is amended to read as follows:

Sec. 775.0345. ELECTION OF BOARD IN CERTAIN ~~[POPULOUS]~~ COUNTIES.

SECTION 3. Section 775.0345, Health and Safety Code, is amended by amending Subsections (a), (b), (e), (f), and (g) and adding Subsections (b-1), (d-1), and (h-1) to read as follows:

(a) This section applies only to a district located wholly in a county:

(1) with a population of more than three million;

(2) with a population of more than 200,000 that borders Lake Palestine; or

(3) with a population of less than 200,000 that borders another state and the Gulf Intracoastal Waterway.

(b) The governing body of a district consists of a five-person board of emergency services commissioners elected as prescribed by this section. Except as provided by Subsections (h) and (h-1) ~~[Subsection (h)]~~, emergency services commissioners serve four-year terms.

(b-1) Notwithstanding Subsection (b), the governing body of a district described by Subsection (a)(2) or (3) is governed by a five-member board of emergency services commissioners elected from single-member districts. One director is elected from each single-member district. As soon as possible after the district is created, the commissioners court of the county in which the district is located shall divide the district into five numbered single-member districts.

(d-1) Notwithstanding Subsection (d), to be eligible to be a candidate for emergency services commissioner in a single-member district on an initial board in a district described by Subsection (a)(2) or (3), a person must be at least 18 years of age and a resident of that single-member district.

(e) A candidate for emergency services commissioner on an initial board must give the voter registrar of the county ~~[clerk]~~ a sworn notice of the candidate's intention to run for office. The notice must state the person's name, age, and address and state that the person is serving notice of intent to run for emergency services commissioner. If the person intends to run for emergency services commissioner in a single-member district in a district described by Subsection (a)(2) or (3), the notice must also specify the single-member district the person seeks to represent. On receipt of the notice, the voter registrar of the county ~~[clerk]~~ shall have the candidate's name placed on the ballot.

(f) The voter registrar of the county ~~[clerk]~~ shall appoint an election judge to certify the results of the election.

(g) After the election is held, the voter registrar or deputy registrar of the county ~~[clerk or the clerk's deputy]~~ shall prepare a sworn statement of the election costs incurred by the county. The statement shall be given to the newly elected board, which shall order the appropriate official to reimburse the county for the county's election costs.

(h-1) Notwithstanding Subsection (h), the five initial emergency services commissioners elected from single-member districts in a district described by Subsection (a)(2) or (3) shall draw lots to determine which two commissioners serve terms that expire on December 31 of the second year following the year in which the election was held and which three commissioners serve terms that expire on December 31 of the fourth year following the year in which the election was held.

SECTION 4. The heading to Section 775.0355, Health and Safety Code, is amended to read as follows:

Sec. 775.0355. DISQUALIFICATION OF EMERGENCY SERVICES COMMISSIONERS IN CERTAIN ~~[POPULOUS]~~ COUNTIES.

SECTION 5. Section 775.0355(b), Health and Safety Code, is amended to read as follows:

(b) This section applies only to a district located wholly in a county:

(1) with a population of more than three million;

(2) with a population of more than 200,000 that borders Lake Palestine; or

(3) with a population of less than 200,000 that borders another state and the

Gulf Intracoastal Waterway.

SECTION 6. The heading to Section 775.0445, Health and Safety Code, is amended to read as follows:

Sec. 775.0445. VACANCY ON BOARD OF DISTRICT LOCATED IN CERTAIN ~~[POPULOUS]~~ COUNTIES.

SECTION 7. Section 775.0445(b), Health and Safety Code, is amended to read as follows:

(b) This section applies only to a district located wholly in a county:

(1) with a population of more than three million;

(2) with a population of more than 200,000 that borders Lake Palestine; or

(3) with a population of less than 200,000 that borders another state and the

Gulf Intracoastal Waterway.

SECTION 8. (a) This Act does not prohibit a person who is a commissioner on the effective date of this Act and who was appointed under Section 775.034, Health and Safety Code, from running for election to the board if the person has the qualifications required for a member under Section 775.0345, Health and Safety Code, as amended by this Act.

(b) The terms of the members of a board of emergency services commissioners serving on the effective date of this Act who were appointed under Section 775.034, Health and Safety Code, before the effective date of this Act expire on the date a majority of the members of the initial board of emergency services commissioners elected under Subsection (c) of this section qualify to serve.

(c) The county judge of a county with an emergency services district to which Section 775.0345(a)(2) or (3), Health and Safety Code, as added by this Act, applies on the effective date of this Act and to which Section 775.034, Health and Safety Code, previously applied, shall establish an election to elect the initial emergency services commissioners of that district in the manner required by Sections 775.0345(c)-(h-1), Health and Safety Code, for election of the initial commissioners as if the district had been created on the effective date of this Act.

SECTION 9. This Act takes effect September 1, 2013.

The amendment was read.

Senator Nichols moved to concur in the House amendment to **SB 1265**.

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

SENATE BILL 66 WITH HOUSE AMENDMENT

Senator Nelson called **SB 66** 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 66** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill as appropriate:

SECTION _____. (a) The Protect Our Kids Commission is composed of six members appointed by the governor, one of whom shall be designated as presiding officer, three members appointed by the lieutenant governor, three members appointed by the speaker of the house of representatives, one member with experience in behavioral health and substance abuse appointed by the commissioner of the Department of State Health Services, one member who represents the Department of Family and Protective Services appointed by the commissioner of the department, and one member who represents the Office of Title V and Family Health of the Department of State Health Services appointed by the office director.

(b) Each member appointed to the commission must have experience relating to the study of the relationship between child protective services and child welfare services and child abuse and neglect fatalities.

(c) In making appointments to the commission, each appointing authority shall make every effort to select individuals whose expertise is not already represented by other members of the commission and who reflect the geographical, cultural, racial, and ethnic diversity of the state.

(d) Members of the commission serve without compensation and are not entitled to reimbursement for expenses.

(e) The commission shall study the relationship between child protective services and child welfare services and the rate of child abuse and neglect fatalities.

(f) The commission shall:

(1) identify promising practices and evidence-based strategies to address and reduce fatalities from child abuse and neglect;

(2) develop recommendations and identify resources necessary to reduce fatalities from child abuse and neglect for implementation by state and local agencies and private sector and nonprofit organizations, including recommendations to implement a comprehensive statewide strategy for reducing those fatalities; and

(3) develop guidelines for the types of information that should be tracked to improve interventions to prevent fatalities from child abuse and neglect.

(g) The commission may accept gifts and grants of money, property, and services from any source to be used to conduct a function of the commission.

(h) Not later than December 1, 2015, the commission shall submit to the governor, lieutenant governor, and speaker of the house of representatives a report containing:

(1) the commission's findings and a complete explanation of each of the commission's recommendations;

(2) proposed legislation necessary to implement the recommendations made in the report; and

(3) any administrative recommendations proposed by the commission.

(i) The commission is not subject to Chapter 2110, Government Code.

(j) The Protect Our Kids Commission is abolished and this section expires December 31, 2015.

The amendment was read.

Senator Nelson moved to concur in the House amendment to **SB 66**.

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

SENATE BILL 778 WITH HOUSE AMENDMENT

Senator Carona called **SB 778** 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 778** (house committee printing), on page 2, by striking line 6 and substituting the following:

insurance premium, provided that:

(A) the person conducting the insurance transaction is appropriately licensed if required by applicable licensing and regulatory requirements administered by a functional regulatory agency of this state; and

(B) the insurance product and premium

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 778**.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Garcia.

SENATE BILL 1031 WITH HOUSE AMENDMENT

Senator Taylor called **SB 1031** 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 1031** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the Harris-Galveston Subsidence District; providing authority to impose a fee.

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

SECTION 1. Section 8801.001, Special District Local Laws Code, is amended by adding Subdivision (4-c) to read as follows:

(4-c) "Regional water supplier" means a political subdivision of this state that has:

(A) the authority to conserve, store, treat, and purify water and to transport, distribute, sell, and deliver water to any person in this state; and

(B) an approved groundwater reduction plan.

SECTION 2. Subchapter B, Chapter 8801, Special District Local Laws Code, is amended by adding Section 8801.066 to read as follows:

Sec. 8801.066. INVESTMENT OFFICER. (a) Notwithstanding Section 2256.005(f), Government Code, the board may contract with a person to act as investment officer of the district.

(b) The investment officer shall:

(1) not later than the first anniversary of the date the officer takes office or assumes the officer's duties, attend a training session of at least six hours of instruction relating to investment responsibilities under Chapter 2256, Government Code; and

(2) attend at least four hours of additional investment training within each two-year period after the first year.

(c) Training under this section must be from an independent source approved by:

(1) the board; or

(2) a designated investment committee advising the investment officer.

(d) Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with Chapter 2256, Government Code.

SECTION 3. Sections 8801.110(c) and (e), Special District Local Laws Code, are amended to read as follows:

(c) Written notice of a hearing other than a hearing on a permit application must be given to:

(1) each county, regional water supplier, and municipal government in the district; and

(2) each person that the board believes has an interest in the subject matter of the hearing.

(e) A copy of the notice must be provided to each county clerk to be posted in the place where notices are usually posted at the county courthouse of each county in the district.

SECTION 4. Section 8801.115, Special District Local Laws Code, is amended to read as follows:

Sec. 8801.115. STUDIES BY BOARD STAFF. At least once each year and at any other time the board considers necessary, the board shall have its staff and, if necessary, the staff of the Texas Water Development Board make a complete study of the groundwater in the district and determine:

(1) the water level;

(2) the rates and amounts of groundwater withdrawal; and

(3) other information relating to groundwater withdrawal that may affect ~~effect~~ subsidence in the district.

SECTION 5. Section 8801.117(a), Special District Local Laws Code, is amended to read as follows:

(a) ~~The [Not later than March 31 of each year, the]~~ board shall hold an annual ~~[a]~~ hearing to determine the effects of groundwater withdrawal during the preceding calendar year on subsidence in the district.

SECTION 6. Section 8801.151, Special District Local Laws Code, is amended to read as follows:

Sec. 8801.151. GROUNDWATER WITHDRAWALS SUBJECT TO BOARD RULE. (a) Groundwater withdrawals governed by this chapter, including withdrawals of injected water, are subject to reasonable board rules and orders, taking into account all factors, including availability of surface water or alternative water supplies, economic impact on persons and the community, degree and effect of subsidence on the surface of land, and differing topographical and geophysical characteristics of land areas in the district.

(b) The board may issue permits to drill new wells and may, by rule, provide exemptions from the permit requirements. The district shall grant a permit to drill and operate a new well inside a platted subdivision if water service from a local retail public utility is not available to the lot where the well is to be located.

(c) In this section, "retail public utility" has the meaning assigned by Section 13.002, Water Code.

SECTION 7. Section 8801.152, Special District Local Laws Code, is amended to read as follows:

Sec. 8801.152. CERTAIN GROUNDWATER USES ~~[WELLS]~~ EXEMPT. The permit requirements ~~[regulatory provisions]~~ of this chapter do not apply to:

- (1) a well regulated under Chapter 27, Water Code;
- (2) a well with a casing diameter of less than five inches that serves only a single-family dwelling; and
- (3) any other well as provided by board rule.

SECTION 8. Sections 8801.155(a) and (c), Special District Local Laws Code, are amended to read as follows:

(a) A [The owner or operator of a] well owner [located in the district] must obtain a permit from the board before:

- (1) drilling, equipping, or completing the well;
- (2) substantially altering the size of the well or a well pump; or
- (3) operating the well.

(c) A well [An] owner [or operator] commits a violation if the well owner ~~[or operator]~~ does not obtain a permit as required by Subsection (a). A violation occurs on the first day the drilling, alteration, or operation begins. Each day that a violation continues is a separate violation.

SECTION 9. Section 8801.158(c), Special District Local Laws Code, is amended to read as follows:

(c) The board shall issue a permit to an applicant if, on presentation of adequate proof, the board finds that:

- (1) there is no other adequate and available substitute or supplemental source of alternative ~~[surface]~~ water supplies at prices competitive with the prices charged by suppliers of alternative [surface] water supplies in the district; and

(2) compliance with any provision of this chapter or any district rule will result in an arbitrary taking of property or in the practical closing and elimination of a lawful business, occupation, or activity without sufficient corresponding benefit or advantage to the public.

SECTION 10. Section 8801.161(b-1), Special District Local Laws Code, is amended to read as follows:

(b-1) The fee under Subsection (a) may not exceed 110 percent of the highest rate that the City of Houston charges for ~~surface~~ water supplied to its customers in the district.

SECTION 11. Section 8801.162, Special District Local Laws Code, is amended to read as follows:

Sec. 8801.162. ANNUAL REPORT. (a) Before January 31 each year, a well owner who is required to hold ~~holds~~ a permit under this chapter shall submit to the board a report stating:

- (1) the well owner's name;
- (2) the total amount of groundwater withdrawn from the well during the preceding calendar year ~~[12-month period]~~;
- (3) the total amount of groundwater withdrawn from the well during each month of the preceding calendar year ~~[12-month period]~~;
- (4) the purpose for which the groundwater was used; and
- (5) any other information the board considers necessary.

(b) For the purposes of this section, a well owner whose well is aggregated with other wells permitted and managed by a regional water supplier is required to file the report with the regional water supplier instead of the district. Regional water suppliers are required to annually submit to the board the report required in Subsection (a) for all wells owned, managed, or permitted by that supplier no later than March 31.

SECTION 12. Section 8801.163(a), Special District Local Laws Code, is repealed.

SECTION 13. A person who is an investment officer for the Harris-Galveston Subsidence District and who holds that office on the effective date of this Act must attend the training required by Section 8801.066(b)(1), Special District Local Laws Code, as added by this Act, not later than the first anniversary of the effective date of this Act, unless the person has already taken the training in the 12 months preceding that effective date.

SECTION 14. The authority of a regional water authority to impose a charge on a well or class of wells located within the boundaries of the Harris-Galveston Subsidence District is not affected by the ceasing of that well or class of wells on or after February 1, 2013, to be subject to:

- (1) a groundwater reduction requirement imposed by the subsidence district;
- or
- (2) the regulatory provisions, permitting requirements, or jurisdiction of the subsidence district.

SECTION 15. 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 Taylor moved to concur in the House amendment to **SB 1031**.

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

SENATE BILL 918 WITH HOUSE AMENDMENT

Senator Estes called **SB 918** 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 918** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the sale by the Brazos River Authority and regulation of certain real property in the immediate vicinity of Possum Kingdom Lake.

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

SECTION 1. Section 8502.0132(a), Special District Local Laws Code, is amended by amending Subdivisions (2) and (5) and adding Subdivision (2-a) to read as follows:

(2) "Captive Property To Be Sold" means those portions of the following tracts of real property owned by the Authority at the Lake that as of May 27, 2009, were surrounded by the Lake and property owned by a single freeholder and [are] located above the 1000' contour line, but does not include any portion of the following tracts that was [is] part of Project Land or property that was [is] leased for single-family residential purposes as of May 27, 2009 [~~the effective date of the Act enacting this section~~]:

(A) two tracts of land totaling 2019.86 acres, more or less, in Palo Pinto County, Texas, described in Brazos River Authority Records as Tracts 8-1-93 and 9-3-9, as such Tracts are more particularly described in an Award of Commissioners entered June 28, 1940, in the County Court of Palo Pinto County, Texas, in Cause No. 2539, styled Brazos River Conservation and Reclamation District versus Orland R. Seaman, Et Al., as the same appears on file and of record in Volume 5, Pages 414 and 419, et seq., Civil Minutes of the County Court of Palo Pinto County, Texas; and

(B) a 2278.3 acre tract of land, more or less, in Palo Pinto County, Texas, described in Brazos River Authority records as Tract 11-2-46, as such tract is more particularly described in deeds recorded at Book 181, Page 325, Book 182, Page 339, Book 183, Page 12, and Book 183, Page 16, in Palo Pinto County Records, Palo Pinto County, Texas.

(2-a) "Close" or "Closing" means the transfer of the Authority's interest in properties described in the Subsection (d)(1) or (m)(6) survey.

(5) "Offeree" means any person to whom an offer to sell Captive Property To Be Sold is to be made under this section. To qualify as an Offeree, a person must own in fee simple as of May 27, 2009, the real property adjacent to the Captive

Property To Be Sold, and be able to provide an attorney's opinion or other satisfactory legal documentation that such Offeree meets the qualifications of an Offeree under this subdivision.

SECTION 2. Section 8502.0132, Special District Local Laws Code, is amended by amending Subsection (b) and adding Subsections (d-1), (m), and (n) to read as follows:

(b) Notwithstanding any other provision of this chapter, the Authority is directed to sell all Captive Property To Be Sold in accordance with the directives of this section, including the following:

(1) Within 90 days of the effective date of the Act enacting this section, the Authority shall publish a list of the parcels at the Lake that qualify as Captive Property To Be Sold and an "Application Of Intent To Purchase" form for use by the Offerees as provided by this section.

(2) Each listed parcel of Captive Property To Be Sold shall be offered for sale at its fair market value to the Offeree who owns any Adjacent Land that is adjacent to that specific parcel of Captive Property To Be Sold, and each Adjacent Land owner has the right (but not the obligation) to purchase the parcel in equal proportion among those wishing to acquire same.

(3) Any Offeree who desires to purchase Captive Property To Be Sold must, within 180 days of the inclusion of that property on the published list of Captive Property To Be Sold under Subdivision (1), submit a completed Application Of Intent To Purchase form to the Authority.

(4) If the Authority does not receive an Application Of Intent To Purchase from an Offeree within the required time, the Offeree shall be deemed to have waived any right to purchase the subject property under this section and the Authority shall have the right to retain or sell such property as directed by the board.

(5) The Authority shall accept and process all Application Of Intent To Purchase forms in the order in which they are received.

(6) Any sale of property under this section must be handled as if it were a private sale for fair market value under Section 49.226(a), Water Code.

(7) The fair market value of the Captive Property To Be Sold must be determined as follows:

(A) Within forty-five (45) days of the Authority's receipt of the Offeree's completed Application Of Intent To Purchase and an acceptable survey as provided by Subsection (d)(1), the Authority shall provide the Offeree with an appraisal of the fair market value of the Captive Property To Be Sold dated within one year of the date of the Authority's receipt of the Application Of Intent To Purchase (the "First Appraisal"). The Authority's appraiser must be an appraiser certified under Chapter 1103, Occupations Code. Within fifteen (15) days of receipt of the First Appraisal, the Offeree shall notify the Authority in writing as to whether the Offeree agrees with or disputes the fair market value set forth in the First Appraisal. If the Offeree does not dispute the fair market value as determined by the First Appraisal within such 15-day time period, then the First Appraisal shall be final and binding on all parties to establish the fair market value for the Captive Property To Be Sold.

(B) If the Offeree disputes the fair market value determined by the First Appraisal, the Offeree may withdraw its application to purchase the Captive Property To Be Sold or employ a disinterested appraiser certified under Chapter 1103, Occupations Code, to conduct a second appraisal of the fair market value of the Captive Property To Be Sold (the "Second Appraisal"). The Second Appraisal must be completed and sent to the Authority not later than the 45th day after the date the Offeree notifies the Authority that the Offeree disputes the First Appraisal. If the Authority does not receive the Second Appraisal within such 45-day time period, then the Offeree's Application Of Intent To Purchase will be deemed withdrawn.

(C) Within fifteen (15) days of receipt of the Second Appraisal, the Authority shall notify the Prospective Purchaser in writing as to whether the Authority agrees with or disputes the fair market value determined by the Second Appraisal. If the Authority does not dispute the fair market value as determined by the Second Appraisal within this 15-day time period, then the Second Appraisal shall be final and binding on all parties to establish the purchase price for the Captive Property To Be Sold. If the Authority timely disputes the fair market value determined by the Second Appraisal, the two appraisers (or their designated agents) shall meet and attempt to reach an agreement on the fair market value of the Captive Property To Be Sold, such meeting to occur not later than the 30th day after the date the Authority notifies the Offeree that the Authority disputes the Second Appraisal.

(D) If the two appraisers reach agreement on the fair market value, within 20 days after their meeting they shall issue a report of the agreed fair market value to the Authority and to the Offeree, and this agreed fair market value shall be final and binding on all parties to establish the purchase price. If the two appraisers fail to reach agreement on or before the 20th day after the date of the meeting, then not later than the 30th day after the date of the meeting the two appraisers shall appoint a disinterested third appraiser certified under Chapter 1103, Occupations Code, to reconcile the two previous appraisals (the "Third Appraisal"). The Third Appraisal must be completed on or before the 30th day after the date of the third appraiser's appointment, and the fair market value determined by the Third Appraisal is final and binding on all parties to establish the purchase price; provided, however, the final purchase price may not be more than the fair market value determined by the First Appraisal or less than the fair market value determined by the Second Appraisal.

(E) The appraisal costs must be paid by the person who requests the appraisal, except that the Offeree and the Authority shall each pay one-half of the cost of the Third Appraisal if a Third Appraisal is necessary. If the Offeree fails to pay its share of the Third Appraisal, then the Offeree's Application Of Intent To Purchase will be deemed withdrawn.

(F) The timelines established in the appraisal process set forth in this subdivision may be extended on joint agreement of Authority and Offeree.

(8) Closing must occur not later than the first anniversary of the effective date of the Act of the 83rd Legislature, Regular Session, 2013, amending this subsection.

(d-1) Not later than 15 business days after the delivery of an Offeree's survey to the Authority required under Subsection (d)(1) or (m)(6), the Authority shall notify the Offeree that the survey is acceptable or submit in writing to the Offeree a list

detailing any error in the survey that the Authority believes requires correction. If required, the survey must be corrected at the earliest convenience of the surveyor and a corrected survey delivered to the Authority. The correction process repeats until both surveys are acceptable, at which time the timetable for the appraisal process in Subsection (b)(7)(A) begins for the properties described in the Subsection (d)(1) and (m)(6) surveys. So long as the Subsection (m)(6) survey is timely delivered to the Authority, if the surveys are not both accepted by the Authority within 180 days after the effective date of the Act enacting this subsection, then the closing deadline established by Subsection (b)(8) is extended on a day-for-day basis for each day after the 180th day until both surveys are accepted by the Authority.

(m) Notwithstanding any provision of this section to the contrary, a sale under this section is subject to the following requirements:

(1) If on the date Closing occurs the Project Land or any portion of the Project Land has been removed from the FERC License, the Captive Property To Be Sold must include all Project Land that would have otherwise qualified as Captive Property To Be Sold except for its status as Project Land.

(2) If on the date Closing occurs the Project Land or any portion of the Project Land has not been removed from the FERC License, the Authority shall convey to the Offeree a residual interest in that portion of the Project Land that would have otherwise qualified as Captive Property To Be Sold except for its status as Project Land. The residual interest automatically vests on the date that:

(A) the Federal Energy Regulatory Commission approves an amendment to the FERC License removing the Project Land from the boundaries under the FERC License so that the Project Land is no longer subject to regulation by the Federal Energy Regulatory Commission; or

(B) the FERC License expires and is not renewed or extended, or is otherwise terminated, and thus the Project Land is no longer subject to regulation by the Federal Energy Regulatory Commission.

(3) Notwithstanding Subdivision (2), if the residual interest described by Subdivision (2) has not vested on or before August 31, 2040, then the residual interest is terminated and of no further force and effect, and the Authority shall repay to the Offeree any amount originally paid for that residual interest on or before December 1, 2040. On satisfaction of a condition described by Subdivision (2)(A) or (B) before August 31, 2040, the residual interest conveyed under Subdivision (2) is automatically effective without necessity of further documentation. As of the date the conveyance is effective, the applicable portion of the Project Land is considered to be a part of the Captive Property To Be Sold conveyed under this section and the Offeree or then-current Owner of the applicable portion of the Captive Property To Be Sold is the beneficiary of the residual interest applicable to the portion of the Project Land adjacent to such Owner's land and considered to be a part of the Captive Property To Be Sold conveyed under this section. The residual interest immediately vests in the Offeree or then-current Owner of the adjacent Captive Property To Be Sold conveyed under this section without the necessity of any additional written conveyance.

(4) In the event that a sale under this subsection does not include any portion of the Project Land, or only includes a residual interest in a portion or all of the Project Land, then the Authority shall at Closing, subject to the approval of the

Federal Energy Regulatory Commission, grant the Offeree an easement, subject to the FERC License, for the use of that portion of the Project Land for which the Offeree has purchased a residual interest. The Authority shall retain ownership of that portion of the Project Land and exercise control over that portion of the Project Land consistent with the FERC License and this subsection. The easement granted to the Offeree is limited to uses permitted under the terms of the FERC License, the Authority's Shoreline Management Plan, and any other Authority rules and regulations that may be adopted from time to time.

(5) An appraisal of the fair market value of the Project Land, whether the Project Land has been removed from the FERC License or not, must be determined as if the applicable Project Land is not subject to the FERC License, is not part of the Federal Energy Regulatory Commission project area, is not subject to any lease agreement, is available for immediate possession and use, and may be used for any lawful purpose.

(6) For each parcel of Project Land that an eligible Offeree elects to purchase under Subdivision (1), or for each parcel of Project Land in which the Offeree purchases a residual interest under Subdivision (2), the Offeree shall, not later than the 90th day after the effective date of the Act enacting this subsection, provide to the Authority a survey and calculation of the area of the parcel prepared by a licensed state land surveyor or a registered professional land surveyor in accordance with this subsection. The survey is separate from any survey prepared under Subsection (d) of Captive Property To Be Sold.

(n) On or before Closing, the Authority shall deliver completed and executed documentation necessary to transfer the property conveyed from the Authority to the Offeree, and the Offeree shall deliver the purchase price and closing costs and the countersignatures on all necessary documentation. Promptly after Closing, the Offeree shall record the documents required for transferring the property in the county records where the property is located. The closing documents and funds may be held in escrow at the election of the Authority or the Offeree until all documents have been fully executed and all required funds have been delivered.

SECTION 3. Chapter 8502, Special District Local Laws Code, is amended by adding Section 8502.0133 to read as follows:

Sec. 8502.0133. SALE OF AUTHORITY PROPERTY ON AND ASSOCIATED WITH COSTELLO ISLAND. (a) In this section:

(1) "Boat landing" means a 0.841 acre tract of land, more or less, located above the 1000' contour line as defined in Subdivision (8), described in authority records as Tract Costello Island, situated in the A. J. Smith Survey, Abstract 393, Palo Pinto County, Texas, and being a part of a tract of land purchased by the Brazos River Conservation and Reclamation District from Mrs. Hugh C. Thomas, as recorded in Volume 182, Page 142, Deed Records of Palo Pinto County. The boat landing is located wholly within the FERC Project Area.

(2) "Date of decommissioning" means the effective date of the surrender of the FERC License for the Morris Sheppard Dam Project No. 1490-052 under the Order Accepting the Surrender of the License (issued December 23, 2011), 137 FERC 62,252.

(3) "Costello Island" means a 260 acre tract of land, more or less, located above the 1000' contour line as defined in Subdivision (8), described in authority records as Tract Costello Island, situated in the J.W. Bunton Survey, Abstract 52, Palo Pinto County, Texas, and being a part of that parcel that is located wholly within the boundary of the lake, and being a part of a tract of land acquired by the Brazos River Conservation and Reclamation District from E.P. Costello by Court Judgment dated July 21, 1943. The portions of Costello Island owned by the authority are located wholly within the FERC Project Area.

(4) "Costello Island Property" means Costello Island and the boat landing, but does not include any portion of Costello Island owned in fee simple by a person other than the authority.

(5) "Fair market value" means the price that the Costello Island Property would bring in an arms-length transaction when offered for sale by one who wishes, but is not obliged, to sell and when bought by one who is under no necessity of buying it. This value shall be determined as if the Costello Island Property were not subject to the FERC License, were not located within the FERC Project Area, were not subject to any lease agreement, were available for immediate possession and use, and could be used for any reasonable purpose, subject only to the restrictions in Subsection (c).

(6) "FERC License" means the order of the Federal Energy Regulatory Commission issuing a license to the authority for project number 1490-003-Texas on September 8, 1989, as such license has been renewed, extended, or amended and may be further renewed, extended, or amended at any time and from time to time, and also including the amendment to the original FERC License, which amendment was issued on May 15, 1980, to the extent incorporated or referenced in the FERC License.

(7) "FERC Project Area" means that portion of authority land that is subject to the FERC License before the date of decommissioning, as the land is identified and defined in the FERC License, as may be amended at any time and from time to time, and which FERC Project Area may move or change over time due to natural forces.

(8) "Lake" means Possum Kingdom Lake located in Young, Palo Pinto, Stephens, and Jack Counties. The boundary of the lake is defined by the 1000' contour line, as that contour may meander and change over time with natural forces, including erosion and accretion. The "1000' contour line" means the line running along the periphery of the lake if the surface of the lake is at an elevation of 1000 feet above mean sea level, as measured from the top of the spillway crest gates of the Morris Sheppard Dam, as such line may move and shift from time to time due to natural forces.

(9) "Offeree" means the individuals or corporation, other than the authority, owning a portion of Costello Island in fee simple.

(b) After the date of decommissioning, the authority shall offer for sale to the offeree the Costello Island Property. The sale shall be:

(1) for not less than the fair market value as determined under Subsection (c); and

(2) contingent upon the termination of any leases encumbering all or any portion of the Costello Island Property at the time of sale.

(c)(1) The fair market value of the Costello Island Property shall be determined as described in this subsection.

(2) Not later than 45 days after the date the authority receives the offeree's completed application of intent to purchase and an acceptable survey as provided by Subsection (d)(1), the authority shall provide the offeree with an appraisal of the fair market value of the Costello Island Property. The authority may use an existing appraisal if it is dated not more than one year before the date the authority receives the application of intent to purchase. The authority's appraiser must be certified under Chapter 1103, Occupations Code. Not later than the 15th day after the date the offeree receives the first appraisal, the offeree shall notify the authority in writing as to whether the offeree agrees with or disputes the fair market value provided in the first appraisal. If the offeree does not dispute the fair market value as determined by the first appraisal before the expiration of the 15-day period, the first appraisal is final and binding on all parties and establishes the fair market value for the Costello Island Property.

(3) If the offeree disputes the fair market value determined by the first appraisal, the offeree may withdraw its application to purchase the Costello Island Property or may employ a disinterested appraiser certified under Chapter 1103, Occupations Code, to conduct a second appraisal of the fair market value of the Costello Island Property. The second appraisal must be completed and sent to the authority not later than the 45th day after the date the offeree notifies the authority that the offeree disputes the first appraisal. If the authority does not receive the second appraisal before the expiration of the 45-day period, the offeree's application of intent to purchase will be deemed withdrawn.

(4) Not later than the 15th day after the date of receiving the second appraisal, the authority shall notify the offeree in writing as to whether the authority agrees with or disputes the fair market value determined by the second appraisal. If the authority does not dispute the fair market value as determined by the second appraisal before the expiration of the 15-day period, the second appraisal is final and binding on all parties and establishes the purchase price for the Costello Island Property. If the authority timely disputes the fair market value determined by the second appraisal, the two appraisers, or their designated agents, shall meet and attempt to reach an agreement on the fair market value of the Costello Island Property. The meeting shall occur not later than the 30th day after the date the authority notifies the offeree that the authority disputes the second appraisal.

(5) If the two appraisers reach an agreement on the fair market value, they shall issue a report, not later than the 20th day after the date of their meeting, relating the agreed fair market value to the authority and to the offeree, and this agreed fair market value shall be final and binding on all parties and establishes the purchase price. If the two appraisers fail to reach an agreement on or before the 20th day after the date of the meeting, then, not later than the 30th day after the date of the meeting, the two appraisers shall appoint a disinterested third appraiser certified under Chapter 1103, Occupations Code, to reconcile the two previous appraisals in a third appraisal. The third appraisal must be completed on or before the 30th day after the date of the third appraiser's appointment, and the fair market value determined by the third appraisal is final and binding on all parties and establishes the purchase price;

provided, however, that the final purchase price may not be more than the fair market value determined by the first appraisal or less than the fair market value determined by the second appraisal.

(6) The appraisal costs shall be paid by the person who requests the appraisal, except that the offeree and the authority shall each pay one-half of the cost of the third appraisal if a third appraisal is necessary. If the offeree fails to pay its share of the third appraisal, the offeree's application of intent to purchase will be deemed withdrawn.

(7) The timelines for the appraisal process under this subsection may be extended upon joint agreement of the authority and the offeree.

(d) To purchase the Costello Island Property, the offeree must:

(1) provide to the authority a survey of the Costello Island Property that is:

(A) prepared by a licensed state land surveyor or a registered professional land surveyor;

(B) dated not earlier than one year before the effective date of the Act enacting this section; and

(C) acceptable to the authority and any title company providing title insurance for the offeree; and

(2) pay all closing costs associated with the sale of the property.

(e) For any property sold under this section:

(1) the authority shall provide a special warranty deed that encompasses and includes all interests in the Costello Island Property held by the authority, subject only to:

(A) the restrictions, covenants, and prohibitions contained in the deed of conveyance under which the authority originally acquired title to the property, including without limitation any releases of the authority for the inundation, overflowing, or flooding of the lake;

(B) the restrictions, covenants, and prohibitions described in Section 8502.020(d);

(C) all encumbrances and other matters filed of record in the public records of the county in which the property is located;

(D) any other matters or conditions that are apparent on the ground or that would be reasonably disclosed or discovered by an inspection of the property; and

(E) any other rules, regulations, or policies of the authority in effect as of January 1, 2013, prohibiting or limiting commercial, private, or other on-water facilities for new development, and as such rules, regulations, or policies may be amended, modified, or discontinued from time to time; and

(2) the offeree shall release and agree to hold the authority harmless from, and the authority may not be held liable for, damages, claims, costs, injuries, or any other harm to any offeree or any other person or the Costello Island Property, or to any improvements on the property, caused by or arising from any temporary flooding of any portion of the Costello Island Property.

(f) Any sale of the Costello Island Property under this section must allow the authority the right to enter onto the Costello Island Property and the lake and other bodies of water, if any, located within the Costello Island Property with essential

equipment for all purposes reasonably necessary for the authority to fulfill its obligations as a river authority and any obligations set forth in the FERC License, state water rights, or other governmental regulations, or for any purpose that the authority considers necessary for public safety, health, and welfare. Any exercise by the authority of rights described by this subsection may be conducted only after written notice is given to the offeree at least 48 hours in advance of entry onto the property, except in the event of an emergency, in which case advance notice is not required, but the authority shall provide written notice as soon as practicable. The authority shall use reasonable efforts to avoid interfering with the offeree's use of the Costello Island Property and shall promptly repair any damage to the property caused by the authority's entrance. Any claim to governmental immunity on behalf of the authority is waived with respect to the recovery of any damage caused by the authority's breach of this subsection.

(g) Chapters 232 and 272, Local Government Code, Section 49.226, Water Code, and Section 8502.013 of this code do not apply to a sale of property under this section.

(h) The authority may use proceeds from the sale of property under this section for any authority purpose.

(i) The authority shall reserve its interest in all oil, gas, and other minerals in and under the property to be sold, or any portion thereof, to the extent the authority owns an interest in those minerals.

(j) If the conveyance described by this section is not completed before the second anniversary of the effective date of this Act, this section shall no longer be effective and expires on the date of the second anniversary.

(k) To the extent of any conflict with other laws of this state, this section prevails.

SECTION 4. Section 8502.020, Special District Local Laws Code, is amended to read as follows:

Sec. 8502.020. SALE OF AUTHORITY PROPERTY. (a) Definitions. In this section:

(1) "Authority Land" means the FERC Project Area and all other real property owned by the Authority at the Lake as of the date before Closing, save and except for the Leased Tract.

(2) "Buffer Zone" means that twenty-five or fifty foot strip of land measured landward horizontally from the 1000' contour line that is included in the FERC Project Area as defined in the FERC License.

(3) "Close" or "Closing" means the date on which the Authority transfers its interest in the Leased Tract, in whole or in part, to a Purchaser. There may be multiple closing dates if the Leased Tract is sold in portions.

(4) "Commercial Leased Land" means all or any [that] portion of the Initial Commercial Leased Land and the Remaining Commercial Leased Land [Tract that is located wholly outside the FERC Project Area and that is leased for commercial purposes as of the date the Restrictions are placed of record].

(5) "Consumer Price Index" means the consumer price index for Housing, Dallas-Fort Worth, TX area, Series Id: CUURA316SAH, CUUSA316SAH, Base Period: 1982-84 = 100, as published by the Bureau of Labor Statistics of the United States Department of Labor, or its equivalent substitute should this series be discontinued.

(6) "Contract" means the Authority entering into a purchase and sale agreement with a Purchaser for the transfer of the Authority's interest in the Initial Leased Tract or the Remaining Leased Tract, in whole or in part.

(7) "Driveways" means those certain private gravel and/or paved driveways that connect a Road or other street or thoroughfare to an individual Leased Tract or any improvements thereon; Driveways also includes those shared or common Driveways that serve more than one Leaseholder or individual Leased Tract.

(8) "Environmental Laws" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Toxic Substances Control Act, the Clean Water Act, the Resource Conservation and Recovery Act and any other similar federal, state or local law, rule or regulation respecting the environment or Hazardous Materials, together with all rules and regulations promulgated thereunder and all present or future amendments thereto.

(9) "FERC License" means the order of the Federal Energy Regulatory Commission issuing a license to the Authority for project number 1490-003-Texas on September 8, 1989, as such license has been renewed, extended, or amended and may be further renewed, extended, or amended at any time and from time to time, and also including the Amendment to the original FERC License, which amendment was issued on May 15, 1980, to the extent incorporated or referenced in the FERC License.

(10) "FERC Project Area" means that portion of Authority Land [~~property~~] that is subject to the FERC License before the Date of Decommissioning, as identified and defined in the FERC License, as may be amended at any time and from time to time, and which FERC Project Area may move or change over time due to natural forces.

(11) "Ground Lease" means each of those certain residential and/or commercial ground leases between the Authority and a Leaseholder, and the respective heirs, successors, and assigns.

(12) "Hazardous Materials" means underground storage tanks, petroleum and petroleum products, asbestos, PCB's, urea-formaldehyde and any hazardous or toxic substances, pollutants, contaminants, wastes, or materials as defined under any Environmental Laws.

(13) "Lake" means Possum Kingdom Lake located in Young, Palo Pinto, Stephens, and Jack Counties. The boundary of the Lake is defined by the 1000' contour line, as that contour may meander and change over time with natural forces, including erosion and accretion. The "1000' contour line" means the line running along the periphery of the Lake if the surface of the Lake is at an elevation of 1000 feet above mean sea level, as measured from the top of the spillway crest gates of the Morris Sheppard Dam, as such line may move and shift from time to time due to natural forces.

(14) "Leased Tract" or "Tract" means all or any portion of the Initial Leased Tract or the Remaining Leased Tract [~~Commercial Leased Land, the Residential Leased Land, and Undeveloped Strips~~], whether owned by the Authority, Purchaser, or Owner and whether or not subject to a lease or Ground Lease or owned in fee simple.

(15) "Leaseholder" means a person or entity that has a residential lease or a commercial lease with the Authority, including the Leaseholder's heirs, successors, and assigns.

(16) "Lienholder" means any mortgagee under a mortgage, or a trustee or beneficiary under a deed of trust, constituting a lien on any portion of the Leased Tract.

(17) "Owner" means the record holder of fee simple title to any portion of the Leased Tract sold pursuant to this section, including its heirs, personal representatives, successors, and assigns. This term does not include a Purchaser who acquires the Leased Tract from the Authority in accordance with Subsection (b).

(18) "Property" means the Leased Tract and the Authority Land.

(19) "Purchaser" means any person or entity, including its successors in interest, heirs, or assigns, that acquires the Leased Tract (or any portion thereof) from the Authority in accordance with Subsection (b). This term does not include those Leaseholders that acquire individual Leased Tracts from the Purchaser in accordance with Subsection (b).

(20) "Ranch" means that certain subdivision of record in Palo Pinto County, Texas, according to the map or plat of record in Volume 7, Page 71, Plat Records of Palo Pinto County, Texas, as it may be amended or modified from time to time, which subdivision includes a portion of the Leased Tract and a portion of the Authority Land.

(21) "Ranch Agreement" means that certain agreement by and among the Authority, The Ranch on Possum Kingdom, L.P., and Hill Country Harbor Village, L.P., effective as of August 1, 1997, and dated December 12, 1997.

(22) "Ranch Declarations" means that certain Declaration of Covenants, Conditions and Restrictions for The Ranch on Possum Kingdom Palo Pinto County, Texas, dated December 8, 1997, as recorded in Volume 944, Page 403, Official Public Records of Palo Pinto County, Texas.

(23) "Residential Leased Land" means all or any [that] portion of the Initial Residential Leased Land and the Remaining Residential Leased Land [~~Leased Tract located outside the FERC Project Area that is leased for single family residential purposes only as of the date the Restrictions are placed of record. This term does not include land that is subject to a commercial lease, where such lessee is authorized to sublease for residential purposes~~].

(24) "Restrictions" means the easements, covenants, restrictions, liens, encumbrances, and requirements contained in the Declaration of Restrictive Covenants, Easements, and Conditions to be recorded by the Authority as set forth in Subsection (d), as amended from time to time.

(25) "Roads" means those paved or gravel streets, roads, and thoroughfares owned and maintained by the Authority that are located in Stephens, Jack, Young, or Palo Pinto County and that provide access, ingress, and egress to and from the Leased Tract, the Lake, and/or Authority Land; provided, however, that the definition of Roads, as used herein, does not include:

(A) Driveways;

(B) paved or gravel roads located wholly within Authority public use areas;

(C) paved or gravel roads located within gated Authority operations areas; and

(D) paved or gravel roads located wholly within an individual tract that is part of the Commercial Leased Land, which roads only serve that individual commercial Tract.

(26) "Shoreline Management Plan" means that certain Possum Kingdom Shoreline Management Plan and Customer Guide, adopted May 22, 2006, and amended July 31, 2006, and as may be revised and/or further amended by the Authority at any time and from time to time.

(27) "Undeveloped Strips" means all or any portion of the Initial Undeveloped Strips and the Remaining Undeveloped Strips [small strips of unleased land located between individual lots within the Leased Tract and small parcels of land between the Leased Tract and Roads that the Authority determines in its sole discretion to include in any sale of all or any portion of the Leased Tract].

(28) "Amendments to the Restrictions" means the amendments to the Restrictions under Subsection (d).

(29) "Date of Decommissioning" means the effective date of the surrender of the FERC License for the Morris Sheppard Dam Project No. 1490-052 under the Order Accepting the Surrender of the License (issued December 23, 2011), 137 FERC 62,252.

(30) "Initial Commercial Leased Land" means the portion of the Initial Leased Tract located wholly outside the FERC Project Area that is leased for commercial purposes as of the date the Restrictions are recorded in the applicable county records.

(31) "Initial Leased Tract" means all or any portion of the Initial Commercial Leased Land, the Initial Residential Leased Land, and the Initial Undeveloped Strips, whether owned by the Authority, Purchaser, or Owner and whether or not subject to a lease or Ground Lease or owned in fee simple.

(32) "Initial Residential Leased Land" means the portion of the Initial Leased Tract located outside the FERC Project Area that is leased only for single-family residential purposes as of the date the Restrictions are recorded in the applicable county records. The term does not include land that is subject to a commercial lease that may be subleased for residential purposes.

(33) "Initial Undeveloped Strips" means small strips of unleased land located between individual lots in the Initial Leased Tract and small parcels of land between the Initial Leased Tract and Roads that the Authority determines in its sole discretion to include in a sale of all or any portion of the Initial Leased Tract.

(34) "Remaining Commercial Leased Land" means the portion of the Remaining Leased Tract that is located wholly or partly within the FERC Project Area as of the date preceding the Date of Decommissioning and that is leased for commercial purposes as of the date the Amendments to the Restrictions are recorded in the applicable county records. The term does not include a special use lease, hangar lease, grass lease, hunting lease, or mineral lease, any other lease for noncommercial purposes, or any portion of the Initial Commercial Leased Land.

(35) "Remaining Leased Tract" means all or any portion of the Remaining Commercial Leased Land, the Remaining Residential Leased Land, and the Remaining Undeveloped Strips, whether owned by the Authority, Purchaser, or Owner and whether or not subject to a lease or Ground Lease or owned in fee simple.

(36) "Remaining Residential Leased Land" means the portion of the Remaining Leased Tract that is located wholly within the FERC Project Area as of the date preceding the Date of Decommissioning and that is leased only for single-family residential purposes as of the date the Amendments to the Restrictions are recorded in the applicable county records. The term does not include land that is subject to a commercial lease that may be subleased for residential purposes. The term does not include a special use lease, hangar lease, grass lease, hunting lease, or mineral lease, any other lease for nonresidential purposes, or any portion of the Initial Residential Leased Land. The term does not include a lease of land in the Buffer Zone that is subject to a residual interest that will automatically vest on the Date of Decommissioning or other expiration or termination of the FERC License.

(37) "Remaining Undeveloped Strips" means small strips of unleased land located between individual lots in the Remaining Leased Tract and small parcels of land between the Remaining Leased Tract and Roads that the Authority determines in its sole discretion to include in a sale of all or any portion of the Remaining Leased Tract.

(b) Sale to Purchaser. Prior to January 1, 2011, the Authority may sell the Initial Leased Tract in whole or in part, to a Purchaser in accordance with applicable law, this subsection, and Subsections (d), (e), (f), (g), (h), and (i). For a period of two years after the Date of Decommissioning, the Authority may sell the Remaining Leased Tract in whole or in part, to a Purchaser in accordance with applicable law, this subsection, and Subsections (d), (e), (f), (g), (h), and (i). Any sale of the Initial Leased Tract or the Remaining Leased Tract to a Purchaser under this subsection shall be subject to the following:

(1) Each Leaseholder shall have the opportunity to buy such Leaseholder's individual portion of the Leased Tract from the Purchaser or to continue leasing the applicable portion of the Leased Tract from the Purchaser in accordance with the following purchase or lease options. The Purchaser shall:

(A) Permit the Leaseholder to purchase such Leaseholder's individual Leased Tract in cash or through lender financing for 90% of land only assessed value without any exemptions (as determined by the appraisal district) for the year 2008 if the tract is part of the Initial Leased Tract, or for the year 2012 if the tract is part of the Remaining Leased Tract, such options ~~[option]~~ to be available at Closing as set forth in Subdivision (2) and for a period of at least one year from Closing.

(B) Permit the Leaseholder to purchase for the percent of assessed value only as set forth in Paragraph (A) such Leaseholder's individual portion of the Leased Tract via seller financing, with a down payment of ten percent (10%) and an interest rate of six percent (6%), with a 30-year amortization, such seller financing option to be available at Closing as set forth in Subdivision (2) and for a period of at least one year from Closing to the Leaseholder of any portion of the Commercial Leased Tract and to the Leaseholder of any portion of the Residential Leased Tract to the extent the Leaseholder of any portion of the Residential Leased Tract qualifies for financing under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. No. 111-203) and any related regulations. The Leaseholder [leaseholder] shall not be charged any origination fees or points by the Purchaser [purchaser] as a part of the closing costs involved in the seller financing option.

(C) Offer a new 99-year lease at a rental rate of 6% of the land only assessed value without any exemptions (as determined by the appraisal district) for the year 2008 if the tract is part of the Initial Leased Tract, or the 2012 land only assessed value without any exemptions if the tract is part of the Remaining Leased Tract, with annual Consumer Price Index increases or decreases, such options [option] to be available for a period of at least one year from Closing. The 99-year lease will include an option for the Leaseholder to purchase the applicable portion of the Leased Tract at the land only assessed value without any exemptions (as determined by the appraisal district) at the time of purchase (but not less than the 2008 land only assessed value without any exemptions if the tract is part of the Initial Leased Tract, or the 2012 land only assessed value without any exemptions if the tract is part of the Remaining Leased Tract).

(D) Offer a new 20-year lease with a rental rate as determined by the current Authority lease rate methodology or other lease rate structure as set forth in the Ground Lease as applicable (and including increases and adjustments to such rates) with annual Consumer Price Index increases or decreases, to Leaseholders who are over the age of 65 and who receive an ad valorem tax exemption under Section 11.13, Tax Code, for a structure on the Leaseholder's individual Leased Tract, such option to be available for a period of at least one year from the date of Closing. The Leaseholder must have received the ad valorem tax exemption for a structure on the Leaseholder's individual Leased Tract by January 1, 2009, if the tract is part of the Initial Leased Tract or January 1, 2013, if the tract is part of the Remaining Leased Tract. The 20-year lease will include an option for the Leaseholder to purchase the applicable portion of the Leased Tract at the land only assessed value without any exemptions (as determined by the appraisal district) at the time of purchase (but not less than the 2008 land only assessed value without any exemptions if the tract is part of the Initial Leased Tract or the 2012 land only assessed value without any exemptions if the tract is part of the Remaining Leased Tract).

(E) Ratify the existing Ground Lease of any Leaseholder who does not timely exercise one of the foregoing options, such ratification to include:

(i) adoption of the current Authority lease rate methodology or other lease rate structure as set forth in the Ground Lease, as applicable (and including increases and adjustments to such rates) for a period of 8 years from Closing;

(ii) an option permitting the Leaseholder to purchase such Leaseholder's individual portion of the Leased Tract for the land only assessed value without any exemptions (as determined by the appraisal district) at the time of purchase, or for the year 2008 if the tract is part of the Initial Leased Tract, or for the year 2012 if the tract is part of the Remaining Leased Tract, whichever is greater, for a period of 8 years from Closing; and

(iii) an agreement to extend Ground Leases as necessary to allow for this full 8-year purchase option period. Nothing in this subsection shall preclude the Purchaser from offering additional purchase or lease options to the Leaseholders, provided any additional options are made available to all similarly situated Leaseholders on an equal basis.

(2) A Leaseholder who desires to buy such Leaseholder's individual Leased Tract from the Purchaser pursuant to the option set forth in either Subdivision (1)(A) or (B) concurrently with the Purchaser's Closing must exercise the desired option as follows:

(A) notify the Authority and Purchaser in writing within 90 days after the effective date of the Contract between the Authority and Purchaser of Leaseholder's intent to purchase the applicable Leased Tract;

(B) Leaseholder and Purchaser will enter into a purchase and sale agreement in substantially the form as agreed to between the Authority and Purchaser, which form will be attached to the Contract, and which individual purchase and sale agreements will be ratified by Purchaser at the Closing; the purchase and sale agreement shall contain, at a minimum, the following terms and conditions:

(i) the purchase price for the individual Leased Tract in accordance with the applicable purchase option;

(ii) earnest money in the amount of \$1,000 to be delivered to the title company agreed to by Leaseholder and Purchaser and approved by the Authority along with the executed purchase and sale agreement;

(iii) the Leaseholder's obligation to provide a survey as set forth in this subsection and a title commitment from the agreed upon title company;

(iv) a 60-day period commencing on the date of the purchase and sale agreement for the Leaseholder to obtain financing (if exercising its option pursuant to Subdivision (1)(A) above);

(v) the Leaseholder must notify Purchaser of any objections to any items on the title commitment and/or survey within fifteen (15) days after receipt of same, but in no event less than 45 days prior to the anticipated date of Closing, provided however that neither the Purchaser nor the Authority shall have any obligation to cure any such items or to incur any expenses in curing any items, except that Purchaser and/or the Authority, as applicable, shall use good faith efforts to address and/or remove those requirements or exceptions shown on Schedule C of the title commitment that are applicable to or created by the Purchaser and/or Authority, as applicable, and, notwithstanding the foregoing, neither the Purchaser nor the Authority shall have any obligation to cure any exceptions on the attached Schedule C regarding legal right of access to or from the applicable Leased Tract;

(vi) Leaseholder is purchasing the applicable individual Leased Tract in its "as-is" condition and Purchaser shall have no obligation to make any improvements or modifications thereto, nor will Purchaser make any representations or warranties as to the condition or use of the applicable Leased Tract;

(vii) Purchaser shall not be responsible for any broker fees or commissions due to any broker or agent engaged or claiming to have been engaged by Leaseholder for the purchase and sale of the applicable Leased Tract;

(viii) Purchaser shall be responsible for costs related to the release of any existing liens placed on the applicable portion of the Leased Tract by Purchaser, including prepayment penalties and recording fees, release of Purchaser's loan liability to the extent applicable to the individual Leased Tract, tax statements or certificates, preparation of the deed, and one-half of any escrow fee;

(ix) Leaseholder shall be responsible for any costs associated with a loan or financing for the applicable portion of the Leased Tract, including, without limitation, loan origination, discount, buy-down, and commitment fees, appraisal fees, loan application fees, credit reports, preparation of loan documents, loan-related inspection fees, and interest on the notes from the date of disbursement to date of first monthly payment; the cost of the survey; recording fees; copies of easements and restrictions; mortgagee title policy with endorsements required by lender, if any; one-half of any escrow fee; any prepaid items, including without limitation, insurance premiums and reserves and taxes; underwriting fee; and any title policy (including endorsements) obtained by Leaseholder;

(x) Taxes will be prorated as of the date of Closing; if taxes are not paid as of the date of Closing, then Leaseholder shall be responsible for the payment of taxes; and

(xi) the agreement between Leaseholder and Purchaser shall be contingent on Closing occurring within the timeframes set forth in this subsection.

(C) Leaseholder shall deliver to Authority and Purchaser no less than forty-five days prior to Closing, at the Leaseholder's expense, an accurate survey of the individual Leased Tract (including any Undeveloped Strips being included in such Leased Tract), which survey is acceptable to the Authority and Purchaser. To be acceptable to the Authority and Purchaser, the survey must:

(i) be acceptable to the title company selected by the Purchaser and Leaseholder and approved by the Authority for purposes of issuing any policy of title insurance on the applicable portion of the Leased Tract;

(ii) be prepared by a licensed state land surveyor or a registered professional land surveyor acceptable to the Authority;

(iii) include the boundary of the Leaseholder's Leased Tract and any Undeveloped Strips being conveyed, which boundaries must be consistent with the master survey prepared on behalf of the Authority in conjunction with the sale of the Leased Tract to the Purchaser;

(iv) include all improvements on the Leased Tract and indicate any encroachments across the applicable boundary lines [~~or into the FERC Project Area or Buffer Zone~~]; Leaseholder must provide evidence that any such encroachments across boundary lines, including encroachments onto Authority Land, [~~or into the FERC~~

~~Project Area or Buffer Zone~~] have been cured by the Leaseholder (either by removal of such encroachment or by written agreement between the affected parties permitting such encroachment to continue) prior to the survey being deemed acceptable; and

(v) be reviewed and approved by the Authority and Purchaser; the Authority, Purchaser, and their representatives or agents may perform an inspection of the applicable Leased Tract to verify the accuracy of the survey [~~Survey~~] and any encroachments thereon;

(D) On or before Closing, the purchase and sale agreement between the Leaseholder and Purchaser and any earnest money that may be required pursuant to such agreement shall be timely delivered to a title company or escrow agent acceptable to the Authority and agreed to by Leaseholder and Purchaser in such agreement;

(E) On or before Closing, Purchaser and Leaseholder shall complete all documentation necessary to effectuate transfer of the applicable Leased Tract from the Purchaser to the Leaseholder and deliver such completed and executed documents to the applicable escrow agent; and

(F) Promptly after Closing, the deed and any other applicable documents effectuating transfer of such Leased Tract to the Leaseholder shall be recorded in the county records where the Leased Tract is located promptly after such escrow agent receives written notice from the Authority or title company or escrow agent facilitating the Closing of the Leased Tract from the Authority to Purchaser that such Closing has been completed and the necessary documents have been recorded pursuant to such Closing. In no event shall the deed or any other documents transferring the applicable portion of the Leased Tract to the Leaseholder be recorded prior to Closing.

(3) Closing shall occur no later than December 31, 2010, for the Initial Leased Tract and not later than two years after the Date of Decommissioning for the Remaining Leased Tract. The Authority shall post on its website no later than thirty days after entering into a Contract for sale with Purchaser the effective date of such Contract and the anticipated date of Closing, which date shall be at least six (6) months from the effective date of the Contract. Any changes to the anticipated date of Closing shall also be posted on the Authority's website. These dates shall be used to establish the time periods provided in Subdivision (2).

(c) Sale to Leaseholders. This subsection shall only apply to, and be effective for, those portions of the Remaining Leased Tract (if any) for which Closing has not occurred on or before the second anniversary of the Date of Decommissioning [~~December 31, 2010~~], pursuant to Subsection (b), in which case the effective date of this subsection shall be the second anniversary of the Date of Decommissioning [~~January 1, 2011~~]. Upon the effective date of this subsection, the Authority shall suspend any applicable sale efforts under Subsection (b) for a period of two years beginning on the effective date of this subsection and initiate a tract by tract sale of the Remaining Leased Tract to the then-current Leaseholders as follows:

(1) For a period of two years beginning on the effective date of this subsection and in accordance with the procedures set forth in this subsection, and subject to Subsections (d), (e), (f), (g), (h), and (i), the Authority shall provide Leaseholders the opportunity to purchase their individual portion of the Remaining

Leased Tract [~~Tracts~~] directly from the Authority. Leaseholders shall have until the expiration of such two-year period to submit a completed application of intent to purchase their individual Remaining Leased Tracts as provided by Subdivision (4).

(2) The Authority shall determine if, and how, any Remaining Undeveloped Strips will be divided between adjacent Leaseholders and incorporated into any individual Remaining Leased Tract; provided, however, Leaseholders shall not be required to accept any such Remaining Undeveloped Strips.

(3) On or before the effective date of this subsection, the Authority shall make available to the Leaseholders a form for an application of intent to purchase the Leaseholder's individual Remaining Leased Tract. Such application shall be deemed a contract subject to the provisions set out herein. The application of intent shall provide the Leaseholder a 30-day feasibility period beginning on the date such application is submitted in which the Leaseholder can determine the feasibility of purchasing the applicable individual Remaining Leased Tract, including the ability of such Leaseholder to obtain financing for such purchase.

(4) A Leaseholder who desires to purchase such Leaseholder's individual Remaining Leased Tract must submit a completed application to the Authority on or before the second anniversary of the effective date of this subsection [~~December 31, 2012~~]. An application will be deemed "complete" upon the following:

(A) Leaseholder delivers to the Authority an executed application of intent to purchase with all required information included in the application;

(B) Leaseholder delivers an earnest money deposit, in good funds acceptable to the title company or escrow agent selected by the Authority, in the amount of \$1,000 to such title company or escrow agent, which earnest money shall be nonrefundable after the expiration of the feasibility period except in the event closing does not occur due to the fault of the Authority;

(C) any and all rent and other fees or amounts due to the Authority pursuant to such Leaseholder's Ground Lease have been paid and there are no amounts then outstanding which are past due;

(D) Leaseholder has delivered to the Authority a survey that is acceptable to the Authority of the applicable Remaining Leased Tract (and any Remaining Undeveloped Strips being included in such Remaining Leased Tract). To be acceptable to the Authority, the survey must:

(i) be acceptable to the title company selected by the Authority for purposes of issuing any policy of title insurance on the applicable portion of the Remaining Leased Tract;

(ii) be prepared by a licensed state land surveyor or a registered professional land surveyor acceptable to the Authority;

(iii) include the boundary of the Leaseholder's Remaining Leased Tract and any Remaining Undeveloped Strips being conveyed, which boundaries must be consistent with the master survey of the Remaining Leased Tract prepared on behalf of the Authority;

(iv) include all improvements on the Remaining Leased Tract and indicate any encroachments across the applicable boundary lines, including encroachments onto Authority Land [or into the FERC Project Area or Buffer Zone]; Leaseholder must provide evidence that any such encroachments across boundary

lines [~~or into the FERC Project Area or Buffer Zone~~] have been cured by the Leaseholder (either by removal of such encroachment or by written agreement between the affected parties permitting such encroachment to continue) prior to the survey being deemed acceptable; and

(v) be reviewed and approved by the Authority; the Authority or its representatives or agents may perform an inspection of the individual Remaining Leased Tract to verify the accuracy of the survey [~~Survey~~] and any encroachments thereon.

(E) Leaseholder has delivered to the Authority a title commitment and, if requested by the Authority, any exception documents referenced therein, prepared by the applicable title company or escrow agent selected by the Authority; and

(F) Leaseholder has delivered to the Authority written evidence from Leaseholder's lender or financial institution that Leaseholder has the financing or funds available, as applicable, to complete the purchase of Leaseholder's Remaining Leased Tract.

(5) Completed applications that are timely delivered will be accepted and processed by the Authority in the order in which they are received; except that the Authority shall give preference in processing applications to Leaseholders who receive an ad valorem tax exemption under Section 11.13, Tax Code, for a structure on the Leaseholder's Remaining Leased Tract.

(6) An individual Remaining [~~A~~] Leased Tract sold under this subsection shall be sold for 90% of the land only assessed value without any exemptions, as determined by the appraisal district, for the year in which the Leaseholder's application of intent to purchase is submitted to the Authority, or for the year 2012 [~~2008~~], whichever is greater.

(7) The Leaseholder purchasing such Leaseholder's Remaining Leased Tract is responsible for:

(A) timely paying all rent and other fees or amounts due to the Authority pursuant to such Leaseholder's Ground Lease through the date of closing on the Leaseholder's portion of the Remaining Leased Tract;

(B) obtaining and delivering to the Authority a survey of the applicable Remaining Leased Tract in accordance with Subdivision (4)(D) and curing any encroachments shown thereon, all at Leaseholder's expense;

(C) obtaining and delivering to the Authority, at such Leaseholder's expense, a title commitment in accordance with Subdivision (4)(E); the Authority may, but shall have no obligation to, cure any objections that Leaseholder may have to the exceptions, covenants, easements, reservations or any other items reflected on the title commitment; provided, however, that the Authority shall use good faith efforts to address and/or remove those requirements or exceptions shown on Schedule C of the title commitment that are applicable to or created by the Authority, and, notwithstanding the foregoing, the Authority shall have no obligation to cure any exceptions on the attached Schedule C regarding legal right of access to or from the applicable Remaining Leased Tract;

(D) delivering to the applicable title company or escrow agent on or before closing on the Leaseholder's Remaining Leased Tract, in good funds, the purchase price and all reasonable, normal, customary, and documented costs

associated with the transfer of the individual Remaining Leased Tract to the Leaseholder including, without limitation, all escrow fees, recording fees, taxes on the land after the date of such closing, document preparation fees, the cost of any Title Policy (including any endorsements thereon) obtained by Leaseholder, and any costs associated with removing any liens on the applicable Remaining Leased Tract; and

(E) timely delivering to the escrow agent any notices, statements, affidavits, or other documents required by the application, escrow agent, or at law to effectuate the transfer of the applicable Remaining Leased Tract to the Leaseholder.

(8) For those completed applications of intent to purchase timely delivered to the Authority under this subsection, the purchase must be completed no later than the expiration of 30 months after the effective date of this subsection [~~June 30, 2013~~]. For any individual Remaining Leased Tract [~~Tracts~~] for which closing has not occurred by such date, the application shall be deemed terminated. The Authority shall not accept any applications of intent to purchase after the second anniversary of the effective date of this subsection [~~December 31, 2012~~]; and any applications of intent to purchase that are delivered to the Authority prior to such date but that are not "complete" as of such date in accordance with Subdivision (4) shall be rejected by the Authority. Leaseholders submitting an application of intent to purchase their individual Remaining Leased Tracts are responsible for ensuring that such application is deemed "complete" on or before the second anniversary of the effective date of this subsection [~~December 31, 2012~~].

(9) Any Ground Lease that would otherwise expire shall be automatically extended as necessary for one year terms to permit such Leaseholder the full two-year period to deliver such application of intent to purchase such Leaseholder's individual Remaining Leased Tract and to complete such transaction no later than the expiration of 30 months after the effective date of this subsection [~~June 30, 2013~~].

(10) The Owner of a Remaining Leased Tract sold under this subsection shall pay the Authority any reasonable fees set by the Authority for any services the Owner accepts from the Authority. However, the Owner of a Remaining Leased Tract is under no obligation to accept services from the Authority.

(11) Any Remaining Leased Tract subject to the Ranch Agreement shall only be subject to sale under this subsection if the Authority is released from its obligations under the Ranch Agreement relating to such Remaining Leased Tract.

(12) The following laws do not apply to sale of an individual Remaining Leased Tract under this subsection:

- (A) Chapter 272, Local Government Code;
- (B) Section 49.226, Water Code; and
- (C) Section 8502.013 of this code.

(13) A provision that applies to the Leaseholder of an individual Remaining [~~a~~] Leased Tract under this section applies to any subsequent Owner of the individual Remaining Leased Tract.

(14) At closing on the individual Remaining Leased Tract, the Leaseholder shall pay any indebtedness secured by a lien on the Leaseholder's leasehold estate (including the applicable portion of the Buffer Zone that is [~~whether or not included as~~] part of the leasehold estate [~~Leased Tract pursuant to Subsection (c)~~]) or deliver

the express written consent of the Lienholder on the leasehold estate in the Remaining Leased Tract permitting the Leaseholder to grant a purchase money lien on the fee simple estate in the Remaining Leased Tract.

(15) At the closing of the applicable Remaining Leased Tract, the Authority will deliver a special warranty deed.

(16) For any portion of the Remaining Leased Tract that has not been sold pursuant to this subsection on or before the expiration of 30 months after the effective date of this subsection [June 30, 2013], the Board shall sell any such remaining portion of the Remaining Leased Tract pursuant to terms and conditions determined by such Board.

(d) ~~Restrictions on Property [Leased Tract]. The Property is [Leased Tract (or any portion thereof) sold in accordance with Subsection (b) or (c) shall be] subject to the [following] Restrictions recorded in Palo Pinto, Stephens, Young, and Jack Counties, as amended from time to time. After the Date of Decommissioning and before the date the Remaining Leased Tract is conveyed under Subsection (b) or (c), the Authority, without requiring the consent of any Owner, shall further amend the Restrictions and record the Amendments to the Restrictions in the records of each applicable county, which amendments must (i) add the Remaining Commercial Leased Land as part of the Commercial Leased Land in the Restrictions; (ii) add the Remaining Residential Leased Land as part of the Residential Leased Land in the Restrictions; (iii) add the Remaining Undeveloped Strips as part of the Undeveloped Strips in the Restrictions; (iv) add the Remaining Leased Tract as part of the Leased Tract; and (v) otherwise amend the Restrictions to be substantively in accordance with the following[~~, which shall be included, in substance, in a Declaration of Restrictive Covenants, Easements, and Conditions to be prepared by the Authority substantively in accordance with the following and recorded by the Authority, as declarant, in the applicable county records prior to any sale pursuant to Subsection (b) or (e):~~~~

~~(1) Subject to Subdivision (10), no Owner, Purchaser, or Leaseholder may forbid, restrict, or take any action which effectively forbids or restricts the public from using the FERC Project Area and the adjacent areas of the Lake in accordance with the terms of the FERC License.]~~

(2) Each Owner, Purchaser, and Leaseholder shall agree to not block, restrict, or otherwise prohibit access over, through, or across any Road and further agrees that such Roads or portion thereof shall remain open for use by the Authority, other Owners or Purchasers, lessees of any portion of the Property (including Leaseholders) and the general public. Except for (i) those portions of the Property that are accessible by water only as of the effective date of the Restrictions, and/or (ii) restrictions of access existing as of the effective date of the Restrictions (e.g., access to and from public roads that requires traversing real property not owned by the Authority, Owners, or Purchasers hereunder), and/or (iii) the covenants and restrictions of the Ranch Declarations (to the extent applicable to the Roads) or other restrictive covenants existing prior to the date the Restrictions are recorded of record, no Owner, Purchaser, or Leaseholder shall be permitted to block, restrict, or otherwise prohibit access on, over, or across the Roads.

(3) The Driveways are not part of the Roads and shall be maintained by the Owner, Purchaser, or Leaseholder of the applicable Driveways. No Owner, Purchaser, or Leaseholder shall obstruct, prevent, or otherwise restrict access on, over or across any portion of a common Driveway by any such other Owner, Purchaser, or Leaseholder, or their guests or invitees, whose portion of the Property is served by such common Driveway. Owners, Purchasers, and/or Leaseholders whose portion of the Property is served by a common Driveway shall at all times have a nonexclusive right of ingress and egress over and across such common Driveway to access their portion of the Property.

(4) All grants and dedications of easements, rights-of-way, restrictions, and related rights affecting the Leased Tract, made prior to the Leased Tract becoming subject to the Restrictions and any Amendments to the Restrictions that are of record, or visible or apparent, shall be incorporated into such Restrictions by reference and made a part of the Restrictions for all purposes as if fully set forth therein and shall be construed as being adopted in each and every contract, deed, or conveyance executed or to be executed by or on behalf of the Authority conveying any part of the Leased Tract. The foregoing adoption of such easements includes, without limitation, any and all written easements or agreements, whether or not recorded, between the Authority and any other party for the installation, maintenance, repair, or replacement of utility lines located on, above, over, under, or beneath the Property.

(5) The Authority shall reserve for itself and its successors, assigns, and designees the nonexclusive right and easement, but not the obligation, to enter upon the Property, the Lake and other bodies of water, if any, located within the Property (a) to install, keep, maintain, and replace pumps in order to obtain water for the irrigation of any portion of the Authority Land, (b) to construct, maintain, replace, and repair any wall, dam, or other structure retaining water therein, (c) to access, construct, maintain, replace, and repair any measurement stations, monuments, or other similar improvements, (d) to remove trash and other debris, and (e) to fulfill the Authority's obligations as a river authority and any obligations set forth in [~~the FERC License,~~] state water rights[;] or other governmental regulations. The Authority and its designees shall have an access easement through, over, and across any portion of the Leased Tract to the extent reasonably necessary to exercise the rights and responsibilities under this subdivision; provided, however, that (i) the Authority shall provide written notice at least 48 hours in advance of such entry to the Purchaser or Owner of such portion of the Leased Tract (except in the event of an emergency, in which case advance notice shall not be required, but the Authority shall provide such written notice as soon as practicable thereafter); (ii) the Authority shall promptly repair any damage to the portion of the Leased Tract caused by the Authority's entrance onto such Owner's or Purchaser's portion of the Leased Tract; and (iii) the Authority shall use reasonable efforts to avoid interfering with the Owner's or Purchaser's use of the portion of the Leased Tract.

(6) The Authority shall reserve for itself and its successors, assigns, and designees a perpetual right, power, privilege, and easement to occasionally overflow, flood, and submerge that portion of the Property located at or below the elevation contour of 1015' above mean sea level in connection with the Authority's operation and maintenance of the Lake. The Authority shall have no liability to any Owner,

Purchaser, Leaseholder, or any other person for any damages, claims, costs, injuries, or liabilities to any person or the Property or any improvements thereon that are caused by or arise from any act or omission by the Authority in connection with the foregoing right and easement.

(7) Additional land may be included in the Property or Leased Tract at any time by the Authority, as long as the Authority owns any portion of the Property, by recording an amendment to these Restrictions in each of the counties in which the Property is located. Upon such additions, the Restrictions shall apply to the added land and the rights, privileges, duties, and liabilities of the Owners or Purchasers subject to the Restrictions shall be the same with respect to the added land as with respect to the Property originally covered by the Restrictions. As additional lands are added hereto, the Authority shall, with respect to said land, record amendments that may incorporate the Restrictions therein by reference and that may supplement or modify the Restrictions with such additional covenants, restrictions, and conditions that may be appropriate for those added lands.

(8) The Restrictions may not be modified in any respect whatsoever or terminated, in whole or in part, except with the consent of (i) the Owners or Purchasers of at least sixty percent (60%) of the individual lots that comprise the Residential Leased Land and Commercial Leased Land, and (ii) the Owners or Purchasers of at least sixty percent (60%) of the land area of the Authority Land, and (iii) the Authority, for so long as the Authority has any interest in the Property, whether as an Owner or ~~holder of the FERC License or~~ otherwise. Notwithstanding the foregoing, the Authority, without the joinder of any other party, shall have the absolute right to make minor changes or amendments to the Restrictions to correct or clarify errors, omissions, mistakes, or ambiguities contained therein. No amendment shall be effective until such amendment has been recorded in the Official Public Records of each of the counties in which the Property is located.

(9) No improvements (except as specifically set forth in Subdivision (11)) shall be constructed or located on the Leased Tract within twenty-five feet (25') landward measured horizontally from the 1000' contour line of the Lake, a meander line that changes over time due to natural forces, such as erosion and accretion; provided, however, this restriction shall not include improvements inside this setback that are existing at the time the Restrictions are filed that ~~[(+)]~~ have been approved in writing by the Authority ~~[-, and (ii) if such improvements are located within the FERC Project Area, have been approved by the Federal Energy Regulatory Commission (and to the extent not already approved by the Federal Energy Regulatory Commission, the Authority intends to file an application to obtain permission for the existing encroachments into the FERC Project Area to remain in place)]~~. In addition, no improvements on the Leased Tract (or any portion thereof) shall be constructed or located within five feet (5') of any other boundary line (i.e., the side and back boundary lines), other than fences; provided, however, this restriction shall not include improvements located within this 5' setback that are existing at the time the Restrictions are filed and that have been approved in writing by the Authority.

~~[(10) No Owner, Purchaser, or Leaseholder shall have any rights to construct any improvements or fencing that block or restrict access to the FERC Project Area, except with the written consent of the Authority, to be granted or~~

~~withheld in its sole discretion, and except in compliance with the FERC License. This limitation does not apply to fences located within the Leased Tract and outside the FERC Project Area.]~~

(11) Erosion control improvements (such as retaining walls, rip rap, etc.) and landscape planting may not be constructed or located [~~within the FERC Project Area or~~] at or below the 1000' contour line without the prior written approval of the Authority. Such improvements shall be subject to the terms and conditions set forth in the Restrictions [~~, in the FERC License, in any other Federal Energy Regulatory Commission rules and regulations,~~] and in the Authority's regulations, including without limitation, the Shoreline Management Plan.

(12) No Owner, Purchaser, or Leaseholder shall have the right to place, or permit to be placed, any advertisements, private notices, signs, or billboards on the Residential Leased Land [~~Tract~~] except that temporary signage customarily found on residential property may be placed on the Residential Leased Land at the reasonable discretion of the Owner, Purchaser, and/or Leaseholder of that portion of the Residential Leased Land.

(13) No activities shall be conducted on the Leased Tract and no improvements constructed on the Leased Tract that are or might be unsafe or hazardous to any person or property.

(14) No Owner, Purchaser, Leaseholder, or occupant of any portion of the Leased Tract shall use or permit the use, handling, generation, storage, release, disposal, or transportation of Hazardous Materials on, about, or under the Leased Tract except for such quantities that are routinely utilized in connection with residential use (for all portions of the Leased Tract except the Commercial Leased Land) or for commercial uses that are in compliance with the Restrictions (for the Commercial Leased Land), and that are stored, used, and disposed of in compliance with all Environmental Laws. Each Owner, Purchaser, and Leaseholder shall indemnify, defend, protect, and save the Authority, its successors and assigns, trustees, directors, employees, and officers and each other Owner, Purchaser, and Leaseholder, harmless from and against, and shall reimburse such indemnified parties for, all liabilities, obligations, losses, claims, damages, fines, penalties, costs, charges, judgments, and expenses, including, without limitation, reasonable attorneys' fees and expenses that may be imposed upon or incurred or paid by or asserted against such indemnified parties by reason of or in connection with such Owner's, Purchaser's, or Leaseholder's failure to comply with this subdivision.

(15) No Owner or Purchaser shall conduct, or permit to be conducted, any activity on the Leased Tract that is improper, immoral, noxious, annoying, creates a nuisance, or is otherwise objectionable to other Owners or Purchasers or incompatible with the recreational use of the Lake and the Authority Land [~~FERC Project Area~~].

(16) The Residential Leased Land (and any Undeveloped Strips that are conveyed to an Owner or Purchaser as part of the Residential Leased Land pursuant to Subsection (b) or (c)) shall be improved and used solely for single-family residential use, inclusive of a garage, fencing, and other such related improvements as are necessary or customarily incident to normal residential use and enjoyment and for no other use. No portion of the Residential Leased Land (and any Undeveloped Strips that are conveyed to an Owner or Purchaser as part of the Residential Leased Land

pursuant to Subsection (b) or (c) shall be used for manufacturing, industrial, business, commercial, institutional, or other nonresidential purpose, save and except as set forth in Subdivision (17). Notwithstanding the foregoing, Owners, Purchasers, and/or Leaseholders shall be permitted to conduct a "garage sale" on their respective portion of the Residential Leased Land (and any Undeveloped Strips that are conveyed to an Owner or Purchaser as part of the Residential Leased Land pursuant to either Subsection (b) or (c)) not more than one time per calendar year.

(17) No professional, business, or commercial activity to which the general public is invited shall be conducted on the Residential Leased Land (and any Undeveloped Strips that are conveyed to an Owner or Purchaser as part of the Residential Leased Land pursuant to Subsection (b) or (c)); except an Owner, Purchaser, Leaseholder, or occupant of a residence may conduct business activities within a residence so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the residence; (b) the business activity conforms to all zoning requirements; (c) the business activity does not involve door-to-door solicitation of residents, lessees, Leaseholders, Owners, or Purchasers within the Property; (d) the business does not generate a level of vehicular or pedestrian traffic or a number of vehicles parked within the Property that is noticeably greater than that which is typical of residences in which no business activity is being conducted; and (e) the business activity is consistent with the residential character of the Residential Leased Land and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents, lessees, Owners, Purchasers, or Leaseholders of the Property. The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis that involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (x) such activity is engaged in full or part-time; (y) such activity is intended to or does generate a profit; or (z) a license is required. Leasing of a residence shall not be considered a business or trade within the meaning of this subsection. This subdivision shall not apply to any activity conducted by the Authority.

(18) Except as may be otherwise provided in the Restrictions and any Amendments to the Restrictions, Commercial Leased Land (and any Undeveloped Strips that are conveyed to an Owner or Purchaser as part of the Commercial Leased Land pursuant to Subsection (b) or (c)) may be improved and used for any lawful commercial purpose, including without limitation, nonprofit organizations or governmental or quasi-governmental agencies.

(19) No portion of the Leased Tract may be used for the commercial testing or development of wind power, or to produce, lease, store, and/or transmit electrical power generated thereby for commercial or resale purposes.

(20) Each Owner or Purchaser shall keep, or cause to be kept, all improvements located on its respective portion of the Leased Tract maintained in good condition and repair, clean and free of rubbish and other hazards, and otherwise in full accordance with the Restrictions and all governmental rules, regulations, codes,

and zoning requirements. Such maintenance shall include, but not be limited to, the following: regular and timely removal of all litter, garbage, trash, and waste; regular lawn mowing; tree, shrub, and plant pruning and trimming; watering of landscaped areas; weed control; pest control; maintaining exterior lighting and mechanical facilities in good working order; keeping walks and driveways clean and in good repair; and the repairing and repainting of the exterior improvements visible to neighboring properties and/or public view.

(21) In the event of any damage to or destruction of any building or improvement on any portion of the Leased Tract from any cause whatsoever, the Owner, Purchaser, or Leaseholder upon whose portion of the Leased Tract the casualty occurred shall, at such Owner's, Purchaser's, or Leaseholder's sole option, either (i) repair, restore, or rebuild and complete the same with reasonable diligence, (ii) clear the affected area of all hazardous or dangerous debris and structures and lawfully dispose of same within one year from the date of casualty, or (iii) effectuate any combination of clauses (i) and (ii) of this subdivision as such Owner, Purchaser, or Leaseholder may deem reasonably appropriate. Notwithstanding the foregoing, in the event the Owner, Purchaser, or Leaseholder elects to rebuild buildings or improvements that were located within ~~the FERC Project Area or within~~ twenty-five feet (25') landward measured horizontally from the 1000' contour line that were approved in accordance with Subdivision (9), such buildings or improvements shall be rebuilt in accordance with Subdivision (24).

(22) The Texas Commission on Environmental Quality has adopted rules governing on-site sewage facilities (also called septic systems). The Authority is the commission's authorized agent for the septic system licensing program, including the enforcement of the commission's septic system rules and regulations for the Property. The Authority, as the agent for the commission, shall have the authority to access the Property for the purpose of issuing such licenses, inspecting such septic systems, and enforcing any and all rules and regulations related thereto. Each Owner, Purchaser, and Leaseholder agrees to comply with all sanitary regulations and the licensing process adopted by the commission and enforced by the Authority, as its agent, from time to time.

(23) The Owner or Purchaser shall be responsible, at such Owner's or Purchaser's expense, for providing for the collection, removal, and disposal of all solid waste on the Leased Tract; or the Owner or Purchaser of any portion of the Leased Tract shall be responsible for ensuring that the Leaseholders provide for such collection, removal, and disposal of all solid waste on the applicable portion of the Leased Tract. In the event the Ranch fails to provide for the collection, removal, and disposal of all solid waste related to the Ranch, the Owner or Purchaser shall be responsible for providing for the same.

(24) ~~[(i) An Owner, Purchaser, or Leaseholder, subject to approval by the Federal Energy Regulatory Commission, may repair, alter, or rebuild improvements located within the FERC Project Area, which improvements were previously approved in accordance with Subdivision (9); provided, however, such repairs, alterations, and/or rebuilding shall not extend beyond the footprint of the existing or previously existing improvement.~~

(ii) An Owner, Purchaser, or Leaseholder may repair, alter, or rebuild improvements located above the 1000' contour line [~~outside the FERC Project Area~~] but within 25' landward measured horizontally from the 1000' contour line, and/or improvements located within the 5' boundary setback, which improvements were previously approved in accordance with Subdivision (9). Such repairs, alterations, or rebuilding may extend such improvements outside the previously existing footprint towards the side boundaries and back boundary of the applicable Leased Tract, but such improvements may not be extended towards the shoreline or encroach closer to the 1000' contour line of the Lake than the existing or previously existing improvements.

(25) The Authority shall reserve its rights, title, and interest in all oil, gas, and other minerals in and under any and all Property, including the Leased Tract.

(26) No land located at or below the 1000' contour line [~~within the FERC Project Area~~] shall be improved, used, or occupied, except in such manner as shall have been approved by the Authority [~~and, to the extent required, by the Federal Energy Regulatory Commission~~]. No docks, piers, on-water facilities, retaining walls, or any other structures or facilities shall be built, installed, or maintained in, on, or over the waters of the Lake [~~or within the FERC Project Area~~] except as authorized by the Authority. All such structures or facilities shall be subject to all rules and regulations applicable to the Lake [~~and the FERC Project Area~~], as the same may be adopted or amended from time to time. Owner, Purchaser, and/or the Leaseholder shall be responsible for any fees or annual charges assessed by the Authority [~~and/or the Federal Energy Regulatory Commission~~] for such permit or improvements and shall be responsible for ensuring that any such improvements are consistent with the [~~FERC License,~~] Shoreline Management Plan[~~5~~], and all other rules and regulations applicable to the Property [~~FERC Project Area~~]. Owner or Purchaser shall not, at any time, permit any liens to encumber the Authority Land [~~FERC Project Area~~].

(27) No use of the Lake or other bodies of water within the Property, if any, shall be made except in accordance with the [~~FERC License, the~~] Shoreline Management Plan, the Authority's regulations, and any other rules and regulations that may be promulgated by the [~~Federal Energy Regulatory Commission and/or the~~] Authority at any time and as amended from time to time. Any such use shall be subject to the Authority's [~~and the Federal Energy Regulatory Commission's~~] superior use rights. The Authority shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of the Lake or other bodies of water within or adjacent to the Property.

(28) The Authority may use and regulate the Lake or other bodies of water within the Property for the irrigation of the Authority Land, or for any other purpose deemed appropriate by the Authority, subject to the rights and authority of any [~~the Federal Energy Regulatory Commission or~~] other governmental entity having jurisdiction of such areas, and subject to the water rights granted (or which may be granted) to the Authority by the State of Texas. The Authority's rights under this subdivision shall be superior to any rights of any Owner, Purchaser, or Leaseholder. This subdivision shall not be construed to limit or restrict the rights and authority of any [~~the Federal Energy Regulatory Commission or~~] other governmental entity having jurisdiction of the Property.

(29) Owners or Purchasers must obtain written permission from the Authority in accordance with the Authority's regulations to use or divert water from the Lake on any portion of the Leased Tract for domestic or commercial purposes.

(30) No Owner, Purchaser, or Leaseholder shall be permitted to divert or alter the natural drainage of the terrain or clear vegetation on any portion of the Property in such a manner that would cause unnatural erosion or silting of the Lake.

(31) Owners, Purchasers, and Leaseholders shall take all reasonable precautions to ensure that all use of and activities on the Leased Tract [~~and the FERC Project Area~~], including without limitation, the construction, operation, and maintenance of any improvements on the Leased Tract[~~, and/or FERC Project Area~~] occur in a manner that [~~is in compliance with the FERC License and that~~] will protect the scenic, recreational, and environmental values of the Lake. The Authority[~~, as a licensee of the Federal Energy Regulatory Commission,~~] has specific approval authority on any proposed construction that impacts the [~~FERC Project Area or~~] lakebed, and Owner, Purchaser, and Leaseholder shall comply with the approval process as may be established by the Authority [~~and/or the Federal Energy Regulatory Commission~~] from time to time.

~~[(32) Structures in place within the FERC Project Area shall be subject to the FERC License, as the same may be amended and/or renewed from time to time. Any structures erected in the FERC Project Area after May 15, 1980 (the date of the amendment to the previous FERC License) may be required to be removed at the expense of the owner of the improvement, unless such improvements are approved in writing by the Authority in accordance with the FERC License. In no event shall this subdivision grant any authorization for a violation of any rules or regulations of the Authority, the FERC License, or any state, federal, or local law.]~~

(33) The Owner, Purchaser, and Leaseholder of any portion of the Property [~~Leased Tract~~] shall comply with all of the following rules and regulations, as applicable:

(A) [~~the Shoreline Management Plan and any amendments or revisions to that document to the extent such Shoreline Management Plan applies to the Owner's, Purchaser's, and/or Leaseholder's portion of the Leased Tract;~~

[~~(B) the applicable rules, regulations, and order of the Federal Energy Regulatory Commission including, without limitation the FERC License;~~

[~~(C) the Authority's "Regulations for Governance for Brazos River Authority Lakes and Associated Lands," as published on the Authority's Internet website and as those regulations may be amended from time to time;~~ and

(B) [(D)] other rules and regulations adopted by the Authority regarding conduct on and use of the Lake [or the Property].

(34) By Texas statute, the Authority is empowered to adopt and has adopted certain regulations governing conduct on and use of the Property [~~within the FERC Project Area~~] and Lake. Owners, Purchasers, Leaseholders, and persons using the Leased Tract with such Owners' or Purchasers' consent shall abide by all such rules and regulations adopted from time to time by the Authority and any future revisions and amendments thereto.

(35) Owners, Purchasers, and Leaseholders of that portion of the Leased Tract that is part of the Ranch shall comply with the terms and conditions of the Ranch Agreement and the covenants and restrictions set forth in the Ranch Declarations, to the extent applicable to such portion of the Leased Tract. As to that portion of the Property that is part of the Ranch, the Ranch Declarations shall control in the event of any conflict between the covenants, restrictions, and conditions set forth in the Ranch Declarations and the Restrictions. Owners, Purchasers, and Leaseholders of a portion of the Leased Tract that is part of any other subdivision shall comply with the terms and conditions of the covenants and restrictions governing the subdivision that apply to the portion of the Leased Tract. Any portion of the Property that is part of the subdivision is governed by the restrictions and covenants governing the subdivision which shall control in the event of a conflict between the covenants, restrictions, and conditions governing the subdivision and the Restrictions and Amendments to the Restrictions.

(36) In order to maintain the quality of the Lake's water, the stability of the shoreline, and of the environment in the Lake's vicinity, each Owner, Purchaser, and Leaseholder of all or any portion of the Leased Tract agrees to:

(A) comply with any local, state, or federal laws related to water quality or the environment, including laws governing toxic wastes and hazardous substances;

(B) if the Owner's or Purchaser's private on-site sewerage facility is not licensed by the Texas Commission on Environmental Quality (or any successor to such Commission) then the Owner, Purchaser, or Leaseholder shall connect to and use, at the Owner's, Purchaser's, or Leaseholder's expense, as applicable, any wastewater treatment system or service that becomes available to the Owner's or Purchaser's portion of the Leased Tract, not later than twelve (12) months after the system or service becomes available to such portion of the Leased Tract and thereafter discontinue use of any private on-site sewerage facility; and if, at any time after a wastewater treatment system or service becomes available to the Owner's or Purchaser's portion of the Leased Tract, the Owner's or Purchaser's private on-site sewerage facility (whether licensed or not) requires either replacement or an alteration or change in the on-site sewerage facility resulting in (i) an increase in the volume of permitted flow, (ii) a change in the nature of permitted influent, (iii) a change from the planning materials approved by the permitting authority, (iv) a change in construction, and/or (v) an increase, lengthening, or expansion of the treatment or disposal system, then such Owner or Purchaser shall promptly connect to and use, at the Owner's, Purchaser's, or Leaseholder's expense, as applicable, such wastewater treatment system or service and thereafter discontinue use of any private on-site sewerage facility. Notwithstanding the foregoing, in the event a property owners association or municipality requires the Owners or Purchasers of the portion of the Leased Tract that is included in such association or municipality to connect to a wastewater system or service, then such association or municipality rules shall control;

(C) obtain written consent of the Authority prior to diverting or pumping water from the Lake or any body of water within or adjacent to the Property, constructing or erecting any embankment or retaining wall, or commencing any dredging activity; and

(D) pay to the Authority any reasonable fee related thereto (e.g., water usage, recreational user, dredging, or retaining wall fees) as may be adopted from time to time by the Authority.

(37) Each Owner or Purchaser of all or any portion of the Leased Tract agrees and acknowledges that the water level in the Lake varies and that the Authority is not responsible for maintaining the Lake at any certain level or above or below any certain level.

(38) The Authority is not responsible or liable for any personal injury or damage to any Owner, Purchaser, Leaseholder, the Leased Tract, the Property, or any improvements caused by any increase or decrease in the water level (even if such increase or decrease is due to modifications of the Morris Sheppard (Possum Kingdom) Dam or other actions or omissions of the Authority) or caused by natural flooding.

(39) The Authority shall reserve the right of ingress and egress for the Authority and any person authorized by the Authority, including an agent of the Authority or employees, over and across the Leased Tract and any and all on-water facilities whether located within the Leased Tract or Authority Land [~~FERC Project Area~~] for all reasonable purposes of the Authority, including, without limitation, the construction, maintenance, repair, and/or replacements of any roads, drainage facilities, and power, water, wastewater, and other utility mains and lines that the Authority considers necessary or beneficial and for public safety, health, and welfare purposes; provided however, that:

(A) the Authority shall provide written notice at least 48 hours in advance of such entry to the Purchaser or Owner of such portion of the Leased Tract (except in the event of an emergency, in which case advance notice shall not be required, but the Authority shall provide such written notice as soon as practicable thereafter), which notice shall state with reasonable specificity the purpose for such entry;

(B) the Authority shall promptly repair any damage to the portion of the Leased Tract caused by the Authority's entrance onto such Owner's or Purchaser's portion of the Leased Tract; and

(C) the Authority shall use reasonable efforts to avoid interfering with the Owner's or Purchaser's use of the portion of the Leased Tract.

(40) Each Owner, Purchaser, and Leaseholder shall comply strictly with the Restrictions, as the same may be amended from time to time. Failure to comply with the Restrictions shall constitute a violation of the Restrictions, and shall give rise to a cause of action to recover sums due for damages or injunctive relief or both, maintainable by the Authority or other Owners or Purchaser; provided however, no Owner, Purchaser, Leaseholder, or other person shall have any right of action against the Authority arising under the Restrictions.

(41) The Authority shall make no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, terms, or provisions. Any Owner, Purchaser, or Leaseholder acquiring or leasing, as applicable, any portion of the Property in reliance on one or more of the Restrictions shall assume all risks of the validity and enforceability thereof and, by acquiring such portion of the Property, agrees to hold the Authority harmless therefrom.

(42) If the Owner, Purchaser, or Leaseholder of any portion of the Leased Tracts or on-water facilities related thereto (including retaining walls) shall fail to comply with the requirements of the Restrictions, then the Authority shall have the right, but not the obligation, following thirty (30) days prior written notice to such defaulting person [owner] to enter such defaulting person's [owner's] portion of the Leased Tract (but only if such failure to comply results in a public health, safety, or welfare concern) and/or such defaulting person's [owner's] on-water facility and cure such breach, the cost of which shall be reimbursed by such defaulting person [owner] to the Authority upon demand. Any such unpaid amounts, together with interest thereon (at the rate of six percent (6%) per annum) and the costs of collection (if any), shall be charged as a continuing lien against such defaulting person's [owner's] portion of the Leased Tract, which lien shall be subordinate to the lien of any third-party deed of trust previously recorded against such defaulting person's [owner's] portion of the Leased Tract.

(43) A person shall be deemed to be in default of the Restrictions only upon the expiration of thirty (30) days (ten (10) days in the event of failure to pay money) from receipt of written notice from the Authority or other Owner or Purchaser specifying the particulars in which such person has failed to perform the obligations of the Restrictions unless such person, prior to the expiration of said thirty (30) days (ten (10) days in the event of failure to pay money), has rectified the particulars specified in said notice of default. However, such person shall not be deemed to be in default if such failure (except a failure to pay money) cannot be rectified within said thirty (30) day period and such person commences the cure of such default within such thirty (30) day period and thereafter is continuously using good faith and its best efforts to rectify the particulars specified in the notice of default.

(44) The Authority shall have the right, but not the obligation, to enforce all of the provisions of the Restrictions. Any Owner or Purchaser shall have the right to enforce all of the provisions of the Restrictions against any other Owner, Purchaser, or Leaseholder, but not against the Authority. Such right of enforcement shall include the right to sue for both damages for, and injunctive relief against, the breach of any such provision. Furthermore, the Authority shall have the right, when appropriate in its sole judgment and discretion, to claim or impose a lien upon any portion of the Leased Tract, or improvement constructed thereon, in order to enforce any right or effect compliance with the Restrictions.

(45) The failure of a person (including the Authority or any Owner or Purchaser) to insist upon strict performance of any of the Restrictions shall not be deemed a waiver of any rights or remedies that said person may have, and shall not be deemed a waiver of any subsequent breach or default in the performance of any of the Restrictions by the same or any other person.

(46) The Authority shall not be liable to any Owner, Purchaser, or Leaseholder, or to any other person for any loss, damage, or injury arising out of or in any way connected with the performance or nonperformance of the Authority's rights, obligations, or privileges under the Restrictions. Without limiting the foregoing, the Authority shall not be liable to any Owner, Purchaser, or Leaseholder due to the construction of any improvements within the Property.

(47) Each of the Restrictions on the Leased Tract shall be a burden on each portion of the Leased Tract, shall be appurtenant to and for the benefit of the other portions of the Property, other portions of the Leased Tract, and each part thereof, and shall run with the land.

(48) The Restrictions shall inure to the benefit of and be binding upon the Owners or Purchasers, their heirs, successors, assigns, and personal representatives, and upon any person acquiring all or any portion of the Leased Tract, or any interest therein, whether by operation of law or otherwise. Notwithstanding the foregoing, if any Owner or Purchaser sells or transfers all or any portion of such Owner's or Purchaser's interest in all or any portion of the Leased Tract, such Owner or Purchaser shall, upon the sale and conveyance of title, be released and discharged from all of its obligations as Owner or Purchaser in connection with the property sold by it arising under the Restrictions after the sale and conveyance of title but shall remain liable for all obligations arising under the Restrictions prior to the sale and conveyance of title. The new Owner or Purchaser of all or any such portion of the Leased Tract, (including, without limitation, any Owner (or Lienholder) who acquires its interest by foreclosure, trustee's sale or otherwise) shall be liable for all obligations arising under the Restrictions with respect to such portion of the Leased Tract on and/or after the date of sale and conveyance of title. The Authority may assign, in whole or in part, any of its privileges, exemptions, rights, and obligations (if any) under the Restrictions to any other person and may permit the participation, in whole or in part, by any other person in any of its privileges, exemptions, rights, and obligations (if any) hereunder.

(49) Except as provided in this subsection, the term of the Restrictions shall be for a period of fifty (50) years from the date such Restrictions are executed by the Authority. Notwithstanding the foregoing, upon the expiration of such period, the term of the Restrictions shall automatically renew for successive periods of five (5) years each unless, at least ninety (90) days prior to the date of expiration of any period then in effect, (i) the Owners or Purchasers of at least sixty percent (60%) of the individual lots that comprise the Residential Leased Land and the Commercial Leased Land, (ii) the Owners or Purchasers of at least sixty percent (60%) of the land area of the Authority Land, and (iii) the Authority, for so long as the Authority has any interest in the Property, whether as an Owner or ~~holder of the FERC License or~~ otherwise, duly execute, acknowledge and record in the office of the recorder of the counties in which the Property is located a written termination notice, in which event, the Restrictions shall automatically expire at the end of the period then in effect.

(50) Any subdivision by an Owner of the Owner's portion of the Leased Tract is subject to all applicable laws, rules, regulations, codes, and ordinances, including any applicable platting requirements, and any rules and restrictions relating to on-site sewage facilities.

(e) Buffer Zone. Notwithstanding any provision in this subsection to the contrary, a sale under Subsection (b) or (c) shall be subject to the following:

(1) ~~The Remaining [If at the time Closing occurs under Subsection (b) or if at the time a Leaseholder completes the purchase of the applicable Leased Tract from the Authority pursuant to Subsection (c), as applicable, the Buffer Zone, or any portion thereof, has been removed from the FERC Project Area, the] Leased Tract~~

being conveyed under Subsection (b) or (c) shall include the applicable ~~[that]~~ portion of the Buffer Zone ~~[so removed]~~; provided, however, the Purchaser and/or Owner, as applicable, shall grant the Authority access to the Buffer Zone ~~[FERC Project Area]~~ and Lake to allow the Authority to fulfill its obligations as a River Authority and any obligations set forth in ~~[the FERC License,]~~ state water rights~~;~~ or other governmental regulations.

(2) At ~~[if at]~~ the time of Closing on the Initial Leased Tract ~~[occurs]~~ under Subsection (b), ~~[or if at the time a Leaseholder closes on the purchase of the applicable Leased Tract from the Authority pursuant to Subsection (c), as applicable, the Buffer Zone, or any portion thereof, has not been removed from the FERC Project Area and]~~ a portion of the Initial Leased Tract is located within the Buffer Zone and is a part of the FERC Project Area, and therefore the Authority shall provide such Purchaser and/or Owner, as applicable, a residual interest in that portion of the Buffer Zone adjacent to the Initial Leased Tract and covered by the applicable residential Ground Lease, such residual interest to automatically vest upon satisfaction of one ~~[either]~~ of the following conditions:

(A) the Federal Energy Regulatory Commission approves an amendment to the FERC License removing the Buffer Zone from the boundaries prescribed by the FERC License such that the Buffer Zone is no longer subject to regulation by the Federal Energy Regulatory Commission; ~~[or]~~

(B) the FERC License expires (and is not renewed or extended) or is otherwise terminated and thus the Buffer Zone is no longer subject to regulation by the Federal Energy Regulatory Commission; or

(C) the Date of Decommissioning occurs.

(3) Notwithstanding the foregoing, if such residual interest has not vested on or before August 31, 2040, then such residual interest shall be terminated and of no further force and effect. Upon satisfaction of one ~~[either]~~ of the foregoing conditions prior to August 31, 2040, this conveyance shall be automatically effective without necessity of further documentation. From and after the date such conveyance becomes effective, the Buffer Zone shall be considered to be a part of the Initial Leased Tract conveyed under Subsection (b) ~~[or (c)]~~ and the Purchaser or then current Owner of the applicable Initial Leased Tract shall be the beneficiary of the residual interest created herein, but only as to the portion of the Buffer Zone located adjacent to the Purchaser's or Owner's property and all right, title, and interest in such adjacent portion of the Buffer Zone as measured by extending the boundary lines on both sides of the applicable portion of the Initial Leased Tract in a straight line across the Buffer Zone to the then current 1000' contour line of the Lake, or, if such portion cannot reasonably be measured as set forth above, then as otherwise determined by the Purchaser and approved by the Authority. Such residual interest shall immediately vest in the Purchaser or then-current Owner of such adjacent portion of the Initial Leased Tract without the necessity of any additional written conveyance.

(4) Until the residual interest in the Buffer Zone vests in the Purchaser or then-current Owner of the adjacent portion of the Initial Leased Tract as set forth in Subdivision (3), [In the event a sale under Subsection (b) or (c) does not include the Buffer Zone or any portion thereof, or only includes a residual interest in the Buffer Zone or any portion thereof, then] such Buffer Zone shall remain subject to the terms

and conditions of the residential Ground Lease in effect between the Leaseholder and the Authority at the time Closing occurs under Subsection (b) [~~or at the time the Leaseholder purchases the applicable Leased Tract under Subsection (e)~~]; provided, however, no rent shall be due the Authority under such Ground Lease for the Buffer Zone. At such time as the applicable Ground Lease expires or is otherwise terminated, the Authority may, subject to approval of the Federal Energy Regulatory Commission, grant the Purchaser or the then-current Owner of the adjacent tract (as determined pursuant to the method set forth in Subdivision (2)(B)), an easement for use of such portion of the Buffer Zone, which easement shall be subject to the FERC License. The Authority shall retain ownership of such portion of the Buffer Zone and exercise control over such portion of the Buffer Zone consistent with the FERC License and this subsection. The easement granted to such Owner shall be limited to uses permitted under the terms of the FERC License and the Authority's Shoreline Management Plan, and any other Authority rules and regulations as may be adopted from time to time.

(f) Purchase Price. For purposes of determining the purchase price and/or lease rate pursuant to the options set forth in Subsection (b)(1) or the purchase price in Subsection (c), in the event the appraisal district does not provide an assessed value for the applicable portion of the Leased Tract for the applicable year, then the land only assessed value without any exemptions for the applicable portion of the Leased Tract shall be calculated based on the assessed value per square foot of comparable lots with similar physical characteristics in the applicable county or adjoining counties, as determined by the Authority.

(g) Roads. Authority or Purchaser, whichever is applicable, shall transfer its interest in the Roads to the applicable county in which the Roads, or any portion thereof, are situated as follows:

(1) All Roads located in Stephens County (approximately three miles of Roads) shall be transferred to Stephens County on or before December 31, 2011.

(2) All Roads located in Palo Pinto County (approximately forty-six miles of Roads) shall be transferred to Palo Pinto County in twenty percent increments of the total mileage per year for five consecutive years. The first twenty percent increment shall be transferred on or before December 31, 2011, and each remaining twenty percent increment shall be transferred on or before December 31 of each subsequent year, but not before January 1 of such year unless approved by an order or resolution of the Palo Pinto County Commissioners Court, with the final twenty percent increment being transferred on or before December 31, 2015, but not before January 1, 2015, unless approved by an order or resolution of the Palo Pinto County Commissioners Court.

(3) Authority or Purchaser, whichever is applicable, in consultation with the Palo Pinto County Commissioner or Commissioners who have jurisdiction over the Leased Tract, shall determine which Roads or portions thereof shall be transferred each year.

(4) The transfer of any portion of the Roads located within the FERC Project Area shall be in accordance with the FERC License and may be in the form of a grant of a right-of-way or easement, unless otherwise authorized by the Federal Energy Regulatory Commission.

(5) Beginning on the date of transfer, the Authority or Purchaser, whichever is applicable, shall no longer have any obligations regarding such Roads. The Roads shall be transferred in their "as-is" condition and neither the Authority nor the Purchaser shall have any obligation to ensure that the Roads, or any portion thereof, comply with the standards in effect at the time of transfer in the applicable county for like roads currently maintained by that county.

(6) Concurrently with the transfer in each year of a portion of the Roads, the Authority or Purchaser, as applicable, shall transfer to Palo Pinto County the amount, rounded to the nearest dollar, computed by multiplying \$200,000 by a fraction the numerator of which is the number of miles of Roads located in and transferred to Palo Pinto County in that year and the denominator of which is the total number of miles of Roads located in and transferred or to be transferred to Palo Pinto County. For every other county in which a portion of the Roads is located, the Authority or Purchaser, as applicable, shall transfer an amount equal to (A) the per mile road payment (as defined below) multiplied by (B) the number of miles of the Roads located in such county. As used in this subdivision, "per mile road payment" means the amount, rounded to the nearest dollar, computed by dividing \$200,000 by the total number of miles of Roads located in and transferred or to be transferred to Palo Pinto County pursuant to this subsection.

(7) Notwithstanding any provision in this subsection to the contrary, the Authority or Purchaser, as applicable, shall retain ownership of any portion of a Road that is inaccessible to the public. For purposes of this subdivision, a portion of the Road is considered inaccessible to the public if, as of the effective date of the Act enacting this section, the public can only access such portion of the Road by crossing property not owned by the Authority or Purchaser, as applicable, and not subject to an easement or other ownership interest that allows the public to cross such property without restriction. If a retained portion of a Road subsequently becomes accessible to the public, the Authority or Purchaser, as applicable, shall transfer such retained portion, including any interest the Authority or Purchaser has in any additional Road constructed or acquired by the Authority or Purchaser in order to make the retained portion of the Road accessible to the public, to the applicable county in accordance with the process set forth in this subsection, or in the event such portion of the Road becomes accessible to the public after December 31, 2015, within one (1) year of such retained portion of the Road becoming accessible.

(h) Platting. A sale of the Leased Tract under this section shall not be subject to Chapter 232, Local Government Code, or any other platting requirement.

(i) Mineral Interests. The Authority shall reserve its interest in all oil, gas, and other minerals in and under the Leased Tract (or any portion thereof) sold under this section.

(j) Expiration of Requirement to Sell. The requirement that the Authority conduct a sale of the Remaining Leased Tract under Subsection (b) or (c) expires on December 31, 2016, if the FERC License is not terminated by decommissioning or otherwise.

SECTION 5. Section 8502.0132(h), Special District Local Laws Code, is repealed.

SECTION 6. If the provisions of Section 8502.0132 or 8502.020, Special District Local Laws Code, as amended by this Act, or Section 8502.0133, Special District Local Laws Code, as added by this Act, conflict with any other provision of Chapter 8502 of that code, then the provisions of Section 8502.0132, 8502.0133, or 8502.020, as applicable, prevail.

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.

The amendment was read.

Senator Estes moved to concur in the House amendment to **SB 918**.

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

SENATE BILL 831 WITH HOUSE AMENDMENT

Senator Taylor called **SB 831** 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 831** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED

AN ACT

relating to a list of mental health, substance abuse, and suicide prevention programs that may be selected for implementation by public schools.

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

SECTION 1. The heading to Subchapter O-1, Chapter 161, Health and Safety Code, is amended to read as follows:

SUBCHAPTER O-1. ~~[EARLY] MENTAL HEALTH, SUBSTANCE ABUSE, INTERVENTION] AND [PREVENTION OF] YOUTH SUICIDE~~

SECTION 2. The heading to Section 161.325, Health and Safety Code, is amended to read as follows:

Sec. 161.325. ~~[EARLY] MENTAL HEALTH PROMOTION AND INTERVENTION, SUBSTANCE ABUSE PREVENTION AND INTERVENTION, AND SUICIDE PREVENTION.~~

SECTION 3. Section 161.325, Health and Safety Code, is amended by amending Subsections (a), (b), (d), (e), and (i) and adding Subsections (a-1) and (a-2) to read as follows:

(a) The department, in coordination with the Texas Education Agency and regional education service centers, shall provide and annually update a list of recommended best practice-based programs in the areas specified under Subsection (a-1) ~~[early mental health intervention and suicide prevention programs]~~ for implementation in public elementary, junior high, middle, and high schools within the general education setting. Each school district may select from the list a program or programs appropriate for implementation in the district.

(a-1) The list must include programs in the following areas:

- (1) early mental health intervention;
- (2) mental health promotion and positive youth development;
- (3) substance abuse prevention;
- (4) substance abuse intervention; and
- (5) suicide prevention.

(a-2) The department, the Texas Education Agency, and each regional education service center shall make the list easily accessible on their websites.

(b) The programs on the list must include components that provide for training counselors, teachers, nurses, administrators, and other staff, as well as law enforcement officers and social workers who regularly interact with students, to:

(1) recognize students at risk of committing suicide, including students who are or may be the victims of or who engage in bullying;

(2) recognize students displaying early warning signs and a possible need for early mental health or substance abuse intervention, which warning signs may include declining academic performance, depression, anxiety, isolation, unexplained changes in sleep or eating habits, and destructive behavior toward self and others; and

(3) intervene effectively with students described by Subdivision (1) or (2) by providing notice and referral to a parent or guardian so appropriate action, such as seeking mental health or substance abuse services, may be taken by a parent or guardian.

(d) The board of trustees of each school district may adopt a policy concerning [early] mental health promotion and intervention, substance abuse prevention and intervention, and suicide prevention that:

(1) establishes a procedure for providing notice of a recommendation for early mental health or substance abuse intervention regarding a student to a parent or guardian of the student within a reasonable amount of time after the identification of early warning signs as described by Subsection (b)(2);

(2) establishes a procedure for providing notice of a student identified as at risk of committing suicide to a parent or guardian of the student within a reasonable amount of time after the identification of early warning signs as described by Subsection (b)(2);

(3) establishes that the district may develop a reporting mechanism and may designate at least one person to act as a liaison officer in the district for the purposes of identifying students in need of early mental health or substance abuse intervention or suicide prevention; and

(4) sets out available counseling alternatives for a parent or guardian to consider when their child is identified as possibly being in need of early mental health or substance abuse intervention or suicide prevention.

(e) The policy must prohibit the use without the prior consent of a student's parent or guardian of a medical screening of the student as part of the process of identifying whether the student is possibly in need of early mental health or substance abuse intervention or suicide prevention.

(i) Nothing in this section is intended to interfere with the rights of parents or guardians and the decision-making regarding the best interest of the child. Policy and procedures adopted in accordance with this section are intended to notify a parent or guardian of a need for mental health or substance abuse intervention so that a parent

or guardian may take appropriate action. Nothing in this section shall be construed as giving school districts the authority to prescribe medications. Any and all medical decisions are to be made by a parent or guardian of a student.

SECTION 4. This Act takes effect September 1, 2013.

The amendment was read.

Senator Taylor moved to concur in the House amendment to **SB 831**.

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

SENATE BILL 460 WITH HOUSE AMENDMENTS
(Motion In Writing)

Senator Deuell submitted a Motion In Writing to call **SB 460** 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. 3 on Third Reading

Amend **SB 460** on third reading as follows:

(1) On page 1, line 10, strike "must" and substitute "may".

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

SECTION ____ . Section 28.004(c), Education Code, is amended to read as follows:

(c) The local school health advisory council's duties include recommending:

(1) the number of hours of instruction to be provided in health education;

(2) policies, procedures, strategies, and curriculum appropriate for specific grade levels designed to prevent obesity, cardiovascular disease, [and] Type 2 diabetes, and mental health concerns through coordination of:

(A) health education;

(B) physical education and physical activity;

(C) nutrition services;

(D) parental involvement; [and]

(E) instruction to prevent the use of tobacco;

(F) school health services;

(G) counseling and guidance services;

(H) a safe and healthy school environment; and

(I) school employee wellness; and

(3) appropriate grade levels and methods of instruction for human sexuality instruction; and

(4) strategies for integrating the curriculum components specified by Subdivision (2) with the following elements in a coordinated school health program for the district:

(A) school health services;

(B) counseling and guidance services;

(C) a safe and healthy school environment; and

(D) school employee wellness.

SECTION _____. Section 161.325, Health and Safety Code, is amended by adding Subsections (c-1) and (c-2) and amending Subsection (d) to read as follows:

(c-1) Except as otherwise provided by this subsection, each school district may provide training described in the components set forth under Subsection (b) for teachers, counselors, principals, and all other appropriate personnel. A school district may provide the training at an elementary school campus only to the extent that sufficient funding and programs are available. A school district may implement a program on the list to satisfy the requirements of this subsection.

(c-2) If a school district provides the training under Subsection (c-1):

(1) a school district employee described under that subsection must participate in the training at least one time; and

(2) the school district shall maintain records that include the name of each district employee who participated in the training.

SECTION _____. Subchapter O-1, Chapter 161, Health and Safety Code, is amended by adding Section 161.326 to read as follows:

Sec. 161.326. IMMUNITY. This subchapter does not:

(1) waive any immunity from liability of a school district or of district school officers or employees;

(2) create any liability for a cause of action against a school district or against district school officers or employees; or

(3) waive any immunity from liability under Section 74.151, Civil Practice and Remedies Code.

Floor Amendment No. 4 on Third Reading

Amend Amendment No. 3 by Coleman to **SB 460** (on third reading) by adding the following appropriately numbered item to the amendment and renumbering items appropriately:

(____) Section 74.151(e), Civil Practice and Remedies Code, is amended to read as follows:

(e) Except as provided by this subsection, this [~~This~~] section does not apply to a person whose negligent act or omission was a producing cause of the emergency for which care is being administered. This subsection does not apply to liability of a school district or district school officer or employee arising from an act or omission under a program or policy or procedure adopted under Subchapter O-1, Chapter 161, Health and Safety Code, other than liability arising from wilful or intentional misconduct.

Floor Amendment No. 5 on Third Reading

Amend Floor Amendment No. 3 to **SB 460** as follows:

Section _____. On page 2, line 16, of the Coleman amendment, insert the following language between "subsection." and "(c-2)":

Any mental health training program offered under this section shall include a component on the risks of prescription drug sharing and prescription drug abuse.

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 460** 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; Patrick, Zaffirini, Taylor, and Van de Putte.

SENATE BILL 841 WITH HOUSE AMENDMENT

Senator Hancock called **SB 841** 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 841** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to certain authorized investments under the Insurance Code.

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

SECTION 1. Section 424.064(d), Insurance Code, is amended to read as follows:

(d) Except as provided by Section 862.002, an insurer may not own, develop, or hold an equity interest in any residential property or subdivision, single or multiunit family dwelling property, or undeveloped real property to subdivide for or develop residential, single or multiunit family dwellings. This subsection does not apply to an insurer with admitted assets of \$10 billion or more.

SECTION 2. Sections 424.068(a) and (b), Insurance Code, are amended to read as follows:

(a) In addition to the investments in Canada authorized by Sections 424.051, 424.058-424.071, and 424.074 and subject to this section, an insurer may invest the insurer's funds in excess of minimum capital and surplus in ~~[an investment in]~~ a foreign commonwealth, territory, or possession of the United States or [;] a foreign country other than Canada, or invest in debt obligations and investments within a foreign commonwealth, territory, or possession of the United States or within a foreign country other than Canada ~~[a foreign security originating in one of those commonwealths, territories, possessions, or countries;]~~ if:

(1) the investment is similar to investments the insurer is authorized by Sections 424.051, 424.058-424.071, and 424.074 to make within the United States or Canada; and

(2) the ~~[if a]~~ debt obligation or ~~[; the]~~ investment is rated one or two by the securities valuation office.

(b) The aggregate amount of an insurer's investments in a single foreign jurisdiction under Sections 424.051, 424.058-424.071, and 424.074 or of an insurer's debt obligations or investments within ~~in~~ a single foreign jurisdiction may not exceed:

(1) as to a foreign jurisdiction that is given a sovereign debt rating of one by the securities valuation office, 10 percent of the insurer's admitted assets; ~~or~~

(2) as to a debt obligation or investment within a foreign jurisdiction that is rated one or two by the securities valuation office, 10 percent of the insurer's admitted assets; or

(3) as to any ~~other~~ foreign investment other than an investment described by Subdivision (1) or (2) ~~jurisdiction~~, five percent of the insurer's admitted assets.

SECTION 3. Section 425.119(f), Insurance Code, is amended to read as follows:

(f) Except as provided by Subsection (g), an insurance company may not own, develop, or hold an equity interest in any residential property or subdivision, single or multiunit family dwelling property, or undeveloped real property to subdivide for or develop residential or single or multiunit family dwellings. This subsection does not apply to an insurer with admitted assets of \$10 billion or more, as determined from the insurer's annual statements that are made as of the December 31 that precedes the date of the determination and are filed with the department as required by law.

SECTION 4. This Act takes effect September 1, 2013.

The amendment was read.

Senator Hancock moved to concur in the House amendment to **SB 841**.

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

CONFERENCE COMMITTEE REPORT ON SENATE BILL 1730 ADOPTED

Senator Nichols called from the President's table the Conference Committee Report on **SB 1730**. The Conference Committee Report was filed with the Senate on Friday, May 17, 2013.

On motion of Senator Nichols, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Campbell.

SENATE BILL 1365 WITH HOUSE AMENDMENT

Senator Duncan called **SB 1365** 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 **CSSB 1365** (house committee report) as follows:

(1) On page 1, line 14, strike "board review" and substitute "~~board~~ review by the district board of trustees".

(2) On page 1, strike lines 19 through 24 and substitute the following:

The board of trustees shall approve for each subject, to the extent available, at least four examinations that satisfy State Board of Education ~~[board]~~ guidelines. The examinations approved by the board of trustees must include:

(1) advanced placement examinations developed by the College Board; and

(3) On page 2, lines 5 and 6, strike "a board-approved examination for acceleration" and substitute "an ~~[a board-approved]~~ examination for acceleration approved by the board of trustees under Subsection (a)".

(4) On page 2, lines 14 through 16, strike "a board-approved examination for credit in the subject if the student scores in the 80th ~~[90th]~~ percentile or above on the board-approved examination" and substitute the following:

an ~~[a board-approved]~~ examination for credit in the subject approved by the board of trustees under Subsection (a) if the student scores in the 80th ~~[90th]~~ percentile or above on the examination

(5) Strike page 2, line 25, through page 3, line 15, and substitute the following:

(1) a three or higher on an advanced placement examination approved by the board of trustees under Subsection (a) and developed by the College Board; or

(2) a scaled score of 60 or higher on an examination approved by the board of trustees under Subsection (a) and administered through the College-Level Examination Program.

(d) Each district shall administer each examination approved by the board of trustees under Subsection (a) not fewer ~~[less]~~ than four times each ~~[once-a]~~ year, at times to be determined by the State Board of Education.

(e) Subsection (d) does not apply to an examination that has an administration date that is established by an entity other than the school district.

(6) On page 3, line 17, strike "a board-approved", and substitute "an".

The amendment was read.

Senator Duncan moved to concur in the House amendment to **SB 1365**.

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

RECESS

On motion of Senator Whitmire, the Senate at 2:48 p.m. recessed until 4:00 p.m. today.

AFTER RECESS

The Senate met at 4:11 p.m. and was called to order by Senator Eltife.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Thursday, May 23, 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 CONCURRED IN THE SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

- HB 8** (146 Yeas, 0 Nays, 2 Present, not voting)
- HB 346** (143 Yeas, 3 Nays, 2 Present, not voting)
- HB 462** (145 Yeas, 0 Nays, 2 Present, not voting)
- HB 1079** (139 Yeas, 1 Nays, 2 Present, not voting)
- HB 1129** (140 Yeas, 0 Nays, 2 Present, not voting)
- HB 1198** (134 Yeas, 7 Nays, 2 Present, not voting)
- HB 1573** (128 Yeas, 19 Nays, 2 Present, not voting)
- HB 2099** (139 Yeas, 2 Nays, 2 Present, not voting)
- HB 2123** (135 Yeas, 4 Nays, 2 Present, not voting)
- HB 2362** (145 Yeas, 0 Nays, 2 Present, not voting)
- HB 2383** (134 Yeas, 5 Nays, 2 Present, not voting)
- HB 2448** (146 Yeas, 1 Nays, 2 Present, not voting)
- HB 2532** (116 Yeas, 24 Nays, 2 Present, not voting)
- HB 3309** (140 Yeas, 0 Nays, 2 Present, not voting)
- HB 3370** (143 Yeas, 0 Nays, 2 Present, not voting)
- HB 3536** (79 Yeas, 58 Nays, 2 Present, not voting)
- HB 3714** (134 Yeas, 6 Nays, 2 Present, not voting)
- HB 3739** (135 Yeas, 5 Nays, 2 Present, not voting)
- HB 3914** (138 Yeas, 1 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 12 (non-record vote)

House Conferees: Flynn - Chair/Alvarado/Larson/Martinez Fischer/Perry

HB 2818 (non-record vote)

House Conferees: Sheffield, Ralph - Chair/Geren/Johnson/Kuempel/Thompson, Senfronia

HB 3142 (non-record vote)

House Conferees: Bell - Chair/Fletcher/Nevárez/Pickett/Sheets

HB 3153 (non-record vote)

House Conferees: Lewis - Chair/Farney/Farrar/Gooden/King, Ken

HB 3572 (non-record vote)

House Conferees: Hilderbran - Chair/Bohac/Eiland/Kuempel/Sheffield, J. D.

HB 3648 (non-record vote)

House Conferees: Harper-Brown - Chair/Fletcher/Laubenberg/Lavender/Longoria

HB 3903 (non-record vote)

House Conferees: Isaac - Chair/Ashby/Bonnen, Dennis/Clardy/Workman

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives**SENATE BILL 148 WITH HOUSE AMENDMENT**

Senator Williams called **SB 148** 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 148** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to certain legal advice or legal services rendered to certain public servants.

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

SECTION 1. Section 36.10, Penal Code, is amended by amending Subsection (a) and adding Subsection (e) to read as follows:

(a) Sections 36.08 (Gift to Public Servant) and 36.09 (Offering Gift to Public Servant) do not apply to:

(1) a fee prescribed by law to be received by a public servant or any other benefit to which the public servant is lawfully entitled or for which he gives legitimate consideration in a capacity other than as a public servant;

(2) a gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient; ~~or~~

(3) a benefit to a public servant required to file a statement under Chapter 572, Government Code, or a report under Title 15, Election Code, that is derived from a function in honor or appreciation of the recipient if:

(A) the benefit and the source of any benefit in excess of \$50 is reported in the statement; and

(B) the benefit is used solely to defray the expenses that accrue in the performance of duties or activities in connection with the office which are nonreimbursable by the state or political subdivision;

- (4) a political contribution as defined by Title 15, Election Code;
- (5) a gift, award, or memento to a member of the legislative or executive branch that is required to be reported under Chapter 305, Government Code;
- (6) an item with a value of less than \$50, excluding cash or a negotiable instrument as described by Section 3.104, Business & Commerce Code;
- (7) an item issued by a governmental entity that allows the use of property or facilities owned, leased, or operated by the governmental entity; [ø]
- (8) transportation, lodging, and meals described by Section 36.07(b); or
- (9) complimentary legal advice or legal services relating to a will, power of attorney, advance directive, or other estate planning document rendered:
 - (A) to a public servant who is a first responder; and
 - (B) through a program or clinic that is:
 - (i) operated by a local bar association or the State Bar of Texas; and
 - (ii) approved by the head of the agency employing the public servant, if the public servant is employed by an agency.

(e) In this section, "first responder" means:

- (1) a peace officer whose duties include responding rapidly to an emergency;
- (2) fire protection personnel, as that term is defined by Section 419.021, Government Code;
- (3) a volunteer firefighter who performs firefighting duties on behalf of a political subdivision and who is not serving as a member of the Texas Legislature or holding a statewide elected office;
- (4) an ambulance driver; or
- (5) an individual certified as emergency medical services personnel by the Department of State Health Services.

SECTION 2. The change in law made by this Act applies only to the prosecution of an offense committed on or after the effective date of this Act. The prosecution of an offense committed before the effective date of this Act is covered 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 is committed before the effective date of this Act if any element of the offense occurs before the effective date.

SECTION 3. This Act takes effect September 1, 2013.

The amendment was read.

Senator Williams moved to concur in the House amendment to **SB 148**.

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

SENATE BILL 1914 WITH HOUSE AMENDMENT

Senator Garcia called **SB 1914** 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 1914** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to certain specialty license plates.

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

SECTION 1. Section 504.401(a), Transportation Code, is amended to read as follows:

(a) The department shall issue specialty license plates [~~that include the words "State Official"~~] to a state official.

SECTION 2. Section 504.603, Transportation Code, is amended to read as follows:

Sec. 504.603. TEXAS CAPITOL LICENSE PLATES. (a) The department shall design and issue specialty license plates relating to [depicting] the State Capitol. The department may design the license plates in consultation with the State Preservation Board.

(b) After deduction of the department's administrative costs, the remainder of the fee for issuance of the license plates shall be deposited to the credit of the Capitol [general revenue] fund established under Section 443.0101, Government Code.

SECTION 3. This Act takes effect September 1, 2013.

The amendment was read.

Senator Garcia moved to concur in the House amendment to **SB 1914**.

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

SENATE BILL 1536 WITH HOUSE AMENDMENT

Senator Van de Putte called **SB 1536** 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 1536** as follows:

(1) On page 58, line 14, between "(3)" and "must", insert "subject to Subsection (c),".

(2) On page 58, between lines 19 and 20, insert the following:

(c) The adjutant general may adopt a policy regarding waiver of the maximum age requirement under Subsection (b)(3).

The amendment was read.

Senator Van de Putte moved to concur in the House amendment to **SB 1536**.

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

SENATE BILL 534 WITH HOUSE AMENDMENT

Senator West called **SB 534** 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 534** (house committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 264, Family Code, is amended by adding Section 264.120 to read as follows:

Sec. 264.120. DISCHARGE NOTICE. (a) Except as provided by Subsection (b), a substitute care provider with whom the department contracts to provide substitute care services for a child shall include in a discharge notice the following information:

(1) the reason for the child's discharge; and

(2) the provider's recommendation regarding a future placement for the child that would increase the child's opportunity to attain a stable placement.

(b) In an emergency situation in which the department is required under the terms of the contract with the substitute care provider to remove a child within 24 hours after receiving the discharge notice, the provider must provide the information required by Subsection (a) to the department not later than 48 hours after the provider sends the discharge notice.

SECTION _____. Section 263.502(c), Family Code, is amended to read as follows:

(c) The placement review report must identify the department's permanency goal for the child and must:

(1) evaluate whether the child's current placement is appropriate for meeting the child's needs;

(2) evaluate whether efforts have been made to ensure placement of the child in the least restrictive environment consistent with the best interest and special needs of the child if the child is placed in institutional care;

(3) contain a transition plan for a child who is at least 16 years of age that identifies the services and specific tasks that are needed to assist the child in making the transition from substitute care to adult living and describes the services that are being provided through the Transitional Living Services Program operated by the department;

(4) evaluate whether the child's current educational placement is appropriate for meeting the child's academic needs;

(5) identify other plans or services that are needed to meet the child's special needs or circumstances;

(6) describe the efforts of the department or authorized agency to place the child for adoption if parental rights to the child have been terminated and the child is eligible for adoption, including efforts to provide adoption promotion and support services as defined by 42 U.S.C. Section 629a and other efforts consistent with the federal Adoption and Safe Families Act of 1997 (Pub. L. No. 105-89);

(7) for a child for whom the department has been named managing conservator in a final order that does not include termination of parental rights, describe the efforts of the department to find a permanent placement for the child, including efforts to:

- (A) work with the caregiver with whom the child is placed to determine whether that caregiver is willing to become a permanent placement for the child;
- (B) locate a relative or other suitable individual to serve as permanent managing conservator of the child; and
- (C) evaluate any change in a parent's circumstances to determine whether:
- (i) the child can be returned to the parent; or
 - (ii) parental rights should be terminated; ~~and~~
- (8) with respect to a child committed to the Texas Juvenile Justice Department [~~Youth Commission~~] or released under supervision by the Texas Juvenile Justice Department [~~Youth Commission~~]:
- (A) evaluate whether the child's needs for treatment and education are being met;
- (B) describe, using information provided by the Texas Juvenile Justice Department [~~Youth Commission~~], the child's progress in any rehabilitation program administered by the Texas Juvenile Justice Department [~~Youth Commission~~]; and
- (C) recommend other plans or services to meet the child's needs; and
- (9) identify any placement changes that have occurred since the most recent court hearing concerning the child and describe any barriers to sustaining the child's placement, including any reason for which a substitute care provider has requested a placement change.

The amendment was read.

Senator West moved to concur in the House amendment to **SB 534**.

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

SENATE BILL 1379 WITH HOUSE AMENDMENT
(Motion In Writing)

Senator Hancock submitted a Motion In Writing to call **SB 1379** 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 1379** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the standard valuation for life insurance, accident and health insurance, and annuities.

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

SECTION 1. Section 425.052, Insurance Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) In this subchapter:

(1) "Accident and health insurance" means contracts that incorporate morbidity risk and provide protection against economic loss resulting from accident, sickness, or medical conditions and as may be specified in the valuation manual.

(2) "Appointed actuary" means a qualified actuary who is appointed in accordance with the valuation manual to prepare the actuarial opinion required by Section 425.0545.

(3) "Company" means an entity that:

(A) has written, issued, or reinsured life insurance contracts, accident and health insurance contracts, or deposit-type contracts in this state and has at least one such policy in force or on claim; or

(B) has written, issued, or reinsured life insurance contracts, accident and health insurance contracts, or deposit-type contracts in any state and is required to hold a certificate of authority to write life insurance, accident and health insurance, or deposit-type contracts in this state.

(4) "Deposit-type contract" means a contract that does not incorporate mortality or morbidity risk and as may be specified in the valuation manual.

(5) "Life insurance" means contracts that incorporate mortality risk, including annuity and pure endowment contracts, and as may be specified in the valuation manual.

(6) "Policyholder behavior" means any action a policyholder, a contract holder, or any other person with the right to elect options, such as a certificate holder, may take under a policy or contract subject to this subchapter, including lapse, withdrawal, transfer, deposit, premium payment, loan, annuitization, or benefit elections prescribed by the policy or contract but excluding events of mortality or morbidity that result in benefits prescribed in their essential aspects by the terms of the policy or contract.

(7) "Principle-based valuation" means the valuation described by Section 425.074.

(8) "Qualified actuary" means an individual who is qualified to sign the applicable statement of actuarial opinion in accordance with the American Academy of Actuaries' qualification standards for actuaries signing such statements and who meets the requirements specified in the valuation manual.

(9) "Reserves" [~~]-"reserves"~~] means reserve liabilities.

(10) "Tail risk" means a risk that occurs either where the frequency of low probability events is higher than expected under a normal probability distribution or where there are observed events of very significant size or magnitude.

(11) "Valuation manual" means the manual of valuation instructions adopted by the commissioner by order.

(c) The definitions under Subsection (a) of "accident and health insurance," "appointed actuary," "company," "deposit-type contract," "life insurance," "policyholder behavior," "principle-based valuation," "qualified actuary," and "tail risk" apply only on and after the operative date of the valuation manual.

SECTION 2. The heading to Section 425.053, Insurance Code, is amended to read as follows:

Sec. 425.053. ANNUAL VALUATION OF RESERVES FOR POLICIES AND CONTRACTS ISSUED BEFORE OPERATIVE DATE OF VALUATION MANUAL.

SECTION 3. Section 425.053, Insurance Code, is amended by amending Subsections (a) and (c) and adding Subsections (d) and (e) to read as follows:

(a) The department shall annually value or cause to be ~~have~~ valued the reserves for all outstanding life insurance policies and annuity and pure endowment contracts of each life insurance company engaged in business in this state issued before the operative date of the valuation manual. ~~[The department may certify the amount of those reserves, specifying the mortality table or tables, rate or rates of interest, and methods, including the net level premium method or another method, used in computing those reserves.]~~

(c) Instead of valuing the reserves as required by Subsection (a) for a foreign or alien company, the department may accept any valuation made by or for the insurance supervisory official of another state or jurisdiction if[-

~~[(4)]~~ the valuation complies with the minimum standard provided by this subchapter[- and

~~[(2)]~~ the official accepts as sufficient and valid for all legal purposes a certificate of valuation made by the department that states the valuation was made in a specified manner according to which the aggregate reserves would be at least as large as they would be if computed in the manner prescribed by the law of that state or jurisdiction].

(d) Except as otherwise provided by this subchapter, policies and contracts issued on or after the operative date of the valuation manual are governed by Section 425.0535.

(e) The minimum standards for the valuation of policies and contracts issued before the operative date of the valuation manual are as provided by Sections 425.058 through 425.071 and Section 425.072(b), as applicable. Sections 425.072(a), 425.073, and 425.074 do not apply to a policy or contract described by this subsection.

SECTION 4. Subchapter B, Chapter 425, Insurance Code, is amended by adding Section 425.0535 to read as follows:

Sec. 425.0535. ANNUAL VALUATION OF RESERVES FOR POLICIES AND CONTRACTS ISSUED ON OR AFTER OPERATIVE DATE OF VALUATION MANUAL. (a) The commissioner shall annually value, or cause to be valued, the reserves for all outstanding life insurance contracts, annuity and pure endowment contracts, accident and health contracts, and deposit-type contracts of each company issued on or after the operative date of the valuation manual as provided by this section.

(b) In lieu of the valuation of the reserves required of a foreign or alien company, the commissioner may accept a valuation made, or caused to be made, by the insurance supervisory official of another state if the valuation complies with the minimum standard provided by this subchapter.

(c) Sections 425.072(a), 425.073, and 425.074 apply to all policies and contracts issued on or after the operative date of the valuation manual.

SECTION 5. The heading to Section 425.054, Insurance Code, is amended to read as follows:

Sec. 425.054. ACTUARIAL OPINION OF RESERVES BEFORE OPERATIVE DATE OF VALUATION MANUAL [REQUIRED].

SECTION 6. Section 425.054, Insurance Code, is amended by amending Subsection (a) and adding Subsections (a-1), (j), (k), (l), (m), (n), (o), (p), and (q) to read as follows:

(a) This section applies only to an actuarial opinion of reserves before the operative date of the valuation manual.

(a-1) For purposes of this section, "qualified actuary" means:

(1) a qualified actuary, as that term is defined by Section 802.002; or

(2) a person who, before September 1, 1993, satisfied the requirements of the former State Board of Insurance to submit an opinion under former Section 2A(a)(1), Article 3.28.

(j) Except as provided by Subsections (l), (n), (o), and (p), any document or other information in the possession or control of the department that is a memorandum in support of the opinion or other material provided by the company to the commissioner in connection with a memorandum is confidential and not subject to:

(1) disclosure under Chapter 552, Government Code;

(2) subpoena;

(3) discovery; or

(4) admissibility as evidence in a private civil action.

(k) The commissioner or any person who receives a document or other information described by Subsection (j) while acting under the authority of the commissioner may not testify and may not be compelled to testify in a private civil action concerning the document or other information.

(l) The commissioner may:

(1) share documents or other information, including the confidential and privileged documents or information described by Subsection (j), with another state, federal, or international regulatory agency, with the National Association of Insurance Commissioners and its affiliates and subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient agrees to maintain the confidentiality of the document or information;

(2) receive documents or other information, including confidential documents or information, from the National Association of Insurance Commissioners and its affiliates and subsidiaries, and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, provided that the commissioner shall maintain as confidential any document or information received with notice or understanding that it is confidential under the laws of the jurisdiction that is the source of the document or information; and

(3) enter into agreements governing sharing and use of documents and other information consistent with this section.

(m) Disclosing information or providing a document to the commissioner under this section, or sharing information as authorized under this section, does not result in a waiver of any applicable privilege or claim of confidentiality that may apply to the document or information.

(n) A memorandum in support of the opinion, and any other material provided by the company to the commissioner in connection with the memorandum, may be subject to subpoena for the purpose of defending an action seeking damages from the actuary submitting the memorandum by reason of an action required by this section or rules adopted under this section.

(o) The memorandum or other material provided by the company to the commissioner in connection with the memorandum may otherwise be released by the commissioner with the written consent of the company, or to the Actuarial Board for Counseling and Discipline or its successor on receipt of a request stating that the memorandum or other material is required for the purpose of professional disciplinary proceedings and setting forth procedures satisfactory to the commissioner for preserving the confidentiality of the memorandum or other material.

(p) The memorandum ceases to be confidential if:

(1) any portion of the memorandum is cited by the company in its marketing;

(2) the memorandum is cited by the company before a government agency other than a state insurance department; or

(3) the memorandum is released by the company to the news media.

(q) This section does not prohibit the commissioner from using information acquired under this section in the furtherance of a legal or regulatory action relating to the administration of this code.

SECTION 7. Subchapter B, Chapter 425, Insurance Code, is amended by adding Section 425.0545 to read as follows:

Sec. 425.0545. ACTUARIAL OPINION OF RESERVES AFTER OPERATIVE DATE OF VALUATION MANUAL. (a) A company that has outstanding life insurance contracts, accident and health insurance contracts, or deposit-type contracts in this state and is subject to regulation by the department shall annually submit the opinion of the appointed actuary as to whether the reserves and related actuarial items held in support of the policies and contracts are computed appropriately, are based on assumptions that satisfy contractual provisions, are consistent with prior reported amounts, and are in compliance with applicable laws of this state. An opinion under this section must comply with provisions of the valuation manual, including in regard to any items necessary to its scope.

(b) Unless exempted by the valuation manual, a company described by Subsection (a) shall include with the opinion required by that subsection an opinion of the same appointed actuary concerning whether the reserves and related actuarial items held in support of the policies and contracts specified in the valuation manual, when considered in light of the assets held by the company with respect to the reserves and related actuarial items, including investment earnings on the assets and considerations anticipated to be received and retained under the policies and contracts, make adequate provision for the company's obligations under the policies and contracts, including benefits under and expenses associated with the policies and contracts.

(c) Each opinion required by this section must:

(1) be in the form and contain the substance that is specified by the valuation manual and is acceptable to the commissioner;

(2) be submitted with the annual statement reflecting the valuation of reserves for each year ending on or after the operative date of the valuation manual;

(3) apply to all policies and contracts subject to this section, plus other actuarial liabilities specified by the valuation manual; and

(4) be based on standards adopted from time to time by the Actuarial Standards Board or its successor, and on any additional standards prescribed by the valuation manual.

(d) In the case of an opinion required to be submitted by a foreign or alien company, the commissioner may accept the opinion filed by the company with the insurance supervisory official of another state if the commissioner determines that the opinion reasonably meets the requirements applicable to a company domiciled in this state.

SECTION 8. Section 425.055(a), Insurance Code, is amended to read as follows:

(a) A memorandum [~~that, in form and substance, complies with the commissioner's rules~~] shall be prepared to support each actuarial opinion required by Section 425.054 or 425.0545. The form and substance of each supporting memorandum must comply with the commissioner's rules for memorandums subject to Section 425.054, or the valuation manual for memorandums subject to Section 425.0545.

SECTION 9. Section 425.056(a), Insurance Code, is amended to read as follows:

(a) Except in cases of fraud or wilful misconduct or as provided by Subsection (b), a person who certifies an opinion under Section 425.054 or 425.0545 is not liable for damages to a person, other than the life insurance company covered by the opinion, for an act, error, omission, decision, or other conduct with respect to the person's opinion.

SECTION 10. Section 425.057, Insurance Code, is amended to read as follows:

Sec. 425.057. **DISCIPLINARY ACTION: COMPANY OR PERSON CERTIFYING OPINION.** A company or person that certifies an opinion under Section 425.054 or 425.0545 and that violates Section 425.054, 425.0545, or 425.055 or rules adopted or orders issued under those sections is subject to disciplinary action under Chapter 82.

SECTION 11. The heading to Section 425.058, Insurance Code, is amended to read as follows:

Sec. 425.058. **COMPUTATION [VALUATION] OF MINIMUM STANDARD [POLICY OR CONTRACT]: GENERAL RULE.**

SECTION 12. The heading to Section 425.059, Insurance Code, is amended to read as follows:

Sec. 425.059. **COMPUTATION [VALUATION] OF MINIMUM STANDARD FOR CERTAIN ANNUITIES AND PURE ENDOWMENT CONTRACTS.**

SECTION 13. The heading to Section 425.064, Insurance Code, is amended to read as follows:

Sec. 425.064. COMMISSIONERS RESERVE VALUATION METHOD FOR LIFE INSURANCE AND ENDOWMENT BENEFITS.

SECTION 14. The heading to Section 425.065, Insurance Code, is amended to read as follows:

Sec. 425.065. COMMISSIONERS ANNUITY RESERVE VALUATION METHOD FOR ANNUITY AND PURE ENDOWMENT BENEFITS.

SECTION 15. Subchapter B, Chapter 425, Insurance Code, is amended by adding Sections 425.072, 425.073, 425.074, 425.075, 425.076, and 425.077 to read as follows:

Sec. 425.072. MINIMUM STANDARD FOR ACCIDENT AND HEALTH INSURANCE CONTRACTS. (a) The standard prescribed by the valuation manual for accident and health insurance contracts issued on or after the operative date of the valuation manual is the minimum standard of valuation required under Section 425.0535.

(b) For disability, accident and sickness, and accident and health insurance contracts issued before the operative date of the valuation manual, the minimum standard of valuation is the standard in existence before the operative date of the valuation manual.

Sec. 425.073. POLICIES ISSUED ON OR AFTER THE OPERATIVE DATE OF THE VALUATION MANUAL. (a) Except as otherwise provided by this section, for policies issued on or after the operative date of the valuation manual, the standard prescribed by the valuation manual is the minimum standard of valuation required under Section 425.0535.

(b) The commissioner by order shall adopt a valuation manual and determine the operative date of the valuation manual. A valuation manual adopted by the commissioner under this section must be substantially similar to the valuation manual approved by the National Association of Insurance Commissioners. The operative date must be January 1 of the first calendar year immediately following a year in which, on or before July 1, the commissioner determines that:

(1) the valuation manual has been adopted by the National Association of Insurance Commissioners by an affirmative vote of at least 42 members, or three-fourths of the members voting, whichever is greater;

(2) the National Association of Insurance Commissioners Standard Model Valuation Law, as amended by the National Association of Insurance Commissioners in 2009, or legislation including substantially similar terms and provisions, has been enacted by states representing greater than 75 percent of the direct premiums written as reported in the following annual statements submitted for 2008:

(A) life insurance and accident and health annual statements;

(B) health annual statements; or

(C) fraternal annual statements; and

(3) the National Association of Insurance Commissioners Standard Model Valuation Law, as amended by the National Association of Insurance Commissioners in 2009, or legislation including substantially similar terms and provisions, has been enacted by at least 42 of the following 55 jurisdictions:

- (A) the 50 United States;
- (B) American Samoa;
- (C) the United States Virgin Islands;
- (D) the District of Columbia;
- (E) Guam; and
- (F) Puerto Rico.

(c) After a valuation manual has been adopted by the commissioner by order, any changes to the valuation manual must be adopted by order and must be substantially similar to changes adopted by the National Association of Insurance Commissioners. Unless a change in the valuation specifies a later effective date, the effective date for changes to the valuation manual may not be earlier than January 1 of the year immediately following the date on which the commissioner determines that the changes to the valuation manual have been adopted by the National Association of Insurance Commissioners by an affirmative vote representing:

(1) at least three-fourths of the members of the National Association of Insurance Commissioners voting, but not less than a majority of the total membership; and

(2) members of the National Association of Insurance Commissioners representing jurisdictions totaling greater than 75 percent of the direct premiums written as reported in the most recently available annual statements as provided by Subsections (b)(2)(A)-(C).

(d) The valuation manual must specify:

(1) the minimum valuation standards for and definitions of the policies or contracts subject to Section 425.0535, including:

(A) the commissioner's reserve valuation method for life insurance contracts subject to Section 425.0535;

(B) the commissioner's annuity reserve valuation method for annuity contracts subject to Section 425.0535; and

(C) the minimum reserves for all other policies or contracts subject to Section 425.0535;

(2) the policies or contracts that are subject to the requirements of a principle-based valuation under Section 425.074 and the minimum valuation standards consistent with those requirements, including:

(A) the requirements for the format of reports to the commissioner under Section 425.074(b)(3), which must include the information necessary to determine if a valuation is appropriate and in compliance with this subchapter;

(B) the assumptions prescribed for risks over which the company does not have significant control or influence; and

(C) the procedures for corporate governance and oversight of the actuarial function, and a process for appropriate waiver or modification of the procedures;

(3) the policies that are not subject to a principle-based valuation under Section 425.074;

(4) the data and form of data required under Section 425.074, to whom the data must be submitted, and other desired requirements, including requirements concerning data analyses and reporting of analyses; and

(5) other requirements, including requirements relating to reserve methods, models for measuring risk, generation of economic scenarios, assumptions, margins, use of company experience, disclosure, certification, reports, actuarial opinions and memorandums, transition rules, and internal controls.

(e) With respect to policies that are not subject to a principle-based valuation under Section 425.074 as described by Subsection (d)(3), the minimum valuation standard specified in the valuation manual must:

(1) be consistent with the minimum valuation standard before the operative date of the valuation manual; or

(2) develop reserves that quantify the benefits and guarantees, and the funding, associated with the contracts and their risks at a level of conservatism that reflects conditions that include unfavorable events that have a reasonable probability of occurring.

(f) In the absence of a specific valuation requirement or if a specific valuation requirement in the valuation manual does not in the commissioner's opinion comply with this subchapter, the company shall, with respect to the requirement, comply with minimum valuation standards prescribed by the commissioner by rule.

(g) The commissioner may employ or contract with a qualified actuary, at the expense of the company, to perform an actuarial examination of the company and provide an opinion concerning the appropriateness of any reserve assumption or method used by the company, or to review and provide an opinion on a company's compliance with any requirement of this subchapter. The commissioner may rely on the opinion, regarding provisions contained within this subchapter, of a qualified actuary engaged by the insurance supervisory official of another state.

(h) The commissioner may require a company to change an assumption or method as necessary in the commissioner's opinion to comply with a requirement of the valuation manual or this subchapter.

(i) The commissioner may take other disciplinary action as permitted under Chapter 82.

Sec. 425.074. REQUIREMENTS OF A PRINCIPLE-BASED VALUATION.

(a) A company shall establish reserves using a principle-based valuation that meets the conditions for policies or contracts provided by the valuation manual. At a minimum, the valuation shall:

(1) quantify the benefits and guarantees, and the funding, associated with the contracts and their risks at a level of conservatism that reflects conditions that include unfavorable events that have a reasonable probability of occurring during the terms of the contracts;

(2) with respect to policies and contracts with significant tail risk, reflect conditions appropriately adverse to quantify the tail risk;

(3) incorporate assumptions, risk analysis methods, and financial models and management techniques that are consistent with those used in the company's overall risk assessment process, while recognizing potential differences in financial reporting structures and any prescribed assumptions or methods;

(4) incorporate assumptions:

(A) prescribed by the valuation manual; or

(B) established:

(i) using the company's available experience, to the extent that data is relevant and statistically credible; or

(ii) to the extent that the company data is not available, relevant, or statistically credible, using other relevant, statistically credible experience; and

(5) provide margins for uncertainty, including adverse deviation and estimation error, such that the greater the uncertainty the larger the margin and resulting reserve.

(b) A company using a principle-based valuation for one or more policies or contracts subject to this section and as specified by the valuation manual shall:

(1) establish procedures for corporate governance and oversight of the actuarial valuation function consistent with procedures specified by the valuation manual;

(2) provide to the commissioner and the company's board of directors an annual certification of the effectiveness of the internal controls with respect to the principle-based valuation; and

(3) develop, and file with the commissioner on request, a principle-based valuation report that complies with standards prescribed in the valuation manual.

(c) A company's internal controls with respect to the principle-based valuation must be designed to ensure that all material risks inherent in the liabilities and associated assets subject to the valuation are included in the valuation, and that valuations are made in accordance with the valuation manual. The certification described by Subsection (b)(2) must be based on the controls in place as of the end of the preceding calendar year.

(d) A principle-based valuation may include a prescribed formulaic reserve component.

Sec. 425.075. EXPERIENCE REPORTING FOR POLICIES IN FORCE ON OR AFTER OPERATIVE DATE OF VALUATION MANUAL. A company shall submit mortality, morbidity, policyholder behavior, or expense experience and other data as prescribed in the valuation manual.

Sec. 425.076. CONFIDENTIALITY. (a) In this section, "confidential information" means:

(1) a memorandum in support of an opinion submitted under Section 425.0545 and any other documents, materials, and other information, including, but not limited to, all working papers, and copies thereof, created, produced, or obtained by or disclosed to the commissioner or any other person in connection with such memorandum;

(2) all documents, materials, and other information, including, but not limited to, all working papers, and copies thereof, created, produced, or obtained by or disclosed to the commissioner or any other person in the course of an examination made under Section 425.073(g); provided, however, that if an examination report or other material prepared in connection with an examination made under Subchapter B, Chapter 401, is not held as private and confidential information under Subchapter B, Chapter 401, an examination report or other material prepared in connection with an

examination made under Section 425.073(g) shall not be "confidential information" to the same extent as if such examination report or other material had been prepared under Subchapter B, Chapter 401;

(3) any reports, documents, materials, and other information developed by a company in support of, or in connection with, an annual certification by the company under Section 425.074(b)(2) evaluating the effectiveness of the company's internal controls with respect to a principle-based valuation and any other documents, materials, and other information, including, but not limited to, all working papers, and copies thereof, created, produced, or obtained by or disclosed to the commissioner or any other person in connection with such reports, documents, materials, and other information;

(4) any principle-based valuation report developed under Section 425.074(b)(3) and any other documents, materials, and other information, including, but not limited to, all working papers, and copies thereof, created, produced, or obtained by or disclosed to the commissioner or any other person in connection with such report; and

(5) any documents, materials, data, and other information submitted by a company under Section 425.075 (collectively, "experience data") and any other documents, materials, data, and other information, including, but not limited to, all working papers, and copies thereof, created or produced in connection with such experience data, in each case that include any potentially company-identifying or personally identifiable information, that is provided to or obtained by the commissioner (together with any "experience data," the "experience materials") and any other documents, materials, data, and other information, including, but not limited to, all working papers, and copies thereof, created, produced, or obtained by or disclosed to the commissioner or any other person in connection with such experience materials.

(b) Except as provided in this section, a company's confidential information is confidential by law and privileged, and shall not be subject to Chapter 552, Government Code, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action; provided, however, that the commissioner is authorized to use the confidential information in the furtherance of any regulatory or legal action brought against the company as a part of the commissioner's official duties.

(c) Neither the commissioner nor any person who received confidential information while acting under the authority of the commissioner shall be permitted or required to testify in any private civil action concerning any confidential information.

(d) In order to assist in the performance of the commissioner's duties, the commissioner may share confidential information (1) with other state, federal, and international regulatory agencies and with the National Association of Insurance Commissioners and its affiliates and subsidiaries and (2) in the case of confidential information specified in Subsections (a)(1) and (a)(4) only, with the Actuarial Board for Counseling and Discipline or its successor upon request stating that the confidential information is required for the purpose of professional disciplinary proceedings and with state, federal, and international law enforcement officials; in the case of (1) and (2), provided that such recipient agrees, and has the legal authority to

agree, to maintain the confidentiality and privileged status of such documents, materials, data, and other information in the same manner and to the same extent as required for the commissioner.

(e) The commissioner may receive documents, materials, data, and other information, including otherwise confidential and privileged documents, materials, data, or information, from the National Association of Insurance Commissioners and its affiliates and subsidiaries, from regulatory or law enforcement officials of other foreign or domestic jurisdictions and from the Actuarial Board for Counseling and Discipline or its successor and shall maintain as confidential or privileged any document, material, data, or other information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or other information.

(f) The commissioner may enter into agreements governing sharing and use of information consistent with Subsections (b) through (k).

(g) No waiver of any applicable privilege or claim of confidentiality in the confidential information shall occur as a result of disclosure to the commissioner under this section or as a result of sharing as authorized in Subsection (d).

(h) A privilege established under the law of any state or jurisdiction that is substantially similar to the privilege established under Subsections (b) through (k) shall be available and enforced in any proceeding in, and in any court of, this state.

(i) In this section, a reference to a regulatory agency, law enforcement agency, or the National Association of Insurance Commissioners includes an employee, agent, consultant, or contractor of the agency or association, as applicable.

(j) Notwithstanding this section, any confidential information specified in Subsections (a)(1) and (a)(4) may be:

(1) subject to subpoena for the purpose of defending an action seeking damages from the appointed actuary submitting the related memorandum in support of an opinion submitted under Section 425.054 or 425.0545 or a principle-based valuation report developed under Section 425.074(b)(3) by reason of an action required by this subchapter or by rules adopted or orders issued under this subchapter; and

(2) released by the commissioner with the written consent of the company.

(k) Once any portion of a memorandum in support of an opinion submitted under Section 425.0545 or a principle-based valuation report developed under Section 425.074(b)(3) is cited by the company in its marketing or is publicly volunteered to or before a governmental agency other than a state insurance department or is released by the company to the news media, all portions of such memorandum or report shall no longer be confidential.

Sec. 425.077. SINGLE STATE EXEMPTION. The commissioner may exempt specific product forms or product lines of a domestic company that is licensed and doing business only in this state from the requirements of Section 425.073 if:

(1) the commissioner has issued an exemption in writing to the company and has not subsequently revoked the exemption in writing; and

(2) the company computes reserves using assumptions and methods used before the operative date of the valuation manual in addition to any requirements established by the commissioner and adopted by rule.

SECTION 16. The commissioner of insurance shall determine whether the National Association of Insurance Commissioners and a sufficient number of states and other jurisdictions have adopted a valuation manual as required by Section 425.073(b), Insurance Code, as added by this Act. As soon as practicable after the commissioner of insurance determines that the National Association of Insurance Commissioners and a sufficient number of states and other jurisdictions have adopted the valuation manual as required by that section, the commissioner of insurance shall adopt rules or issue orders necessary to implement this Act.

SECTION 17. This Act takes effect January 1, 2014.

The amendment was read.

Senator Hancock 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 1379** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Hancock, Chair; Taylor, Van de Putte, Ellis, and Huffman.

CONFERENCE COMMITTEE ON HOUSE BILL 2152

Senator Lucio 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 2152** 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 2152** 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 Lucio, Chair; Deuell, Ellis, Eltife, and Seliger.

(Senator Whitmire in Chair)

CONFERENCE COMMITTEE REPORT ON SENATE BILL 1546 ADOPTED

Senator Eltife called from the President's table the Conference Committee Report on **SB 1546**. The Conference Committee Report was filed with the Senate on Thursday, May 16, 2013.

On motion of Senator Eltife, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

(Senator Eltife in Chair)

SENATE RESOLUTION 1029

Senator Nelson offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 1160 (the transfer of a certificate of convenience and necessity in certain municipalities) to consider and take action on the following matter:

Senate Rule 12.03(1) is suspended to permit the committee to change text not in disagreement in proposed Section 1 of the bill, in added Section 552.024(a), Local Government Code, to read as follows:

(a) This section applies to:

(1) a municipality that:

(A) has a population of not more than 2,500;

(B) is located in a county that:

(i) has a population of 1.7 million or more; and

(ii) has two municipalities with a population of 300,000 or more;

and

(C) is served by a public utility that:

(i) provides service to the entire municipality; and

(ii) charges rates for 5,000 gallons of water for residential

customers that are at least 50 percent higher than the rates charged by a municipally owned utility that serves another part of the county in which the municipality is located; and

(2) a municipality:

(A) with a population of more than 95,000;

(B) located in a county that:

(i) borders Lake Palestine; and

(ii) has a population of more than 200,000;

(C) that owns and operates a utility that provides sewer service; and

(D) that has an area within the boundaries of the municipality that is

certificated to another retail public utility that provides sewer service.

Explanation: The change is necessary to specify the municipalities to which the added section will apply.

NELSON

ELTIFE

SR 1029 was read and was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1160 ADOPTED**

Senator Nelson called from the President's table the Conference Committee Report on **HB 1160**. The Conference Committee Report was filed with the Senate on Tuesday, May 21, 2013.

On motion of Senator Nelson, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

SENATE RESOLUTION 1017

Senator Duncan offered the following resolution:

SR 1017, Recognizing May 23, 2013, as Leadership Plainview Day.

The resolution was read and was adopted without objection.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Thursday, May 23, 2013 - 4

(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 GRANTED THE REQUEST OF THE SENATE FOR THE APPOINTMENT OF A CONFERENCE COMMITTEE ON THE FOLLOWING MEASURES:

SB 7 (non-record vote)

House Conferees: Raymond - Chair/Alvarado/Pitts/Ratliff/Zerwas

SB 8 (non-record vote)

House Conferees: Kolkhorst - Chair/Bonnen, Greg/Davis, Sarah/Raymond/Zedler

SB 58 (non-record vote)

House Conferees: Zerwas - Chair/Davis, John/Naishtat/Price/Rose

SB 358 (non-record vote)

House Conferees: Muñoz, Jr. - Chair/Carter/Herrero/Moody/Toth

SB 578 (non-record vote)

House Conferees: Sheffield, J. D. - Chair/Johnson/Miller, Rick/Morrison/Simmons

SB 1017 (non-record vote)

House Conferees: Lavender - Chair/Goldman/Guerra/Paddie/Thompson, Ed

SB 1023 (non-record vote)

House Conferees: Naishtat - Chair/Cook/Geren/Larson/Turner, Sylvester

SB 1106 (non-record vote)

House Conferees: Davis, John - Chair/Alvarado/Davis, Yvonne/Huberty/Zerwas

SB 1458 (non-record vote)

House Conferees: Callegari - Chair/Allen/Alonzo/Branch/Stephenson

SB 1678 (non-record vote)

House Conferees: Isaac - Chair/Davis, John/Geren/Larson/Menédez

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

SB 176 (146 Yeas, 0 Nays, 2 Present, not voting)**SB 971** (144 Yeas, 1 Nays, 2 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives**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 542, SB 545, SB 551, SB 564, SB 583, SB 608, SB 609, SB 623, SB 631, SB 632, SB 639, SB 658, SB 660.**SENATE BILL 894 WITH HOUSE AMENDMENTS**Senator Whitmire called **SB 894** 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.

AmendmentAmend **SB 894** by substituting in lieu thereof the following:A BILL TO BE ENTITLED
AN ACT

relating to real property within the Capitol complex.

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

SECTION 1. Subchapter F, Chapter 2165, Government Code, is amended by adding Section 2165.259 to read as follows:

Sec. 2165.259. CAPITOL COMPLEX. (a) In this section, "Capitol complex" has the meaning assigned by Section 443.0071.(b) Notwithstanding Subchapter D, the commission may not lease, sell, or otherwise dispose of real property or an interest in real property located in the Capitol complex.(c) This section does not affect the commission's authority under Subchapter E to lease space in state office buildings and parking garages.

SECTION 2. Section 2267.003, Government Code, as added by Chapter 1334 (S.B. 1048), Acts of the 82nd Legislature, Regular Session, 2011, is amended to read as follows:

Sec. 2267.003. APPLICABILITY. This chapter does not apply to:

(1) the financing, design, construction, maintenance, or operation of a highway in the state highway system;

(2) a transportation authority created under Chapter 451, 452, 453, or 460, Transportation Code; [ø]

(3) any telecommunications, cable television, video service, or broadband infrastructure other than technology installed as part of a qualifying project that is essential to the project; or

(4) a qualifying project located in the Capitol complex, as defined by Section 443.0071.

SECTION 3. Section 31.155(d), Natural Resources Code, is amended to read as follows:

(d) The duty under this subchapter of the division to review and verify real property records and to make recommendations regarding real property and of the commissioner to prepare a report involving real property does not apply to:

(1) the real property of an institution of higher education;

(2) the real property that is part of a fund created or specifically authorized by the constitution of this state and that is administered by or with the assistance of the land office;

(3) the real property of the Employees Retirement System of Texas; ~~and~~

(4) the real property of the Teacher Retirement System of Texas; and

(5) the real property located in the Capitol complex, as defined by Section 443.0071, Government Code.

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. 3

Amend **CSSB 894** (house committee printing) by striking SECTION 2 of the bill and substituting the following:

SECTION 2. Subchapter A, Chapter 2267, Government Code, as added by Chapter 1334 (S.B. 1048), Acts of the 82nd Legislature, Regular Session, 2011, is amended by adding Section 2267.005 to read as follows:

Sec. 2267.005. QUALIFYING PROJECTS IN CAPITOL COMPLEX. The Texas Facilities Commission may develop or operate a qualifying project located in the Capitol complex, as defined by Section 443.0071, as provided by this chapter only if specifically granted the authority by the legislature.

The amendments were read.

Senator Whitmire moved to concur in the House amendments to **SB 894**.

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

SENATE BILL 997 WITH HOUSE AMENDMENT

Senator Deuell called **SB 997** 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 997** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the sales and use tax consequences of economic development agreements made by certain municipalities.

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

SECTION 1. Section 321.203, Tax Code, is amended by adding Subsections (c-4) and (c-5) to read as follows:

(c-4) Subsection (c) does not apply if:

(1) the taxable item is shipped or delivered from a warehouse:

(A) located in a municipality with a population of 5,000 or less;

(B) that is a place of business of the retailer;

(C) in relation to which the retailer has an economic development agreement with the municipality that was entered into under Chapter 380, 504, or 505, Local Government Code, or a predecessor statute, before January 1, 2009; and

(D) in relation to which the municipality provided information relating to the economic development agreement as required by Subsection (c-3), as that subsection existed immediately before its expiration; and

(2) the place of business of the retailer at which the retailer first receives the order in the manner described by Subsection (c) is a retail outlet identified in the information required by Subsection (c-3), as that subsection existed immediately before its expiration, as being served by the warehouse on January 1, 2009.

(c-5) This subsection and Subsection (c-4) expire September 1, 2024.

SECTION 2. Section 323.203, Tax Code, is amended by adding Subsections (c-4) and (c-5) to read as follows:

(c-4) Subsection (c) does not apply if:

(1) the taxable item is shipped or delivered from a warehouse:

(A) located in a municipality with a population of 5,000 or less;

(B) that is a place of business of the retailer;

(C) in relation to which the retailer has an economic development agreement with the municipality that was entered into under Chapter 380, 504, or 505, Local Government Code, or a predecessor statute, before January 1, 2009; and

(D) in relation to which the municipality provided information relating to the economic development agreement as required by Section 321.203(c-3), as that subsection existed immediately before its expiration; and

(2) the place of business of the retailer at which the retailer first receives the order in the manner described by Subsection (c) is a retail outlet identified in the information required by Section 321.203(c-3), as that subsection existed immediately before its expiration, as being served by the warehouse on January 1, 2009.

(c-5) This subsection and Subsection (c-4) expire September 1, 2024.

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 Deuell moved to concur in the House amendment to **SB 997**.

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

SENATE BILL 1729 WITH HOUSE AMENDMENT

Senator Nichols called **SB 1729** 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 1729** (house committee report) as follows:

(1) On page 1, line 18, strike "and".

(2) On page 1, line 20, strike the period and substitute "; and".

(3) On page 1, between lines 20 and 21, insert the following:

(4) notwithstanding Subdivisions (1)-(3), any county in which the department operates a driver's license office as a scheduled or mobile office.

The amendment was read.

Senator Nichols moved to concur in the House amendment to **SB 1729**.

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

MOTION TO RECESS

On motion of Senator Whitmire and by unanimous consent, the Senate at 5:15 p.m. agreed to recess, pending the receipt of Messages from the House, until 11:00 a.m. tomorrow.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Thursday, May 23, 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:

HCR 205

Menéndez

In memory of U.S. Marine Corporal Michael Arthur Preuss of Houston.

HCR 206

Menéndez

In memory of U.S. Army Specialist James Jesse Delacruz of Spring.

HCR 207

Menéndez

In memory of U.S. Marine Sergeant Lorenzo Aranda, Jr., of Baytown.

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

HB 148 (132 Yeas, 11 Nays, 2 Present, not voting)

HB 581 (131 Yeas, 14 Nays, 2 Present, not voting)

HB 826 (145 Yeas, 0 Nays, 2 Present, not voting)

HB 866 (146 Yeas, 0 Nays, 2 Present, not voting)

HB 984 (144 Yeas, 0 Nays, 2 Present, not voting)

HB 1382 (142 Yeas, 2 Nays, 2 Present, not voting)

HB 2036 (142 Yeas, 3 Nays, 2 Present, not voting)

HB 2100 (144 Yeas, 2 Nays, 2 Present, not voting)

HB 2201 (146 Yeas, 0 Nays, 2 Present, not voting)

HB 3259 (145 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 29 (non-record vote)

House Conferees: Branch - Chair/Alvarado/Burkett/Button/Darby

HB 1897 (non-record vote)

House Conferees: Eiland - Chair/Anchia/Harless/Huberty/Kacal

HB 1951 (non-record vote)

House Conferees: Thompson, Senfronia - Chair/Clardy/Raymond/Sheets/Simmons

THE HOUSE HAS GRANTED THE REQUEST OF THE SENATE FOR THE APPOINTMENT OF A CONFERENCE COMMITTEE ON THE FOLLOWING MEASURES:

SB 396 (non-record vote)

House Conferees: Martinez, "Mando" - Chair/Darby/Gutierrez/Menéndez/Moody

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

ORDERED NOT PRINTED

The Conference Committee Report on **SB 1** was ordered not printed in the *Senate Journal*.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1**

Senator Williams submitted the following Conference Committee Report:

Austin, Texas
May 23, 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 1** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

WILLIAMS
HINOJOSA
WHITMIRE
NELSON
DUNCAN

On the part of the Senate

PITTS
CROWNOVER
OTTO
ZERWAS

On the part of the House

The Conference Committee Report on **SB 1** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 700**

Senator Hegar submitted the following Conference Committee Report:

Austin, Texas
May 23, 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 700** 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.

HEGAR
 BIRDWELL
 RODRÍGUEZ
 SCHWERTNER
 ZAFFIRINI
 On the part of the Senate

KACAL
 CLARDY
 GONZÁLEZ, MARY
 LARSON
 LEWIS
 On the part of the House

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 water, electricity, gasoline, and natural gas 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.

The Conference Committee Report on **SB 700** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
 SENATE BILL 396**

Senator Hegar submitted the following Conference Committee Report:

Austin, Texas
May 23, 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 396** 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.

HEGAR

ELLIS

ESTES

HUFFMAN

WILLIAMS

On the part of the Senate

MARTINEZ, "MANDO"

MENÉNDEZ

MOODY

DARBY

GUTIERREZ

On the part of the House

A BILL TO BE ENTITLED

AN ACT

relating to the provision of state death benefits to certain employees of the Department of Public Safety of the State of Texas and the Parks and Wildlife Department.

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

SECTION 1. Section 615.003, Government Code, is amended to read as follows:

Sec. 615.003. **APPLICABILITY.** This chapter applies only to eligible survivors of the following individuals:

(1) an individual elected, appointed, or employed as a peace officer by the state or a political subdivision of the state under Article 2.12, Code of Criminal Procedure, or other law;

(2) a paid probation officer appointed by the director of a community supervision and corrections department who has the duties set out in Section 76.002 and the qualifications set out in Section 76.005, or who was appointed in accordance with prior law;

(3) a parole officer employed by the Texas Department of Criminal Justice who has the duties set out in Section 508.001 and the qualifications set out in Section 508.113 or in prior law;

(4) a paid jailer;

(5) a member of an organized police reserve or auxiliary unit who regularly assists peace officers in enforcing criminal laws;

(6) a member of the class of employees of the correctional institutions division formally designated as custodial personnel under Section 615.006 by the Texas Board of Criminal Justice or its predecessor in function;

(7) a jailer or guard of a county jail who is appointed by the sheriff and who:

(A) performs a security, custodial, or supervisory function over the admittance, confinement, or discharge of prisoners; and

(B) is certified by the Commission on Law Enforcement Officer Standards and Education;

(8) a juvenile correctional employee of the Texas Juvenile Justice Department [~~Youth Commission~~];

(9) an employee of the Department of Aging and Disability Services or Department of State Health Services who:

(A) works at the department's maximum security unit; or

(B) performs on-site services for the Texas Department of Criminal Justice;

(10) an individual who is employed by the state or a political or legal subdivision and is subject to certification by the Texas Commission on Fire Protection;

(11) an individual employed by the state or a political or legal subdivision whose principal duties are aircraft crash and rescue fire fighting;

(12) a member of an organized volunteer fire-fighting unit that:

(A) renders fire-fighting services without remuneration; and

(B) conducts a minimum of two drills each month, each two hours long;

(13) an individual who:

(A) performs emergency medical services or operates an ambulance;

(B) is employed by a political subdivision of the state or is an emergency medical services volunteer as defined by Section 773.003, Health and Safety Code; and

(C) is qualified as an emergency care attendant or at a higher level of training under Section 773.046, 773.047, 773.048, 773.049, or 773.0495, Health and Safety Code;

(14) an individual who is employed or formally designated as a chaplain for:

(A) an organized volunteer fire-fighting unit or other fire department of this state or of a political subdivision of this state;

(B) a law enforcement agency of this state or of a political subdivision of this state; or

(C) the Texas Department of Criminal Justice; [✕]

(15) an individual who is employed by the state or a political subdivision of the state and who is considered by the governmental employer to be a trainee for a position otherwise described by this section;

(16) an individual who is employed by the Department of Public Safety and, as certified by the director, is:

(A) deployed into the field in direct support of a law enforcement operation, including patrol, investigative, search and rescue, crime scene, on-site communications, or special operations; and

(B) given a special assignment in direct support of operations relating to organized crime, criminal interdiction, border security, counterterrorism, intelligence, traffic enforcement, emergency management, regulatory services, or special investigations; or

(17) an individual who is employed by the Parks and Wildlife Department and, as certified by the executive director of the Parks and Wildlife Department, is:

(A) deployed into the field in direct support of a law enforcement operation, including patrol, investigative, search and rescue, crime scene, on-site communications, or special operations; and

(B) given a special assignment in direct support of operations relating to organized crime, criminal interdiction, border security, counterterrorism, intelligence, traffic enforcement, emergency management, regulatory services, or special investigations.

SECTION 2. The change in law made by this Act relating to the death of certain employees of the Department of Public Safety of the State of Texas and the Parks and Wildlife Department applies only in relation to a death that occurs on or after the effective date of this Act. Matters regarding eligibility, payment, and benefits under Chapter 615, Government Code, in relation to a death that occurs before the effective date of this Act are governed by the law in effect when the death occurs, and the former law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 396** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 901

Senator Fraser submitted the following corrected Conference Committee Report:

Austin, Texas
May 23, 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
ESTES
DEUELL
ELTIFE
HINOJOSA
On the part of the Senate

PADDIE
CRADDICK
CROWNOVER
GEREN
THOMPSON, SENFRONIA
On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to safety standards and practices applicable to the transportation by pipeline 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. This Act takes effect September 1, 2013.

The corrected Conference Committee Report on **SB 901** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 396

Senator Huffman submitted the following Conference Committee Report:

Austin, Texas
May 22, 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 396** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

HUFFMAN
FRASER
PATRICK
URESTI
VAN DE PUTTE
On the part of the Senate

THOMPSON, SENFRONIA
BURNAM
DAVIS, SARAH
HOWARD
MILLER, RICK
On the part of the House

The Conference Committee Report on **HB 396** was filed with the Secretary of the Senate.

RESOLUTIONS OF RECOGNITION

The following resolutions were adopted by the Senate:

Memorial Resolutions

SR 1044 by Ellis, In memory of Oliver Brown.

SR 1047 by Watson, In memory of John Evangelista Gutierrez.

HCR 199 (Van de Putte), In memory of U.S. Army Staff Sergeant Omar L. Aceves of El Paso.

HCR 200 (Van de Putte), In memory of U.S. Army Sergeant Zainah C. Creamer of Texarkana.

HCR 201 (Van de Putte), In memory of U.S. Army Private First Class Ira B. Laningham IV of Zapata.

HCR 202 (Van de Putte), In memory of U.S. Army Specialist Omar Soltero of San Antonio.

HCR 203 (Van de Putte), In memory of U.S. Army Staff Sergeant Chauncy R. Mays of Cookville.

HCR 204 (Van de Putte), In memory of U.S. Air Force Airman First Class Corey C. Owens of San Antonio.

Congratulatory Resolutions

SR 1045 by Ellis, Recognizing Jose Flores on the occasion of his retirement.

SR 1046 by Watson, Commending the Girl Scout Bronze Award winners of Troop 131.

SR 1048 by Watson, Recognizing David Sanders for his contributions to the artistic heritage of Texas.

SR 1050 by West, Recognizing Shirley Ison-Newsome on the occasion of her retirement.

SR 1051 by Huffman, Recognizing Donald L. Smithers for his service to the City of Sugar Land.

SR 1052 by Seliger, Recognizing Jimmie and Peggy Cockerham on the occasion of their 60th wedding anniversary.

SR 1053 by Seliger, Recognizing Becky Groneman for her service to Oldham County.

SR 1054 by Seliger, Recognizing Annyston H. Pennington for being named a 2013 United States Presidential Scholar in the Arts.

(Senator Hegar in Chair)

RECESS

Pursuant to a previously adopted motion, the Senate at 5:34 p.m. recessed until 11:00 a.m. tomorrow.

APPENDIX

BILLS AND RESOLUTIONS ENROLLEDMay 22, 2013

SB 17, SB 123, SB 141, SB 209, SB 220, SB 247, SB 289, SB 351, SB 357, SB 369, SB 485, SB 495, SB 499, SB 503, SB 514, SB 553, SB 562, SB 605, SB 606, SB 628, SB 697, SB 701, SB 736, SB 893, SB 913, SB 939, SB 946, SB 948, SB 958, SB 976, SB 987, SB 1035, SB 1044, SB 1053, SB 1063, SB 1066, SB 1200, SB 1221, SB 1224, SB 1237, SB 1367, SB 1386, SB 1406, SB 1437, SB 1451, SB 1459, SB 1475, SB 1484, SB 1542, SB 1556, SB 1567, SB 1672, SB 1705, SB 1759, SB 1769, SB 1803, SB 1812, SB 1821, SB 1832, SB 1835, SB 1841, SB 1846, SB 1861, SB 1864, SCR 36, SR 1031, SR 1032, SR 1033, SR 1034, SR 1035, SR 1036, SR 1038, SR 1039, SR 1040, SR 1041, SR 1042, SR 1043

SENT TO GOVERNORMay 23, 2013**SB 24**

SENATE JOURNAL

EIGHTY-THIRD LEGISLATURE — REGULAR SESSION

AUSTIN, TEXAS

PROCEEDINGS

SIXTY-FIFTH DAY

(Continued)

(Friday, May 24, 2013)

AFTER RECESS

The Senate met at 11:10 a.m. and was called to order by Senator Eltife.

Pastor Andy Chavarrilla, Westhill Church of Christ, Corsicana, was introduced by Senator Birdwell and offered the invocation as follows:

Most high God, we are humbled in Your presence. Thank You for this nation of opportunity and freedom offered to all people. And thank You for Texas, a state lifting high the standard of liberty, opportunity, and prosperity. As our nation falters with worldliness and vice, I pray we will find stability in You. Let Texas lead this nation by example to the crossroads of faith and freedom. Enable us to stop the secularism and naturalism that threatens our youth. May we instead guide them in Your truth and teach them Your ways. Let Texans stand for godly children, godly spouses, and godly homes. The answer to our social struggles is not in rules, regulations, or even revenue, but in You, Father. Now I pray that within these hallowed walls these public servants will seek Your guidance and wisdom to meet our present challenges. You have set up governments as a minister for good to its citizens. Let those gathered here today recall the words of that great statesman, Sam Houston, "A leader is someone who helps improve the lives of other people or improve the system they live under." Help these leaders set aside their prejudices and desire for personal gain and trust themselves to Your hands for support and direction. For You revealed to us, except You build the house, we labor in vain. Thank You for Your watch care that has delivered us to this hour, may we trust You with our future as well. Most of all, I pray Your will done. In the name of Jesus, I pray. Amen.

PHYSICIAN OF THE DAY

Senator Williams was recognized and presented Dr. John Redman of Anahuac as the Physician of the Day.

The Senate welcomed Dr. Redman 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 24, 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 209 Geren

Convening a joint memorial session to honor Texans killed while serving in the Global War on Terrorism, commemorating Memorial Day 2013, and paying tribute to all those who have died in the service of the United States.

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

HB 1035 (140 Yeas, 0 Nays, 2 Present, not voting)

HB 3201 (141 Yeas, 3 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 213 (non-record vote)

House Conferees: Hilderbran - Chair/Button/Gonzalez, Naomi/King, Tracy O./Lozano

HB 508 (non-record vote)

House Conferees: Guillen - Chair/Fletcher/Flynn/Pickett/Sheets

HB 2982 (non-record vote)

House Conferees: Keffer - Chair/King, Tracy O./Lozano/Ritter/Wu

HB 3106 (non-record vote)

House Conferees: Morrison - Chair/Ashby/Darby/Menéndez/Pitts

HB 3459 (non-record vote)

House Conferees: Eiland - Chair/Deshotel/Goldman/Springer/Walle

HB 3660 (non-record vote)

House Conferees: Simmons - Chair/Darby/Kacal/Márquez/Nevárez

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

GUESTS PRESENTED

Senator Ellis, joined by Senators Campbell, Duncan, Rodríguez, Uresti, West, and Whitmire, was recognized and introduced to the Senate interns participating in the Texas Legislative Intern Program: Adenike Adesokan, Richard Arowolo, Glen Austin, Lauren Berryhill, Daniel Boettger, Garrett Brawley, Kristen Cade, Emily Campbell, Shaboyd Cannon, Adrian Carter, Matthew Cherry, Leonardo Coelho, Mercadi Crawford, Brenda DeRouen, Thalia Dubose, Chana Elgin, Carnell Emanuel, Kevin Engman, Karina Erickson, Megan Featherston, Antoine Floyd, Veronica Forge, Mili Gosar, Vanessa Griddine, Jedidah Guerra, Paul Hanchett, Kathryn Hendrix, Jacqueline Hernandez, James Hernandez, Arthur Huggins, Jarrett Jackson, Dara Johnson, Skylia Johnson, TaLisa Jones, Joanna Joseph, Emilio Longoria, Shannon Martin, Matthew McDougal, Lucia Mendez, Cecilee Miller, Stewanna Miskell, Sonji Moore, Dailesi Njobvu, Gaven Norris, Laura Parton, DeAndrea Petty, Rashad Roberson, Tasheedah Roberts, Tiajuana Robinson, Chase Roe, Chelsea Rountree, LaVonda Russell, Jordan Rux, Keith Salas, Ashley San Miguel, Michelle Seebachan, Elizabeth Smith, Amir Tavakkoli, Kelleen Travillion, Thea Ulrich-Lewis, Carmela Walker, Anthony Washington, Amber Weed, Christopher White, Simone Wilson, Thurman Kelley, and Alec Puente.

The Senate welcomed its guests.

SENATE RESOLUTION 1049

Senator West offered the following resolution:

SR 1049, Recognizing Joe B. Allen on the occasion of his retirement.

The resolution was read and was adopted without objection.

GUESTS PRESENTED

Senator West was recognized and introduced to the Senate Joe B. Allen and his wife, Helen.

The Senate welcomed its guests.

(President in Chair)

SENATE RESOLUTION 989

Senator Whitmire offered the following resolution:

SR 989, Recognizing Grandmaster Pyung-Soo Kim on the occasion of the 45th anniversary of his arrival in the United States.

The resolution was read and was adopted without objection.

GUEST PRESENTED

Senator Whitmire was recognized and introduced to the Senate Pyung-Soo Kim.

The Senate welcomed its guest.

HOUSE CONCURRENT RESOLUTION 209

The President laid before the Senate the following resolution:

HCR 209, Convening a joint memorial session to honor Texans killed while serving in the Global War on Terrorism, commemorating Memorial Day 2013, and paying tribute to all those who have died in the service of the United States.

VAN DE PUTTE

The resolution was read.

On motion of Senator Van de Putte, the resolution was considered immediately and was adopted without objection.

SENATE RESOLUTION 1009

Senator Eltife offered the following resolution:

WHEREAS, It is a distinct pleasure for the Texas Senate to recognize Robert Gomez on his recent retirement after nearly four decades of outstanding service to the state and to the Texas Senate; and

WHEREAS, When Bobby Gomez retired on the last day of 2012, he had been an employee of the Senate for 38 years and seven months; a highly respected staff member and department director, he was noted for his professional skill and unflagging dedication as well as for his lengthy service; and

WHEREAS, Bobby retired as the director of Publications and Printing, the department that assists Senate offices with the design, layout, and printing of all manner of documents and publications; as head of the department, Bobby worked with each office to ensure that their particular needs were met and that the Senate's high standards and august image were upheld; and

WHEREAS, Bobby came from a generation that utilized paste-ups and mat knives, yet when the Publications and Printing office started using computers and other modern printing techniques and tools, he made the transition with his usual finesse; throughout his service as director, he was known for his discerning eye and his appreciation of good design, both of which were evident in all of his productions; he was also noted for keeping his print shop in a state of impeccable order and cleanliness; and

WHEREAS, Though Bobby was the director of the department, his co-workers thought of him as a collaborator and a friend, one who inquired about their well-being and that of their loved ones and who was always ready to offer a sympathetic ear; and

WHEREAS, Bobby is known for his devotion to his large and loving family and for his generosity to them; he is an exceedingly proud father and grandfather who relishes spending time with family members and witnessing their accomplishments; and

WHEREAS, For nearly four decades, Bobby Gomez was an exemplary civil servant who excelled in his work, was kind to his colleagues, and was faithful to the institution of the Texas Senate, and his presence in the Publications and Printing office is greatly missed; it is truly fitting that he be honored for all that he has done; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 83rd Legislature, hereby honor Robert Gomez on his distinguished career of over 38 years of service to the Senate and extend to him sincerest wishes for many joyous years of retirement; and, be it further

RESOLVED, That a copy of this Resolution be prepared for him as an expression of highest esteem from the Texas Senate.

SR 1009 was read.

SENATE RESOLUTION 1010

Senator Eltife offered the following resolution:

WHEREAS, The Senate of the State of Texas is proud to pay tribute to one of its most beloved longtime employees, Susan Tyler, who is retiring after 35 and one-half years of dedicated service to the Senate and 38 years of service with the state; and

WHEREAS, Susan first joined the Texas Senate in 1974, and she became director of Senate Payroll in 1996; throughout her tenure, she has served the Senate with distinction and the utmost loyalty and dedication; and

WHEREAS, Noted for her congenial personality and generous spirit, she has consistently handled with patience and aplomb the many questions that come from staff and the various issues that confront a payroll officer; as manager of the monthly payroll and a coordinator of special Senate programs, she has carried out her duties with remarkable accuracy and attention to detail; in recognition of the significant attributes she has brought to her position, she was selected as the 2007 administrative recipient of the Betty King Public Service Award; and

WHEREAS, While known for embracing her Senate responsibilities with quintessential professionalism, she is also noted for her exemplary volunteerism outside of the workplace; Susan has served with great commitment as a volunteer with Meals on Wheels and has given generously of her time to assist patients who suffer with Alzheimer's disease; and

WHEREAS, Highly regarded for her proficiency as the director of Payroll, she is also a favorite among all who walk the Capitol halls and who know her as a witty, warm-hearted person who cultivates many interests and derives enjoyment from life's smallest gifts; she is a bird-watcher, a genealogist, and an avid traveler, and she is one who masterfully succeeds at whatever endeavor she chooses to pursue, no matter the challenges it presents; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 83rd Legislature, hereby commend Susan Tyler on her exceptional service to the Texas Senate and extend appreciation to her for her longtime loyalty and many years of outstanding work on the Senate's behalf; and, be it further

RESOLVED, That a copy of this Resolution be prepared in honor of Susan Tyler and as an expression of esteem from the Texas Senate.

SR 1010 was read.

SENATE RESOLUTION 1011

Senator Eltife offered the following resolution:

WHEREAS, The Senate of the State of Texas has the distinct pleasure of honoring longtime staff member Regina Saucier Martin, who is retiring as director of the Senate Research Center after 26 years and 11 months of distinguished service with the Senate and more than 30 years of service with the state; and

WHEREAS, Gina joined the Senate Research Center as assistant director in 2002 after having served for four years in the office of Senator Kent Caperton and for well over a decade in the office of Senator Mike Moncrief; and

WHEREAS, She became director of Senate Research in 2004; in this crucial and challenging role, Gina has embodied the notion of grace under fire; for her, no request is too formidable, no query too complex, and no deadline too daunting; she has been the Senate's resident authority on countless topics, ranging from the obscure to the commonplace, and she has deftly handled all manner of inquiries with efficiency and poise; and

WHEREAS, As director of Senate Research, Gina has managed the production of the essential analysis of every piece of legislation filed or considered in the Senate; under her consummate guidance, the department has also carried out its many other functions, which include conducting research on policy matters and producing meeting summary reports and myriad publications on legislative activity; and

WHEREAS, Along with her top-notch staff, Gina has fielded an array of requests and projects that would intimidate lesser professionals; she and her team respond promptly, accurately, and expertly to inquiries from the Senators' offices, the Lieutenant Governor's office, and various Senate committees; and

WHEREAS, Over the years, Gina has consistently led her team by example, remaining serene, cordial, and, at all times, helpful; as she embarks on the next chapter of her life, she can look forward to spending leisure time with her husband, Steve, her children, Ross and Sage, and her three grandsons; at the Senate, however, she will be dearly missed for her unique warmth and charm, and her sense of clarity and peerless attention to detail will long be appreciated by all who have had the pleasure of working with her; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 83rd Legislature, hereby commend Regina Saucier Martin on her many years of excellent service to the Senate and extend to her sincere best wishes for the retirement years ahead; and, be it further

RESOLVED, That a copy of this Resolution be prepared for Gina Martin as an expression of highest regard from the Texas Senate.

SR 1011 was read.

SR 1009, SR 1010, and SR 1011 were adopted without objection.

GUESTS PRESENTED

Senator Eltife was recognized and introduced to the Senate Texas Senate retirees: Bobby Gomez, Gina Martin, and Susan Tyler.

The Senate welcomed its guests.

GUEST PRESENTED

Senator Ellis was recognized and introduced to the Senate Betty King, former Secretary of the Senate.

The Senate welcomed its guest.

RECESS

On motion of Senator Eltife, the Senate at 12:21 p.m. recessed until 1:31 p.m. today.

AFTER RECESS

The Senate met at 1:42 p.m. and was called to order by Senator Eltife.

**SENATE BILL 219 WITH HOUSE AMENDMENTS
(Motion In Writing)**

Senator Huffman submitted a Motion In Writing to call **SB 219** 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 219** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

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.

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

ARTICLE 1. GENERAL PROCEDURES OF TEXAS ETHICS COMMISSION

SECTION 1.01. Subchapter B, Chapter 571, Government Code, is amended by adding Section 571.033 to read as follows:

Sec. 571.033. NOTIFICATION PROCEDURES. The commission shall adopt rules prescribing how the commission will notify any person or provide any notice required by this subtitle, Chapter 305, or Title 15, Election Code.

SECTION 1.02. Section 571.0671, Government Code, is amended by adding Subsection (d) to read as follows:

(d) Electronic report data saved in a commission temporary storage location for later retrieval and editing before the report is filed is confidential and may not be disclosed. After the report is filed, the information disclosed in the report is subject to the law requiring the filing of the report.

ARTICLE 2. INQUIRY PROCEDURES AND HEARINGS AND ENFORCEMENT
ACTIVITIES OF TEXAS ETHICS COMMISSION

SECTION 2.01. Subdivision (2), Section 571.002, Government Code, is amended to read as follows:

(2) "Complainant" means an individual who files an inquiry [~~a sworn complaint~~] with the commission.

SECTION 2.02. Subsection (a), Section 571.027, Government Code, is amended to read as follows:

(a) A member of the commission may not participate in a commission proceeding relating to any of the following actions if the member is the subject of the action:

- (1) a formal investigation by the commission;
- (2) an inquiry [~~a sworn complaint~~] filed with the commission; or
- (3) a motion adopted by vote of at least six members of the commission.

SECTION 2.03. Subsection (f), Section 571.069, Government Code, is amended to read as follows:

(f) This section may not be construed as limiting or affecting the commission's authority to, on the filing of a motion or receipt of an inquiry [~~a sworn complaint~~], review or investigate the sufficiency of a statement or report.

SECTION 2.04. Section 571.073, Government Code, is amended to read as follows:

Sec. 571.073. REPORT. On or before December 31 of each even-numbered year, the commission shall report to the governor and legislature. The report must include:

(1) each advisory opinion issued by the commission under Subchapter D in the preceding two years;

(2) a summary of commission activities in the preceding two years, including:

(A) the number of inquiries [~~sworn complaints~~] filed with the commission;

(B) the number of inquiries [~~sworn complaints~~] dismissed for noncompliance with statutory form requirements;

(C) the number of inquiries [~~sworn complaints~~] dismissed for lack of jurisdiction;

(D) the number of inquiries [~~sworn complaints~~] dismissed after a finding of no credible evidence of a violation;

(E) the number of inquiries [~~sworn complaints~~] dismissed after a finding of a lack of sufficient evidence to determine whether a violation within the jurisdiction of the commission has occurred;

(F) the number of inquiries [~~sworn complaints~~] resolved by the commission through an agreed decision [~~order~~];

(G) the number of inquiries [~~sworn complaints~~] in which the commission issued a decision [~~an order~~] finding a violation and the resulting penalties, if any; and

(H) the number and amount of civil penalties imposed for failure to timely file a statement or report, the number and amount of those civil penalties fully paid, the number and amount of those civil penalties partially paid, and the number and amount of those civil penalties no part of which has been paid, for each of the following category of statements and reports, listed separately:

(i) financial statements required to be filed under Chapter 572;

(ii) political contribution and expenditure reports required to be filed under Section 254.063, 254.093, 254.123, 254.153, or 254.157, Election Code;

(iii) political contribution and expenditure reports required to be filed under Section 254.064(b), 254.124(b), or 254.154(b), Election Code;

(iv) political contribution and expenditure reports required to be filed under Section 254.064(c), 254.124(c), or 254.154(c), Election Code;

(v) political contribution and expenditure reports required to be filed under Section 254.038 or 254.039, Election Code; and

(vi) political contribution and expenditure reports required to be filed under Section 254.0391, Election Code; and

(3) recommendations for any necessary statutory changes.

SECTION 2.05. Section 571.076, Government Code, is amended to read as follows:

Sec. 571.076. CONTRACT FOR ADMINISTRATION. The commission may contract with persons to administer and carry out this chapter and rules, standards, ~~and~~ orders, and decisions adopted under this chapter, excluding any enforcement authority.

SECTION 2.06. The heading to Subchapter E, Chapter 571, Government Code, is amended to read as follows:

SUBCHAPTER E. INQUIRY ~~[COMPLAINT]~~ PROCEDURES AND HEARINGS

SECTION 2.07. Section 571.121, Government Code, is amended to read as follows:

Sec. 571.121. GENERAL POWERS. (a) The commission may:

(1) hold hearings, on its own motion adopted by an affirmative vote of at least six commission members or on an inquiry ~~[a sworn complaint]~~, and render decisions on inquiries ~~[complaints]~~ or reports of violations as provided by this chapter; and

(2) agree to the settlement of issues.

(b) The commission may not consider an inquiry ~~[a complaint]~~ or vote to investigate a matter outside the commission's jurisdiction.

SECTION 2.08. Section 571.1211, Government Code, is amended to read as follows:

Sec. 571.1211. DEFINITIONS. In this subchapter, "campaign" :

~~[(1) "Campaign]~~ communication" and "political advertising" have the meanings assigned by Section 251.001, Election Code.

~~[(2) "Category One violation" means a violation of a law within jurisdiction of the commission as to which it is generally not difficult to ascertain whether the violation occurred or did not occur, including:~~

~~[(A) the failure by a person required to file a statement or report to:~~

~~[(i) file the required statement or report in a manner that complies with applicable requirements; or~~

~~[(ii) timely file the required statement or report;~~

~~[(B) a violation of Section 255.001, Election Code;~~

~~[(C) a misrepresentation in political advertising or a campaign communication relating to the office held by a person in violation of Section 255.006, Election Code;~~

~~[(D) a failure to include in any written political advertising intended to be seen from a road the right of way notice in violation of Section 255.007, Election Code; or~~

~~[(E) a failure to timely respond to a written notice under Section 571.123(b).~~

~~[(3) "Category Two violation" means a violation of a law within the jurisdiction of the commission that is not a Category One violation.]~~

SECTION 2.09. Subchapter E, Chapter 571, Government Code, is amended by adding Section 571.1213 to read as follows:

Sec. 571.1213. CATEGORIZATION OF VIOLATIONS. (a) The commission staff shall categorize, in ascending order of seriousness, each violation of law alleged in an inquiry or on a motion of the commission as:

- (1) a technical, clerical, or de minimis violation;
- (2) an administrative or filing violation; or
- (3) a more serious violation.

(b) The commission shall adopt rules defining what violations of law are included in each category of violation.

SECTION 2.10. Subchapter E, Chapter 571, Government Code, is amended by adding Section 571.1214 to read as follows:

Sec. 571.1214. RESOLUTION OF VIOLATIONS. (a) The commission staff and the commission shall resolve an inquiry or motion in the form corresponding to the most serious category of violation alleged in the inquiry or motion as provided in this section.

(b) An inquiry or motion alleging a technical, clerical, or de minimis violation must be resolved in a letter of acknowledgment.

(c) An inquiry or motion alleging an administrative or filing violation must be resolved in a notice of administrative or filing error.

(d) An inquiry or motion alleging a more serious violation must be resolved in a notice of violation.

SECTION 2.11. Section 571.122, Government Code, as amended by Chapters 604 (H.B. 677) and 1166 (H.B. 3218), Acts of the 81st Legislature, Regular Session, 2009, is amended to read as follows:

Sec. 571.122. FILING OF INQUIRY [~~COMPLAINT~~]; CONTENTS. (a) An individual may file with the commission an inquiry [~~a sworn complaint~~] alleging that a person subject to a law administered and enforced by the commission has violated a rule adopted by or a law administered and enforced by the commission. An inquiry [~~A sworn complaint~~] must be filed on a form prescribed by the commission. The commission shall make the inquiry [~~complaint~~] form available on the Internet. The form prescribed by the commission must require the complainant to provide the following information for both the complainant and the respondent:

- (1) the person's name;
- (2) the person's telephone number;
- (3) the person's electronic mail address, if known; and
- (4) the physical address of the person's home or business.

(b) An inquiry [~~A complaint~~] filed under this section must be in writing and under oath and must set forth in simple, concise, and direct statements:

- (1) the name of the complainant;
- (2) the street or mailing address of the complainant;
- (3) the name of each respondent;
- (4) the position or title of each respondent;
- (5) the nature of the alleged violation, including if possible the specific rule or provision of law alleged to have been violated;
- (6) a statement of the facts constituting the alleged violation and the dates on which or period of time in which the alleged violation occurred; and

(7) all documents or other material available to the complainant that are relevant to the allegation, a list of all documents or other material within the knowledge of the complainant and available to the complainant that are relevant to the allegation but that are not in the possession of the complainant, including the location of the documents, if known, and a list of all documents or other material within the knowledge of the complainant that are unavailable to the complainant and that are relevant to the inquiry [~~complaint~~]; including the location of the documents, if known.

(b-1) An individual must be a resident of this state to be eligible to file an inquiry [~~a sworn complaint~~] with the commission. A copy of one of the following documents must be attached to the inquiry [~~complaint~~]:

(1) the complainant's driver's license or personal identification certificate issued under Chapter 521, Transportation Code, or commercial driver's license issued under Chapter 522, Transportation Code; or

(2) a utility bill, bank statement, government check, paycheck, or other government document that:

(A) shows the name and address of the complainant; and

(B) is dated not more than 30 days before the date on which the inquiry [~~complaint~~] is filed.

(b-2) [~~(b-1)~~] To be eligible to file an inquiry [~~a sworn complaint~~] with the commission, an individual must be a resident of this state or must own real property in this state. A copy of one of the following documents must be attached to the inquiry [~~complaint~~]:

(1) the complainant's driver's license or personal identification certificate issued under Chapter 521, Transportation Code, or commercial driver's license issued under Chapter 522, Transportation Code;

(2) a utility bill, bank statement, government check, paycheck, or other government document that:

(A) shows the name and address of the complainant; and

(B) is dated not more than 30 days before the date on which the inquiry [~~complaint~~] is filed; or

(3) a property tax bill, notice of appraised value, or other government document that:

(A) shows the name of the complainant;

(B) shows the address of real property in this state; and

(C) identifies the complainant as the owner of the real property.

(c) The inquiry [~~complaint~~] must be accompanied by an affidavit stating that the information contained in the inquiry [~~complaint~~] is either correct or that the complainant has good reason to believe and does believe that the violation occurred. If the inquiry [~~complaint~~] is based on information and belief, the inquiry [~~complaint~~] shall state the source and basis of the information and belief. The complainant may swear to the facts by oath before a notary public or other authorized official.

(d) The inquiry [~~complaint~~] must state on its face an allegation that, if true, constitutes a violation of a rule adopted by or a law administered and enforced by the commission.

(e) It is not a valid basis of an inquiry [~~a complaint~~] to allege that a report required under Chapter 254, Election Code, contains the improper name or address of a person from whom a political contribution was received if the name or address in the report is the same as the name or address that appears on the check for the political contribution.

SECTION 2.12. Section 571.1221, Government Code, is amended to read as follows:

Sec. 571.1221. DISMISSAL OF INQUIRY [~~COMPLAINT~~] FILED AT DIRECTION OR URGING OF NONRESIDENT. At any stage of a proceeding under this subchapter, the commission shall dismiss the inquiry [~~complaint~~] if the commission determines that the inquiry [~~complaint~~] was filed at the direction or urging of a person who is not a resident of this state.

SECTION 2.13. Section 571.1222, Government Code, is amended to read as follows:

Sec. 571.1222. DISMISSAL OF INQUIRY [~~COMPLAINT~~] CHALLENGING CERTAIN INFORMATION IN POLITICAL REPORT. At any stage of a proceeding under this subchapter, the commission shall dismiss an inquiry [~~a complaint~~] to the extent the inquiry [~~complaint~~] alleges that a report required under Chapter 254, Election Code, contains the improper name or address of a person from whom a political contribution was received if the name or address in the report is the same as the name or address that appears on the check for the political contribution.

SECTION 2.14. Section 571.123, Government Code, is amended to read as follows:

Sec. 571.123. PROCESSING OF INQUIRY [~~COMPLAINT~~]. (a) The commission shall determine whether an inquiry [~~a sworn complaint~~] filed with the commission complies with the form requirements of Section 571.122.

(a-1) [~~(b)~~] After an inquiry [~~a complaint~~] is filed, the commission shall immediately attempt to contact and notify the respondent of the inquiry [~~complaint by telephone or electronic mail~~].

(b) Not later than the fifth business day after the date an inquiry [~~a complaint~~] is filed, the commission shall notify [~~send written notice to~~] the complainant and the respondent as to [~~The written notice to the complainant and the respondent must~~]:

(1) [~~state~~] whether the inquiry [~~complaint~~] complies with the form requirements of Section 571.122; and

(2) if the respondent is a candidate or officeholder, [~~state~~] the procedure by which the respondent may designate an agent with whom commission staff may discuss the inquiry [~~complaint; and~~

[~~(3) if applicable, include the information required by Section 571.124(e)~~].

(c) If the commission determines that the inquiry [~~complaint~~] does not comply with the form requirements, the commission shall return [~~send~~] the inquiry [~~complaint~~] to the complainant with [~~the written notice;~~] a statement explaining how the inquiry [~~complaint~~] fails to comply[;] and a copy of the rules for filing inquiries [~~sworn complaints~~]. The commission shall provide [~~send~~] a copy of the rejected inquiry [~~complaint~~] to the respondent with [~~the written notice and~~] the statement explaining how the inquiry [~~complaint~~] fails to comply. The complainant may resubmit the inquiry [~~complaint~~] not later than the 21st day after the date the

complainant is notified [~~notice~~] under Subsection (b) [~~is mailed~~]. If the commission determines that the inquiry [~~complaint~~] is not resubmitted within the 21-day period, the commission shall:

(1) dismiss the inquiry [~~complaint~~]; and

(2) not later than the fifth business day after the date of the dismissal, notify [~~send written notice to~~] the complainant and the respondent of the dismissal and the grounds for dismissal.

(d) If the commission determines that an inquiry [~~a complaint~~] is resubmitted under Subsection (c) within the 21-day period but is not in proper form, the commission shall return the inquiry to the complainant as provided in [~~send the notice required under~~] Subsection (c), and the complainant may resubmit the inquiry [~~complaint~~] under that subsection.

(e) If the commission determines that an inquiry [~~a complaint~~] returned to the complainant under Subsection (c) or (d) is resubmitted within the 21-day period and that the inquiry [~~complaint~~] complies with the form requirements, the commission shall notify the complainant and respondent [~~send the written notice~~] under Subsection (b).

SECTION 2.15. Subsection (b), Section 571.1231, Government Code, is amended to read as follows:

(b) A respondent to an inquiry [~~a complaint~~] filed against the respondent may by writing submitted to the commission designate an agent with whom the commission staff may communicate regarding the inquiry [~~complaint~~].

SECTION 2.16. Section 571.124, Government Code, is amended to read as follows:

Sec. 571.124. PRELIMINARY REVIEW: INITIATION. (a) The commission staff shall promptly conduct a preliminary review on receipt of a written inquiry [~~complaint~~] that is in compliance with the form requirements of Section 571.122.

(b) On a motion adopted by an affirmative vote of at least six commission members, the commission staff, without an inquiry [~~a sworn complaint~~], may undertake [~~initiate~~] a preliminary review of the matter that is the subject of the motion.

(c) The executive director shall determine in writing whether the commission has jurisdiction over the violation of law alleged in an inquiry [~~a sworn complaint~~] processed under Section 571.123.

(e) If the executive director determines that the commission has jurisdiction, the notification [~~notice~~] under Section 571.123(b) must include:

(1) a statement that the commission has jurisdiction over the violation of law alleged in the inquiry [~~complaint~~];

(2) a statement of whether the inquiry [~~complaint~~] will be processed as a technical, clerical, or de minimis violation, an administrative or filing violation, or a more serious violation [~~Category One violation or a Category Two violation, subject to reconsideration as provided for by Section 571.1212~~];

(3) the date by which the respondent is required to respond to the notification [~~notice~~];

(4) a copy of the inquiry [~~complaint~~] and the rules of procedure of the commission;

(5) a statement of the rights of the respondent;

(6) a statement inviting the respondent to provide to the commission any information relevant to the inquiry [~~complaint~~]; and

(7) a statement that a failure to timely respond to the notification [~~notice~~] will be treated as a separate violation.

(f) If the executive director determines that the commission does not have jurisdiction over the violation alleged in the inquiry [~~complaint~~], the executive director shall:

(1) dismiss the inquiry [~~complaint~~]; and

(2) not later than the fifth business day after the date of the dismissal, notify [~~send to~~] the complainant and the respondent [~~written notice~~] of the dismissal and the grounds for the dismissal.

SECTION 2.17. Subsections (a) and (c), Section 571.1241, Government Code, are amended to read as follows:

(a) If the executive director determines that the commission does not have jurisdiction over the violation alleged in the inquiry [~~complaint~~], the complainant may request that the commission review the determination. A request for review under this section must be filed not later than the 30th day after the date the complainant receives the executive director's determination.

(c) Not later than the fifth business day after the date of the commission's determination under this section, the commission shall notify [~~send written notice to~~] the complainant and the respondent as to [~~stating~~] whether the commission has jurisdiction over the violation alleged in the inquiry [~~complaint~~]. If the commission determines that the commission has jurisdiction, the notification [~~notice~~] must include the items listed in Section 571.124(e).

SECTION 2.18. Section 571.1242, Government Code, is amended to read as follows:

Sec. 571.1242. PRELIMINARY REVIEW: RESPONSE BY RESPONDENT.

(a) If the alleged violation is a technical, clerical, or de minimis [~~Category One~~] violation:

(1) the respondent must respond to the notification [~~notice~~] required by Section 571.123(b) not later than the 10th business day after the date the respondent is notified [~~receives the notice~~]; and

(2) if the matter is not resolved by agreement between the commission and the respondent before the 30th business day after the date the respondent is notified [~~receives the notice~~] under Section 571.123(b), the commission shall set the matter for a preliminary review hearing [~~to be held at the next commission meeting for which notice has not yet been posted~~].

(b) If the alleged violation is an administrative or filing violation or a more serious [~~a Category Two~~] violation:

(1) the respondent must respond to the notification [~~notice~~] required by Section 571.123(b) not later than the 25th business day after the date the respondent is notified [~~receives the notice~~] under Section 571.123(b); and

(2) if the matter is not resolved by agreement between the commission and the respondent before the 75th business day after the date the respondent is notified [~~receives the notice~~] under Section 571.123(b), the commission shall set the matter for a preliminary review hearing [~~to be held at the next commission meeting for which notice has not yet been posted~~].

(c) A respondent's failure to timely respond as required by Subsection (a)(1) or (b)(1) is a [~~Category One~~] violation.

(d) The response required to the notification under Section 571.123(b) [~~by Subsection (a) or (b)~~] must include any challenge the respondent seeks to raise to the commission's exercise of jurisdiction. In addition, the respondent may:

(1) acknowledge the occurrence or commission of a violation;

(2) deny the allegations contained in the inquiry [~~complaint~~] and provide evidence supporting the denial; or

(3) agree to enter into a letter of acknowledgment [~~an assurance of voluntary compliance~~] or other agreed decision [~~order~~], which may include an agreement to immediately cease and desist.

~~[(e) If the commission sets the matter for a preliminary review hearing, the commission shall promptly send to the complainant and the respondent written notice of the date, time, and place of the preliminary review hearing.]~~

SECTION 2.19. Subchapter E, Chapter 571, Government Code, is amended by adding Section 571.12421 to read as follows:

Sec. 571.12421. PRELIMINARY REVIEW: PROCEDURE. (a) The commission shall adopt procedures by rule for the conduct of:

(1) a preliminary review of an inquiry or motion that alleges a technical, clerical, or de minimis violation;

(2) a preliminary review of an inquiry or motion that alleges an administrative or filing violation; and

(3) a preliminary review of an inquiry or motion that alleges a more serious violation.

(b) If an inquiry or motion alleges violations of different categories, the commission staff shall conduct a preliminary review of the inquiry or motion according to the procedure for the most serious category of violation alleged in the inquiry or motion.

(c) If, in the course of conducting a preliminary review, the commission staff determines that the violation alleged in the inquiry or motion was initially categorized incorrectly, the commission staff shall continue conducting the preliminary review according to the procedure for the correct category of violation.

(d) If an inquiry or motion alleges more than one violation, the commission staff may conduct a single preliminary review of the alleged violations or conduct a separate preliminary review for each violation.

SECTION 2.20. Subchapter E, Chapter 571, Government Code, is amended by adding Section 571.12431 to read as follows:

Sec. 571.12431. PRELIMINARY REVIEW: RESOLUTION. (a) After conducting a preliminary review of an inquiry or motion, the commission staff shall propose a resolution of the inquiry or motion to the respondent in the form

corresponding to the category of violation alleged in the inquiry or motion or, if the inquiry or motion alleges multiple violations, in the form corresponding to the most serious category of violation.

(b) Except as provided by other law or commission rule, if the respondent accepts the resolution, the commission staff shall submit to the commission for approval the letter of acknowledgment, notice of administrative or filing error, or notice of violation in which the resolution was proposed to the respondent.

(c) If the respondent rejects the resolution, the commission shall set the inquiry or motion for a preliminary review hearing.

SECTION 2.21. Section 571.1244, Government Code, is amended to read as follows:

Sec. 571.1244. PRELIMINARY REVIEW AND PRELIMINARY REVIEW HEARING PROCEDURES. (a) The commission shall adopt procedures for the conduct of preliminary reviews and preliminary review hearings. The procedures must include:

(1) a reasonable time for responding to questions submitted by the commission and commission staff and subpoenas issued by the commission; and

(2) the tolling or extension of otherwise applicable deadlines where:

(A) the commission issues a subpoena and the commission's meeting schedule makes it impossible both to provide a reasonable time for response and to comply with the otherwise applicable deadlines; or

(B) the commission determines that, despite commission staff's diligence and the reasonable cooperation of the respondent, a matter is too complex to resolve within the otherwise applicable deadlines without compromising either the commission staff's investigation or the rights of the respondent.

(b) The commission by rule shall adopt procedures for the commission's review of a letter of acknowledgment, a notice of administrative or filing error, or a notice of violation submitted to the commission under Section 571.12431(b) or 571.126(f).

(c) The commission by rule shall adopt procedures for the disposition of an inquiry or motion if the respondent does not respond to a resolution of the inquiry or motion proposed to the respondent under Section 571.12431 or 571.126.

SECTION 2.22. Section 571.125, Government Code, is amended to read as follows:

Sec. 571.125. PRELIMINARY REVIEW HEARING: PROCEDURE. (a) A panel of two members of the [The] commission shall conduct a preliminary review hearing if:

(1) following the preliminary review, the [~~commission and the~~] respondent does not [~~cannot~~] agree to the resolution of the inquiry or motion proposed by the commission staff [disposition of the complaint or motion]; or

(2) the respondent in writing requests a hearing.

(b) The commission shall notify [~~provide written notice to~~] the complainant, if any, and the respondent of the date, time, and place the panel [commission] will conduct the preliminary review hearing.

(c) At or after the time the commission notifies the complainant, if any, and the respondent ~~[provides notice]~~ of a preliminary review hearing, the commission may submit to the complainant and the respondent written questions and require those questions to be answered under oath within a reasonable time.

(d) During a preliminary review hearing, the panel ~~[commission]~~:

(1) may consider all submitted evidence related to the inquiry ~~[complaint]~~ or to the subject matter of a motion under Section 571.124(b);

(2) may review any documents or material related to the inquiry ~~[complaint]~~ or to the motion; and

(3) shall determine whether there is credible evidence that provides cause for the panel ~~[commission]~~ to conclude that a violation within the jurisdiction of the commission has occurred.

(e) During a preliminary review hearing, the respondent may appear before the panel ~~[commission]~~ with the assistance of counsel, if desired by the respondent, and present any relevant evidence, including a written statement.

SECTION 2.23. Subchapter E, Chapter 571, Government Code, is amended by adding Section 571.1251 to read as follows:

Sec. 571.1251. SELECTION OF PANEL TO CONDUCT PRELIMINARY REVIEW HEARING. The commission shall adopt rules for the selection of members of the commission to serve on panels to conduct preliminary review hearings. The rules shall ensure that:

(1) a panel is composed of two members of the commission; and

(2) each member of the panel is a member of a different political party.

SECTION 2.24. Section 571.126, Government Code, is amended to read as follows:

Sec. 571.126. PRELIMINARY REVIEW HEARING: RESOLUTION.

(a) Except as provided in Subsection (e), as [As] soon as practicable after the completion of a preliminary review hearing, the panel [commission] by vote shall issue a decision stating:

(1) whether there is credible evidence for the panel [commission] to determine that a violation within the jurisdiction of the commission has occurred and whether the violation is a technical, clerical, or de minimis violation, an administrative or filing violation, or a more serious violation; or

(2) that there is insufficient evidence for the panel [commission] to determine whether a violation within the jurisdiction of the commission has occurred.

(b) If the panel [commission] determines that there is credible evidence for the panel [commission] to determine that a violation within the jurisdiction of the commission has occurred, the panel [commission] shall prepare a resolution of the inquiry or motion to propose to the respondent [resolve and settle the complaint or motion] to the extent possible. If the panel [commission] successfully prepares a resolution [resolves and settles the complaint or motion], not later than the fifth business day after the date the panel prepares the resolution [of the final resolution of the complaint or motion], the commission shall provide [send to the complainant, if any, and] the respondent a copy of the decision stating the panel's [commission's] determination and the panel's proposed resolution of the inquiry or motion in the appropriate form [written notice of the resolution and the terms of the resolution]. If

the panel [~~commission~~] is unsuccessful in preparing a resolution or the respondent rejects the resolution [~~resolving and settling the complaint or motion~~], the panel [~~commission~~] shall:

(1) order a formal hearing to be held in accordance with Sections 571.127 [~~571.129~~] through 571.132; and

(2) not later than the fifth business day after, as applicable, the date the panel determines that there is credible evidence to determine that a violation has occurred or the date the respondent rejects a resolution prepared by the panel, provide [~~of the decision, send to~~] the complainant, if any, and the respondent with:

- (A) a copy of the decision;
- (B) [~~written~~] notice of the date, time, and place of the formal hearing;
- (C) a statement of the nature of the alleged violation;
- (D) a description of the evidence of the alleged violation;
- (E) a copy of the inquiry [~~complaint~~] or motion;
- (F) a copy of the commission's rules of procedure; and
- (G) a statement of the rights of the respondent.

(c) If the panel [~~commission~~] determines that there is credible evidence for the panel [~~commission~~] to determine that a violation within the jurisdiction of the commission has not occurred[~~, the commission shall~~]:

(1) the panel shall dismiss the inquiry [~~complaint~~] or motion; and

(2) the commission shall, not later than the fifth business day after the date of the dismissal, provide [~~send to~~] the complainant, if any, and the respondent with a copy of the decision stating the panel's [~~commission's~~] determination and [~~written~~] notice of the dismissal and the grounds for dismissal.

(d) If the panel [~~commission~~] determines that there is insufficient credible evidence for the panel [~~commission~~] to determine that a violation within the jurisdiction of the commission has occurred, the panel [~~commission~~] may dismiss the inquiry [~~complaint~~] or motion or promptly order [~~conduct~~] a formal hearing to be held under Sections 571.127 [~~571.129~~] through 571.132. Not later than the fifth business day after the date of the panel's [~~commission's~~] determination under this subsection, the commission shall provide [~~send to~~] the complainant, if any, and the respondent with a copy of the decision stating the panel's [~~commission's~~] determination and [~~written~~] notice of the grounds for the determination.

(e) If, because of a tie vote, the panel cannot issue a decision under Subsection (a), the panel shall order a formal hearing to be held under Sections 571.127 through 571.132. Not later than the fifth business day after the date of the vote, the commission shall notify the complainant, if any, and the respondent of the date, time, and place of the hearing.

(f) Except as provided by other law or commission rule, if the respondent accepts the resolution in Subsection (b), the panel shall submit to the commission for approval the letter of acknowledgment, notice of administrative or filing error, or notice of violation in which the resolution was proposed to the respondent.

SECTION 2.25. Subchapter E, Chapter 571, Government Code, is amended by adding Section 571.127 to read as follows:

Sec. 571.127. FORMAL HEARING: CONDUCT. The commission may conduct a formal hearing under this subchapter or may delegate to the State Office of Administrative Hearings the responsibility of conducting a formal hearing under this subchapter.

SECTION 2.26. Subsections (a) and (c), Section 571.132, Government Code, are amended to read as follows:

(a) Not later than the 30th business day after the date the State Office of Administrative Hearings issues a proposal for decision, the commission shall convene a meeting and by motion shall issue:

(1) a final decision stating the resolution of the formal hearing in the form corresponding to the category of violation alleged in the inquiry or motion that was the subject of the hearing; and

(2) a written report stating in detail the commission's findings of fact, conclusions of law, and recommendation of criminal referral or imposition of a civil penalty, if any.

(c) Not later than the fifth business day after the date the commission issues the final decision and written report, the commission shall:

(1) provide [send] a copy of the decision and report to the complainant, if any, and to the respondent; and

(2) make a copy of the decision and report available to the public during reasonable business hours.

SECTION 2.27. Section 571.133, Government Code, is amended to read as follows:

Sec. 571.133. APPEAL OF FINAL DECISION. (a) A respondent who has exhausted all administrative remedies under this subchapter and who is aggrieved by a final decision of the commission may seek judicial review of the decision by pursuing an appeal.

(b) To appeal a final decision of the commission, the respondent or the respondent's agent may file a petition in a district court in Travis County or in the county in which the respondent resides.

(c) [(b)] The petition must be filed not later than the 30th business day after the date the respondent received the decision.

(d) [(e)] Not later than the 30th day after the date on which the petition is filed, the respondent may request that the appeal be transferred to a district court in Travis County or in the county in which the respondent resides, as appropriate. The court in which the appeal is originally filed shall transfer the appeal to a district court in the other county on receipt of the request.

(e) Judicial review under this section shall be conducted in the manner provided for judicial review of a contested case under Chapter 2001, Government Code, and is governed by the substantial evidence rule.

~~[(d) An appeal brought under this section is not limited to questions of law, and the substantial evidence rule does not apply. The action shall be determined by trial de novo. The reviewing court shall try all issues of fact and law in the manner applicable to other civil suits in this state but may not admit in evidence the fact of prior action by the commission or the nature of that action, except to the limited extent necessary~~

~~to show compliance with statutory provisions that vest jurisdiction in the court. A party is entitled, on demand, to a jury determination of any issue of fact on which a jury determination is available in other civil suits in this state.]~~

SECTION 2.28. Section 571.134, Government Code, is amended to read as follows:

Sec. 571.134. DELAY OF REFERRAL. If an alleged violation involves an election in which the alleged violator is a candidate, a candidate's campaign treasurer, or the campaign treasurer of a political committee supporting or opposing a candidate and the inquiry [~~complaint~~] is filed within 60 days before the date of the election, the commission shall delay referral until:

- (1) the day after election day;
- (2) the day after runoff election day if an ensuing runoff involving the alleged violator is held; or
- (3) the day after general election day if the election involved in the violation is a primary election and the alleged violator is involved in the succeeding general election.

SECTION 2.29. Subsection (b), Section 571.135, Government Code, is amended to read as follows:

(b) The materials must include:

- (1) a description of:
 - (A) the commission's responsibilities;
 - (B) the types of conduct that constitute a violation of a law within the jurisdiction of the commission;
 - (C) the types of sanctions the commission may impose;
 - (D) the commission's policies and procedures relating to inquiry [~~complaint~~] investigation and resolution; and
 - (E) the duties of a person filing an inquiry [~~a complaint~~] with the commission; and
- (2) a diagram showing the basic steps in the commission's procedures relating to inquiry [~~complaint~~] investigation and resolution.

SECTION 2.30. Section 571.1351, Government Code, is amended to read as follows:

Sec. 571.1351. STATUS OF INQUIRY [~~COMPLAINT~~]. (a) The commission shall keep an information file about each inquiry [~~sworn or other complaint~~] filed with the commission. The file must include:

- (1) the name of the person who filed the inquiry [~~complaint~~];
- (2) the date the inquiry [~~complaint~~] is received by the commission;
- (3) the subject matter of the inquiry [~~complaint~~];
- (4) the name of each person contacted in relation to the inquiry [~~complaint~~];
- (5) a summary of the results of the review or investigation of the inquiry [~~complaint~~]; and
- (6) an explanation of the reason the file was closed, if the commission closed the file without taking action other than to investigate the inquiry [~~complaint~~].

(b) The commission shall provide to the person filing the inquiry [~~complaint~~] and to each person who is a subject of the inquiry [~~complaint~~] a copy of the commission's policies and procedures relating to inquiry [~~complaint~~] investigation and resolution.

(c) In addition to the notice required by Sections 571.123 through 571.132, the commission, at least quarterly until final disposition of an inquiry [~~a complaint~~], shall notify the person who filed the inquiry [~~complaint~~] and each person who is a subject of the inquiry [~~complaint~~], if any, of the status of the inquiry [~~sworn or other complaint~~].

SECTION 2.31. Section 571.136, Government Code, is amended to read as follows:

Sec. 571.136. EXTENSION OF DEADLINE. The commission may, on its own motion or on the reasonable request of a respondent, extend any deadline for action relating to an inquiry [~~a sworn complaint~~], motion, preliminary review hearing, or formal hearing.

SECTION 2.32. Subsection (a), Section 571.137, Government Code, is amended to read as follows:

(a) In connection with a formal hearing, the commission, as authorized by this chapter, may subpoena and examine witnesses and documents that directly relate to an inquiry [~~a sworn complaint~~].

SECTION 2.33. Section 571.139, Government Code, is amended to read as follows:

Sec. 571.139. APPLICABILITY OF OTHER ACTS. (a) Except as provided by Section 571.140(b), Chapter 552 does not apply to documents or any additional evidence relating to the processing, preliminary review, preliminary review hearing, or resolution of an inquiry [~~a sworn complaint~~] or motion.

(b) Chapter 551 does not apply to the processing, preliminary review, preliminary review hearing, or resolution of an inquiry [~~a sworn complaint~~] or motion, but does apply to a formal hearing held under Sections 571.127 [~~571.129~~] through 571.131.

(c) Subchapters C through H, Chapter 2001, apply only to a formal hearing under this subchapter, the resolution of a formal hearing, and the appeal of a final decision [~~order~~] of the commission, and only to the extent consistent with this chapter.

SECTION 2.34. Subsections (a), (b), and (b-1), Section 571.140, Government Code, are amended to read as follows:

(a) Except as provided by Subsection (b) or (b-1) or by Section 571.171, proceedings at a preliminary review hearing performed by a panel of members of the commission, an inquiry [~~a sworn complaint~~], and documents and any additional evidence relating to the processing, preliminary review, preliminary review hearing, or resolution of an inquiry [~~a sworn complaint~~] or motion are confidential and may not be disclosed unless entered into the record of a formal hearing or a judicial proceeding, except that a document or statement that was previously public information remains public information.

(b) A notice of administrative or filing error or a notice of violation approved [~~An order issued~~] by the commission under Section 571.12431(b) or 571.126(f) after the completion of a preliminary review or hearing [~~determining that a violation other~~

~~than a technical or de minimis violation has occurred~~] is not confidential. A letter of acknowledgment approved by the commission under Section 571.12431(b) or 571.126(f) after the completion of a preliminary review or hearing is confidential.

(b-1) A commission employee may, for the purpose of investigating an inquiry ~~[a sworn complaint]~~ or motion, disclose to the complainant, the respondent, or a witness information that is otherwise confidential and relates to the inquiry ~~[sworn complaint]~~ if:

(1) the employee makes a good faith determination that the disclosure is necessary to conduct the investigation;

(2) the employee's determination under Subdivision (1) is objectively reasonable;

(3) the executive director authorizes the disclosure; and

(4) the employee discloses only the information necessary to conduct the investigation.

SECTION 2.35. Section 571.141, Government Code, is amended to read as follows:

Sec. 571.141. AVAILABILITY OF CERTAIN NOTICES AND DECISIONS [COMMISSION ORDERS] ON INTERNET. (a) As soon as practicable following a preliminary review, preliminary review hearing, or formal hearing at which the commission staff, a panel of members of the commission, or the commission determines that a person has committed a violation within the commission's jurisdiction, the commission shall make available on the Internet:

(1) a copy of the notice of administrative or filing error or notice of violation approved or issued by the commission ~~[commission's order stating the determination]~~; or

(2) a summary of the notice ~~[commission's order]~~.

(b) This section does not apply to a letter of acknowledgment ~~[determination of a violation that is technical or de minimis]~~.

(c) If at a preliminary review, preliminary review hearing, or formal hearing, the commission staff, a panel of members of the commission, or the commission does not find that a person has committed a violation within the commission's jurisdiction or dismisses the inquiry or motion at issue, the commission shall, on the person's request and waiver of confidentiality, make available on the Internet a copy of the decision or notice of dismissal.

SECTION 2.36. Section 571.142, Government Code, is amended to read as follows:

Sec. 571.142. LIABILITY FOR RESPONDENT'S COSTS. (a) This section applies only to an inquiry ~~[a sworn complaint]~~ if:

(1) the inquiry ~~[complaint]~~ was filed after the 30th day before the date of an election;

(2) the respondent is a candidate in the election; and

(3) the inquiry ~~[complaint]~~ alleges an administrative or filing [a] violation or a more serious violation ~~[other than a technical or clerical violation]~~.

(b) If, in disposing of an inquiry [~~a sworn complaint~~] to which this section applies, the commission determines that a violation within the commission's jurisdiction has not occurred, the complainant is liable for the respondent's reasonable and necessary attorney's fees and other costs incurred in defending against the inquiry [~~complaint~~].

(c) This section does not apply to an inquiry [~~a sworn complaint~~] regarding a reporting omission required by law.

SECTION 2.37. Subsection (b), Section 571.171, Government Code, is amended to read as follows:

(b) On receipt of an inquiry [~~a sworn complaint~~], if the executive director reasonably believes that the person who is the subject of the inquiry [~~complaint~~] has violated Chapter 36 or 39, Penal Code, the executive director may refer the matter to the appropriate prosecuting attorney for criminal prosecution.

SECTION 2.38. Section 571.173, Government Code, is amended to read as follows:

Sec. 571.173. CIVIL PENALTY FOR DELAY OR VIOLATION. (a) The commission and the commission staff may impose a civil penalty of not more than \$5,000 or triple the amount at issue under a law administered and enforced by the commission, whichever amount is more, for a delay in complying with a commission order or decision or for a violation of a law administered and enforced by the commission.

(b) The commission shall adopt guidelines for the commission and the commission staff to follow when imposing a civil penalty under this section. The guidelines must direct the commission or the commission staff to consider the factors described by Section 571.177.

(c) The commission or the commission staff shall impose a civil penalty on a respondent who accepts or is issued a notice of administrative or filing error or a notice of violation under this chapter.

(d) When imposing a civil penalty under Subsection (c), the commission is not required to consider any penalties previously proposed to the respondent at an earlier stage of review.

(e) The commission or the commission staff may not impose a civil penalty on a respondent who accepts or is issued a letter of acknowledgment under this chapter.

SECTION 2.39. Section 571.176, Government Code, is amended to read as follows:

Sec. 571.176. CIVIL PENALTY FOR FRIVOLOUS OR BAD-FAITH INQUIRY [~~COMPLAINT~~]. (a) The commission may impose a civil penalty of not more than \$10,000 for the filing of a frivolous or bad-faith inquiry [~~complaint~~]. In this subsection, "frivolous inquiry [~~complaint~~]" means an inquiry [~~a complaint~~] that is groundless and brought in bad faith or is groundless and brought for the purpose of harassment.

(b) In addition to other penalties, a person who files a frivolous inquiry [~~complaint~~] is civilly liable to the respondent in an amount equal to the greater of \$10,000 or the amount of actual damages incurred by the respondent, including court costs and attorney fees.

(c) A person may file an inquiry [~~a sworn complaint~~] with the commission, in accordance with Section 571.122, alleging that an inquiry [~~a complaint~~] relating to that person filed with the commission is frivolous or brought in bad faith. An inquiry [~~A complaint~~] may be filed under this subsection without regard to whether the inquiry [~~complaint~~] alleged to be frivolous or brought in bad faith is pending before the commission or has been resolved. The commission shall act on an inquiry [~~a complaint~~] made under this subsection as provided by Subchapter E.

SECTION 2.40. Section 571.177, Government Code, is amended to read as follows:

Sec. 571.177. **FACTORS CONSIDERED FOR ASSESSMENT OF SANCTION.** The commission or the commission staff shall consider the following factors in assessing a sanction:

- (1) the seriousness of the violation, including the nature, circumstances, consequences, extent, and gravity of the violation;
- (2) the history and extent of previous violations;
- (3) the demonstrated good faith of the violator, including actions taken to rectify the consequences of the violation;
- (4) the penalty necessary to deter future violations; and
- (5) any other matters that justice may require.

SECTION 2.41. (a) Not later than December 1, 2013, the Texas Ethics Commission shall adopt any rules necessary to implement the changes in law made by this article.

(b) The changes in law made by this article apply only to an inquiry filed with the Texas Ethics Commission under Section 571.122, Government Code, or a motion adopted by the commission under Subsection (b), Section 571.124, Government Code, on or after December 1, 2013. A sworn complaint filed with the Texas Ethics Commission under Section 571.122, Government Code, or a motion adopted by the commission under Subsection (b), Section 571.124, Government Code, before that date is governed by the law in effect on the date the complaint is filed or the motion is adopted, and the former law is continued in effect for that purpose.

ARTICLE 3. PERSONAL FINANCIAL STATEMENTS

SECTION 3.01. Section 571.0671, Government Code, is amended to read as follows:

Sec. 571.0671. **REQUIREMENTS FOR ELECTRONIC FILING SOFTWARE.**

(a) Computer software provided or approved by the commission for use under Section 254.036(b), Election Code, or Section 302.013, ~~or~~ 305.0064, or 572.0291 must:

- (1) use a standardized format for the entry of names, addresses, and zip codes;
- (2) provide for secure and encoded transmission of data from the computer of a person filing a report to the computers used by the commission;
- (3) be capable of being used by a person with basic computing skills;
- (4) provide confirmation to a person filing a report that the report was properly received; and

(5) permit a person using a computer to prepare a report or to retrieve information from a report to import information to the report from a variety of computer software applications that meet commission specifications for a standard file format or export information from the report to a variety of computer software applications that meet commission specifications for a standard file format without the need to reenter information.

(b) Before determining the specifications for computer software developed, purchased, or licensed for use under Section 254.036, Election Code, or Section 302.013, ~~[or]~~ 305.0064, or 572.0291, the commission shall conduct at least one public hearing to discuss the specifications. For at least 10 days following the hearing, the commission shall accept public comments concerning the software specifications.

(c) The commission may provide software for use under Section 254.036(b), Election Code, or Section 302.013, ~~[or]~~ 305.0064, or 572.0291 by making the software available on the Internet. If the commission makes the software available on the Internet, the commission is not required to provide the software on computer diskettes, CD-ROMs, or other storage media without charge to persons required to file reports under that section, but may charge a fee for providing the software on storage media. A fee under this subsection may not exceed the cost to the commission of providing the software.

SECTION 3.02. Subchapter B, Chapter 572, Government Code, is amended by adding Section 572.0291 to read as follows:

Sec. 572.0291. ELECTRONIC FILING REQUIRED. A financial statement filed with the commission must be filed by computer diskette, modem, or other means of electronic transfer, using computer software provided by the commission or computer software that meets commission specifications for a standard file format.

SECTION 3.03. Subchapter B, Chapter 572, Government Code, is amended by adding Section 572.0292 to read as follows:

Sec. 572.0292. PREPARATION OF FORMS. The commission shall design forms that may be used for filing a financial statement with an authority other than the commission.

SECTION 3.04. The heading to Section 572.030, Government Code, is amended to read as follows:

Sec. 572.030. NOTIFICATION OF FILING REQUIREMENT
[PREPARATION AND MAILING OF FORMS].

SECTION 3.05. Subsections (b) and (c), Section 572.030, Government Code, are amended to read as follows:

(b) The commission shall notify ~~[mail to]~~ each individual required to file under this subchapter of ~~[a notice that]~~:

(1) the requirement ~~[states]~~ that the individual ~~[is required to]~~ file a financial statement under this subchapter;

(2) ~~[identifies]~~ the filing dates for the financial statement as provided by Sections 572.026 and 572.027; and

(3) ~~[describes]~~ the manner in which the individual may electronically file the financial statement and access instructions for filing financial statements on ~~[obtain the financial statement forms and instructions from]~~ the commission's Internet website[;]

~~[(4) states that on request of the individual, the commission will mail to the individual a copy of the financial statement forms and instructions; and~~

~~[(5) states, if applicable, the fee for mailing the forms and instructions and the manner in which the individual may pay the fee].~~

(c) The notification [~~notice~~] required by Subsection (b) must be provided [~~mailed~~]:

(1) before the 30th day before the deadline for filing the financial statement under Section 572.026(a) or (c), except as otherwise provided by this subsection;

(2) not later than the 15th day after the applicable deadline for filing an application for a place on the ballot or a declaration of write-in candidacy for candidates required to file under Section 572.027(a), (b), or (c);

(3) not later than the seventh day after the date of appointment for individuals required to file under Section 572.026(b), or if the legislature is in session, sooner if possible; and

(4) not later than the fifth day after the date the certificate of nomination is filed for candidates required to file under Section 572.027(d) [~~574.027(d)~~].

SECTION 3.06. Subsection (b), Section 572.031, Government Code, is amended to read as follows:

(b) If the commission determines that an individual has failed to file the statement in compliance with this subchapter, the commission shall notify [~~send a written statement of the determination to~~] the appropriate prosecuting attorney for [~~attorneys of~~] the state of the determination.

SECTION 3.07. Section 572.032, Government Code, is amended by amending Subsection (a-1) and adding Subsection (a-2) to read as follows:

(a-1) The commission shall remove the home address of a judge, ~~[or]~~ justice, or district attorney from a financial statement filed under this subchapter before:

(1) permitting a member of the public to view the statement; or

(2) providing a copy of the statement to a member of the public.

(a-2) The commission shall remove the home address of an individual from a financial statement filed by the individual under this subchapter before:

(1) permitting a member of the public to view the statement; or

(2) providing a copy of the statement to a member of the public.

SECTION 3.08. Subsections (a) and (b), Section 572.033, Government Code, are amended to read as follows:

(a) The commission shall determine from any available evidence whether a statement required to be filed under this subchapter is late. On making a determination that the statement is late, the commission shall notify [~~immediately mail a notice of the determination to~~] the individual responsible for filing the statement and [~~to~~] the appropriate prosecuting attorney for the state of the determination.

(b) If a statement is determined to be late, the individual responsible for filing the statement is liable to the state for a civil penalty of \$500. If a statement is more than 30 days late, the commission shall issue a warning of liability [~~by registered mail~~] to the individual responsible for the filing. If the penalty is not paid before the 10th day after the date on which the warning is received, the individual is liable for a civil penalty in an amount determined by commission rule, but not to exceed \$10,000.

SECTION 3.09. Section 145.003, Local Government Code, is amended by adding Subsection (c) to read as follows:

(c) The statement may be filed with the clerk or secretary by electronic mail. The clerk or secretary may prescribe guidelines for filing by electronic mail.

SECTION 3.10. Subsection (d), Section 145.004, Local Government Code, is amended to read as follows:

(d) The timeliness of the filing is governed by Section 572.029, Government Code. In addition, a financial statement that is not filed by electronic mail is timely filed if it is properly addressed and placed in the United States post office or in the hands of a common or contract carrier not later than the last day for filing the financial statement. The post office cancellation mark or the receipt mark of a common or contract carrier is prima facie evidence of the date the statement was deposited with the post office or carrier. The individual filing the statement may show by competent evidence that the actual date of posting was different from that shown by the mark.

SECTION 3.11. Section 159.003, Local Government Code, is amended by adding Subsection (c) to read as follows:

(c) The statement may be filed with the county clerk by electronic mail. The county clerk may prescribe guidelines for filing by electronic mail.

SECTION 3.12. Subsection (b), Section 159.004, Local Government Code, is amended to read as follows:

(b) The timeliness of the filing is governed by Section 572.029, Government Code. In addition, a financial statement that is not filed by electronic mail is timely filed if it is properly addressed and placed in the United States post office or in the hands of a common or contract carrier not later than the last day for filing the financial statement. The post office cancellation mark or the receipt mark of a common or contract carrier is prima facie evidence of the date the statement was deposited with the post office or carrier. The individual filing the statement may show by competent evidence that the actual date of posting was different from that shown by the mark.

SECTION 3.13. Section 159.034, Local Government Code, is amended by adding Subsection (d) to read as follows:

(d) A report filed under this subchapter may be filed by electronic mail. The authority with whom the report is filed may prescribe guidelines for filing by electronic mail.

SECTION 3.14. Section 159.052, Local Government Code, is amended by adding Subsection (c) to read as follows:

(c) A financial statement filed with the county clerk may be filed by electronic mail. The county clerk may prescribe guidelines for filing by electronic mail under this subsection.

SECTION 3.15. Subsection (b), Section 159.053, Local Government Code, is amended to read as follows:

(b) The timeliness of the filing is governed by Section 572.029, Government Code. In addition, a financial statement that is not filed by electronic mail is timely filed if it is properly addressed and placed in the United States post office or in the hands of a common or contract carrier not later than the last day for filing the financial statement. The post office cancellation mark or the receipt mark of a common or

contract carrier is prima facie evidence of the date the statement was deposited with the post office or carrier. The individual filing the statement may show by competent evidence that the actual date of posting was different from that shown by the mark.

SECTION 3.16. As soon as practicable after the effective date of this Act, the Texas Ethics Commission shall develop or approve the computer software that a person may use to electronically file a financial statement under Chapter 572, Government Code, as provided by the changes in law made by this article.

SECTION 3.17. Section 572.032(a-1), Government Code, as amended by this Act, applies to any financial statement filed under Subchapter B, Chapter 572, Government Code, that the Texas Ethics Commission maintains on file and that is accessible to the public on or after the effective date of this Act.

SECTION 3.18. Section 572.032(a-2), Government Code, as added by this Act, applies only to a financial statement filed under Subchapter B, Chapter 572, Government Code, on or after the date the Texas Ethics Commission determines that the computer software that a person is required to use to electronically file a financial statement includes features that allow the commission to easily and quickly redact information in the statement. A financial statement filed before that date is governed by the law in effect on the date of filing, and the former law is continued in effect for that purpose.

ARTICLE 4. CAMPAIGN FINANCE

SECTION 4.01. Section 251.003, Election Code, is amended to read as follows:

Sec. 251.003. ~~[PROHIBITION OF]~~ DOCUMENT FILING FEE. (a) A candidate, an officeholder other than the secretary of state, and a political committee shall pay an annual fee for each year in which the candidate, officeholder, or political committee files [A charge may not be made for filing] a document required to be filed under this title.

(b) This section does not apply to:

(1) a candidate, officeholder, or specific-purpose committee who files reports under this title with an authority other than the commission;

(2) a candidate who filed a petition in lieu of the filing fee with the candidate's application for a place on the ballot; or

(3) an officeholder who filed a petition in lieu of the filing fee with the application for a place on the ballot as a candidate for the office held by the officeholder.

(c) The commission shall by rule determine the amount of the annual fee under this section in an amount, not to exceed \$100, that the commission determines necessary for the administration of this title.

(d) The commission shall adopt rules to implement this section.

SECTION 4.02. The heading to Chapter 252, Election Code, is amended to read as follows:

CHAPTER 252. CAMPAIGN TREASURER, LEGISLATIVE CAUCUS CHAIR, AND PRINCIPAL POLITICAL COMMITTEE

SECTION 4.03. Chapter 252, Election Code, is amended by designating Sections 252.001 through 252.015 as Subchapter A and adding a subchapter heading to read as follows:

SUBCHAPTER A. CAMPAIGN TREASURER

SECTION 4.04. Section 252.001, Election Code, is amended to read as follows:

Sec. 252.001. APPOINTMENT OF CAMPAIGN TREASURER REQUIRED.

Except as provided in Subchapter C, each [Each] candidate and each political committee shall appoint a campaign treasurer as provided by this subchapter [chapter].

SECTION 4.05. Chapter 252, Election Code, is amended by adding Subchapters B and C to read as follows:

SUBCHAPTER B. LEGISLATIVE CAUCUS CHAIR

Sec. 252.051. APPOINTMENT OF LEGISLATIVE CAUCUS CHAIR REQUIRED. Each legislative caucus, as defined by Section 253.0341, shall appoint a caucus chair as required by this subchapter.

Sec. 252.052. CONTENTS OF APPOINTMENT; AUTHORITY WITH WHOM FILED. (a) A legislative caucus chair appointment must be in writing and must include:

- (1) the caucus's full name;
- (2) the caucus chair's name;
- (3) the caucus's mailing address;
- (4) the caucus's telephone number; and
- (5) the name of the person making the appointment.

(b) A legislative caucus must file its caucus chair appointment with the commission.

(c) A legislative caucus must notify the commission in writing of any change in the caucus's mailing address not later than the 10th day after the date on which the change occurs.

SUBCHAPTER C. PRINCIPAL POLITICAL COMMITTEE

Sec. 252.101. DESIGNATION OF PRINCIPAL POLITICAL COMMITTEE.

(a) A candidate required to file a campaign treasurer appointment with the commission or an officeholder of an office for which a candidate is required to file a campaign treasurer appointment with the commission may designate a specific-purpose committee as the principal political committee for the candidate or officeholder with the responsibility of reporting any activity of the candidate or officeholder for which the candidate or officeholder would otherwise be required to file a report under Chapter 254.

(b) A candidate who designates a principal political committee under this subchapter is not required to appoint a campaign treasurer under Subchapter A.

(c) A designation of a principal political committee must be in writing and filed with the commission.

Sec. 252.102. LIMITATION ON DESIGNATION OF AND AS PRINCIPAL POLITICAL COMMITTEE. (a) A candidate or officeholder may designate only one specific-purpose committee as the candidate's or officeholder's principal political committee.

(b) A specific-purpose committee may be designated as the principal political committee for only one candidate or officeholder.

SECTION 4.06. Subsection (a), Section 253.158, Election Code, is amended to read as follows:

(a) For purposes of Sections 253.155 and 253.157, a contribution by the [~~spouse or~~] child of an individual is considered to be a contribution by the individual.

SECTION 4.07. Subsections (a), (c), (d), and (g), Section 254.0311, Election Code, are amended to read as follows:

(a) A legislative caucus's caucus chair shall file a report of contributions and expenditures as required by this section.

(c) If no reportable activity occurs during a reporting period, the legislative caucus chair shall indicate that fact in the report.

(d) A legislative caucus's caucus chair shall file with the commission two reports for each year.

(g) A legislative caucus's caucus chair shall maintain a record of all reportable activity under this section and shall preserve the record for at least two years beginning on the filing deadline for the report containing the information in the record.

SECTION 4.08. Section 254.036, Election Code, is amended by amending Subsections (c) and (c-1) and adding Subsections (d) and (d-1) to read as follows:

(c) A candidate, officeholder, or political committee that is required to file reports with the commission may file reports that comply with Subsection (a) if:

(1) the candidate, officeholder, or campaign treasurer of the committee files with the commission an affidavit stating that the candidate, officeholder, or committee, an agent of the candidate, officeholder, or committee, or a person with whom the candidate, officeholder, or committee contracts does not use computer equipment to keep the current records of political contributions, political expenditures, or persons making political contributions to the candidate, officeholder, or committee; and

(2) the candidate, officeholder, or committee has never [~~does not~~], in a calendar year, accepted [~~accept~~] political contributions that in the aggregate exceeded [~~exceed~~] \$20,000 or made [~~make~~] political expenditures that in the aggregate exceeded [~~exceed~~] \$20,000.

(c-1) An affidavit under Subsection (c) must be filed with each report filed under Subsection (a). The affidavit must include a statement that the candidate, officeholder, or political committee understands that the candidate, officeholder, or committee shall file reports as required by Subsection (b) if:

(1) the candidate, officeholder, or committee, a consultant of the candidate, officeholder, or committee, or a person with whom the candidate, officeholder, or committee contracts uses computer equipment for a purpose described by Subsection (c); or

(2) the candidate, officeholder, or committee ever exceeds \$20,000 in political contributions or political expenditures in a calendar year.

(d) A legislative caucus may file reports that comply with Subsection (a) if:

(1) the legislative caucus chair files with the commission an affidavit stating that the caucus, an agent of the caucus, or a person with whom the caucus contracts does not use computer equipment to keep the current records of contributions, expenditures, or persons making contributions to the caucus; and

(2) the caucus has never, in a calendar year, accepted contributions that in the aggregate exceeded \$20,000 or made expenditures that in the aggregate exceeded \$20,000.

(d-1) An affidavit under Subsection (d) must be filed with each report filed under Subsection (a). The affidavit must include a statement that the legislative caucus understands that the caucus shall file reports as required by Subsection (b) if:

(1) the caucus, a consultant of the caucus, or a person with whom the caucus contracts uses computer equipment for a purpose described by Subsection (d); or

(2) the caucus ever exceeds \$20,000 in contributions or expenditures in a calendar year.

SECTION 4.09. Subsection (c), Section 254.0405, Election Code, is amended to read as follows:

(c) A semiannual report that is amended on or after the eighth day after the original report was filed is considered to have been filed on the date on which the original report was filed if:

(1) the amendment is made before any inquiry [~~complaint~~] is filed with regard to the subject of the amendment; and

(2) the original report was made in good faith and without an intent to mislead or to misrepresent the information contained in the report.

SECTION 4.10. Subsections (a) and (b), Section 254.042, Election Code, are amended to read as follows:

(a) The commission shall determine from any available evidence whether a report required to be filed with the commission under this chapter is late. On making that determination, the commission shall immediately notify [~~mail a notice of the determination to~~] the person required to file the report of the determination.

(b) If a report other than a report under Section 254.064(c), 254.124(c), or 254.154(c) or the first report under Section 254.063 or 254.123 that is required to be filed following the primary or general election is determined to be late, the person required to file the report is liable to the state for a civil penalty of \$500. If a report under Section 254.064(c), 254.124(c), or 254.154(c) or the first report under Section 254.063 or 254.153 that is required to be filed following the primary or general election is determined to be late, the person required to file the report is liable to the state for a civil penalty of \$500 for the first day the report is late and \$100 for each day thereafter that the report is late. If a report is more than 30 days late, the commission shall issue a warning of liability [~~by registered mail~~] to the person required to file the report. If the penalty is not paid before the 10th day after the date on which the warning is received, the person is liable for a civil penalty in an amount determined by commission rule, but not to exceed \$10,000.

SECTION 4.11. Subchapter C, Chapter 254, Election Code, is amended by adding Section 254.067 to read as follows:

Sec. 254.067. REPORT NOT REQUIRED. If during any reporting period prescribed by this subchapter a candidate designates a specific-purpose committee as the candidate's principal political committee as provided by Section 252.101, the candidate is not required to file a report covering that period if the candidate's principal political committee reports all of the activity that would otherwise be required to be included in the report, including:

(1) the amount of any political contribution, including any loan, made by the candidate to the principal political committee; and

(2) the amount of any political expenditure made by the candidate from personal funds and whether the candidate intends to seek reimbursement of the expenditure from the principal political committee.

SECTION 4.12. Section 254.095, Election Code, is amended to read as follows:

Sec. 254.095. REPORT NOT REQUIRED. (a) If at the end of any reporting period prescribed by this subchapter an officeholder who is required to file a report with an authority other than the commission has not accepted political contributions that in the aggregate exceed \$500 or made political expenditures that in the aggregate exceed \$500, the officeholder is not required to file a report covering that period.

(b) If during any reporting period prescribed by this subchapter an officeholder designates a specific-purpose committee as the officeholder's principal political committee as provided by Section 252.101, the officeholder is not required to file a report covering that period if the officeholder's principal political committee reports all of the activity that would otherwise be required to be included in the report, including:

(1) the amount of any political contribution, including any loan, made by the officeholder to the principal political committee; and

(2) the amount of any political expenditure made by the officeholder from personal funds and whether the officeholder intends to seek reimbursement of the expenditure from the principal political committee.

SECTION 4.13. Section 254.157, Election Code, is amended to read as follows:

Sec. 254.157. MONTHLY REPORTING SCHEDULE. (a) The campaign treasurer of a general-purpose committee filing monthly reports shall file a report not later than the 10th ~~[fifth]~~ day of the month following the period covered by the report. A report covering the month preceding an election in which the committee is involved must be received by the commission ~~[authority with whom the report is required to be filed]~~ not later than the 10th ~~[fifth]~~ day of the month following the period covered by the report.

(b) A monthly report covers the period beginning the first calendar ~~[26th]~~ day of each month and continuing through the last calendar ~~[25th]~~ day of that ~~[the following]~~ month ~~[except that the period covered by the first report begins January 1 and continues through January 25].~~

SECTION 4.14. Section 254.158, Election Code, is amended to read as follows:

Sec. 254.158. EXCEPTION TO MONTHLY REPORTING SCHEDULE. If the campaign treasurer appointment of a general-purpose committee filing monthly reports is filed after January 1 of the year in which monthly reports are filed, the period covered by the first monthly report begins the day the appointment is filed and continues through the last calendar ~~[25th]~~ day of the month in which the appointment is filed unless the appointment is filed the last calendar ~~[25th or a succeeding]~~ day of the month. In that case, the period continues through the last calendar ~~[25th]~~ day of the month following the month in which the appointment is filed.

SECTION 4.15. Section 253.158, Election Code, as amended by this Act, applies only to a political contribution accepted on or after the effective date of this Act. A contribution accepted before the effective date of this Act is governed by the law in effect on the date the contribution was accepted or the expenditure was made, and the former law is continued in effect for that purpose.

SECTION 4.16. The changes in law made by this article apply only to a report required to be filed under Chapter 254, Election Code, on or after the effective date of this Act. A report required to be filed under Chapter 254, Election Code, before the effective date of this Act is governed by the law in effect on the date the report is due, and the former law is continued in effect for that purpose.

SECTION 4.17. (a) Not later than September 15, 2013, each legislative caucus in existence on September 1, 2013, shall appoint a caucus chair and file a caucus chair appointment with the Texas Ethics Commission as required by Subchapter B, Chapter 252, Election Code, as added by this Act. Notwithstanding Section 254.0311, Election Code, as amended by this Act:

(1) not later than October 1, 2013, a legislative caucus shall file a report under Section 254.0311, Election Code, as that section existed before amendment by this Act, that covers the period beginning July 1, 2013, or the day the caucus is organized, as applicable, and continuing through September 15, 2013; and

(2) not later than January 15, 2014, a legislative caucus chair appointed under this subsection shall file a report under Section 254.0311, Election Code, as amended by this Act, that covers the period beginning September 15, 2013, and continuing through December 31, 2013.

(b) A legislative caucus chair appointed under Subsection (a) of this section is not responsible for:

(1) reporting caucus activity that occurs before September 15, 2013; or

(2) maintaining records of caucus activity that occurs before September 15, 2013.

ARTICLE 5. LOBBYING

SECTION 5.01. Section 305.002, Government Code, is amended by adding Subdivision (2-a) to read as follows:

(2-a) "Communicates directly with a member of the legislative or executive branch to influence legislation or administrative action" or any variation of the phrase includes establishing goodwill with the member for the purpose of later communicating with the member to influence legislation or administrative action.

SECTION 5.02. Subsection (b), Section 305.0021, Government Code, is amended to read as follows:

(b) For purposes of Section 36.02 or 36.10, Penal Code, a person described by Subsection (a)(2)(A) is not considered to have made an expenditure [the amount of a joint expenditure that is attributed to a person who is not a registrant is not an expenditure made and reported] in accordance with this chapter.

SECTION 5.03. Section 305.003, Government Code, is amended by adding Subsections (b-3) and (b-4) to read as follows:

(b-3) Subsection (a)(2) does not require a person to register if the person spends not more than 26 hours, or another amount of time determined by the commission, for which the person is compensated or reimbursed during the calendar quarter engaging

in activity, including preparatory activity as defined by the commission, to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action.

(b-4) If a person spends more than eight hours in a single day engaging in activity to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action, the person is considered to have engaged in the activity for only eight hours during that day for purposes of Subsection (b-3).

SECTION 5.04. Subsections (a) and (d), Section 305.0062, Government Code, are amended to read as follows:

(a) The report filed under Section 305.006 must also contain the total expenditures described by Section 305.006(b) that are directly attributable to members of the legislative or executive branch. The expenditures must be stated in only one of the following categories:

- (1) state senators;
- (2) state representatives;
- (3) elected or appointed state officers, other than those described by Subdivision (1) or (2);
- (4) legislative agency employees;
- (5) executive agency employees;
- (6) the immediate family of a member of the legislative or executive branch;
- (7) guests, when invited by an individual described by Subdivision (1), (2), (3), (4), or (5); and
- (8) events to which:
 - (A) all legislators are invited;
 - (B) a legislative committee and the staff of the legislative committee are invited;
 - (C) all state senators and the staff of state senators are invited;
 - (D) all state representatives and the staff of state representatives are invited; and
 - (E) all legislative staff are invited.

(d) If a registrant cannot reasonably determine the amount of an expenditure under Section 305.006(b) that is directly attributable to a member of the legislative or executive branch as required by Subsection (a), the registrant shall apportion the expenditure made by that registrant or by others on the registrant's behalf and with the registrant's consent or ratification according to the total number of persons in attendance. However, if an expenditure is for an event described by Subsection (a)(8) [to which all legislators are invited], the registrant shall report the expenditure under Subsection (a)(8) and not under any other subdivision of that subsection or any other provision of this chapter.

SECTION 5.05. Section 305.0064, Government Code, is amended by adding Subsection (c) to read as follows:

(c) The rules adopted by the commission under Subsection (b) may not allow a registrant to file a paper registration or report if the registrant has ever used the electronic filing system under Subsection (a).

SECTION 5.06. Subsection (c), Section 305.0065, Government Code, is amended to read as follows:

(c) An [The] amended registration filed under Subsection (b) must be written and verified and must contain the information required in Sections 305.005(f)(3), (4), and (6) [Section 305.005].

SECTION 5.07. Section 305.027, Government Code, is amended by adding Subsection (f) to read as follows:

(f) In this section, "legislative advertising" does not include material that is printed or published by a member of the legislative branch and that is only disseminated by a member of the legislature on the floor of either house of the legislature.

SECTION 5.08. Subsection (g), Section 305.028, Government Code, is amended to read as follows:

(g) The commission may receive inquiries ~~[complaints]~~ regarding a violation of this section. If the commission determines a violation of this section has occurred, the commission, after notice and hearing:

(1) shall impose a civil penalty in an amount not to exceed \$2,000; and

(2) may rescind the person's registration and may prohibit the person from registering with the commission for a period not to exceed two years from the date of the rescission of the person's registration.

SECTION 5.09. Subsections (a) and (c), Section 305.033, Government Code, are amended to read as follows:

(a) The commission shall determine from any available evidence whether a registration or report required to be filed with the commission under this chapter is late. A registration filed without the fee required by Section 305.005 is considered to be late. On making a determination that a required registration or report is late, the commission shall immediately notify ~~[mail a notice of the determination to]~~ the person responsible for the filing~~[, to the commission,]~~ and ~~[to]~~ the appropriate attorney for the state of the determination.

(c) If a registration or report is more than 30 days late, the commission shall issue a warning of liability ~~[by registered mail]~~ to the person responsible for the filing. If the penalty is not paid before the 10th day after the date on which the warning is received, the person is liable for a penalty in an amount determined by commission rule, but not to exceed \$10,000.

SECTION 5.10. Subsection (b), Section 305.034, Government Code, is amended to read as follows:

(b) Whenever the commission determines that a person has failed to file any required form, statement, or report as required by this chapter, the commission shall notify the person involved ~~[send a written statement]~~ of this finding ~~[to the person involved. Notice to the person involved must be sent by certified mail].~~

SECTION 5.11. The amendment by this article to Subsection (b), Section 305.0021, Government Code, is intended to clarify rather than change existing law.

SECTION 5.12. Section 305.003, Government Code, as amended by this article, applies only to a registration or registration renewal required to be filed under Chapter 305, Government Code, on or after the effective date of this Act. A registration or registration renewal required to be filed under Chapter 305, Government Code, before

the effective date of this Act is governed by the law in effect on the date the registration or registration renewal is due, and the former law is continued in effect for that purpose.

SECTION 5.13. Section 305.0062, Government Code, as amended by this article, applies only to a report required to be filed under Section 305.006, Government Code, on or after the effective date of this Act. A report required to be filed under Section 305.006, Government Code, before the effective date of this Act is governed by the law in effect on the date the report is due, and the former law is continued in effect for that purpose.

ARTICLE 6. REPEALER

SECTION 6.01. (a) The following provisions are repealed:

- (1) Subsection (j), Section 254.036, Election Code;
- (2) Subsections (b) and (f), Section 254.0401, Election Code;
- (3) Section 571.032, Government Code;
- (4) Section 571.1212, Government Code;
- (5) Subsection (c), Section 572.029, Government Code;
- (6) Subsections (a), (d), and (e), Section 572.030, Government Code; and
- (7) Subsection (c), Section 572.034, Government Code.

(b) The repeal of Subsection (c), Section 572.034, Government 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 subsection, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

ARTICLE 7. EFFECTIVE DATE

SECTION 7.01. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 219** (house committee printing) as follows:

- (1) On page 25, between lines 4 and 5, insert the following new subsection:

(g) If an inquiry is finally resolved under this section, the commission shall provide the complainant a copy of the decision stating the panel's determination and the resolution of the inquiry.

- (2) On page 56, line 27, strike "and" and substitute "or".

Floor Amendment No. 2

Amend **CSSB 219** (house committee printing) by adding the following appropriately numbered SECTION to ARTICLE 4 of the bill and renumbering remaining SECTIONS of that ARTICLE accordingly:

SECTION 4.____. Subchapter B, Chapter 253, Election Code, is amended by adding Section 253.044 to read as follows:

Sec. 253.044. AUTOMATIC RESIGNATION FROM CERTAIN OFFICES. (a) In this section, "railroad commissioner" means a member of the Railroad Commission of Texas.

(b) If a person who is a railroad commissioner announces the person's candidacy, or in fact becomes a candidate, in any general, special, or primary election for any elective office other than the office of railroad commissioner, that announcement or that candidacy constitutes an automatic resignation of the office of railroad commissioner.

Floor Amendment No. 3

Amend **CSSB 219** (house committee printing) in ARTICLE 2 of the bill by striking SECTION 2.27 on page 26, line 5, through page 27, line 10, and renumbering subsequent SECTIONS of the ARTICLE accordingly.

Floor Amendment No. 4

Amend **CSSB 219** (house committee report) by adding the following appropriately numbered SECTIONS to ARTICLE 4 of the bill and renumbering remaining SECTIONS of that ARTICLE accordingly:

SECTION 4. _____. Section 251.001, Election Code, is amended by adding Subdivision (21) to read as follows:

(21) "In-kind contribution" means a contribution of goods, services, or any other thing of value, except money.

SECTION 4. _____. Subsection (a), Section 254.031, Election Code, is amended to read as follows:

(a) Except as otherwise provided by this chapter, each report filed under this chapter must include:

(1) the amount of political contributions, not including in-kind contributions, from each person that in the aggregate exceed \$50 and that are accepted during the reporting period by the person or committee required to file a report under this chapter, the full name and address of the person making the contributions, and the dates of the contributions;

(2) the amount of loans that are made during the reporting period for campaign or officeholder purposes to the person or committee required to file the report and that in the aggregate exceed \$50, the dates the loans are made, the interest rate, the maturity date, the type of collateral for the loans, if any, the full name and address of the person or financial institution making the loans, the full name and address, principal occupation, and name of the employer of each guarantor of the loans, the amount of the loans guaranteed by each guarantor, and the aggregate principal amount of all outstanding loans as of the last day of the reporting period;

(3) the amount of political expenditures that in the aggregate exceed \$100 and that are made during the reporting period, the full name and address of the persons to whom the expenditures are made, and the dates and purposes of the expenditures;

(4) the amount of each payment made during the reporting period from a political contribution if the payment is not a political expenditure, the full name and address of the person to whom the payment is made, and the date and purpose of the payment;

(5) the total amount or a specific listing of the political contributions, not including in-kind contributions, of \$50 or less accepted and the total amount or a specific listing of the political expenditures of \$100 or less made during the reporting period;

(6) the total amount of all political contributions, not including in-kind contributions, accepted and the total amount of all political expenditures made during the reporting period;

(7) the name of each candidate or officeholder who benefits from a direct campaign expenditure made during the reporting period by the person or committee required to file the report, and the office sought or held, excluding a direct campaign expenditure that is made by the principal political committee of a political party on behalf of a slate of two or more nominees of that party;

(8) as of the last day of a reporting period for which the person is required to file a report, the total amount of political contributions accepted, including interest or other income on those contributions, maintained in one or more accounts in which political contributions are deposited as of the last day of the reporting period;

(9) any credit, interest, rebate, refund, reimbursement, or return of a deposit fee resulting from the use of a political contribution or an asset purchased with a political contribution that is received during the reporting period and the amount of which exceeds \$100;

(10) any proceeds of the sale of an asset purchased with a political contribution that is received during the reporting period and the amount of which exceeds \$100;

(11) any investment purchased with a political contribution that is received during the reporting period and the amount of which exceeds \$100;

(12) any other gain from a political contribution that is received during the reporting period and the amount of which exceeds \$100; ~~and~~

(13) the full name and address of each person from whom an amount described by Subdivision (9), (10), (11), or (12) is received, the date the amount is received, and the purpose for which the amount is received; and

(14) on a separate schedule:

(A) the amount of in-kind political contributions from each person that in the aggregate exceed \$50 and that are used or expended during the reporting period and the date and purpose of such use or expenditure; and

(B) the total amount of all in-kind contributions accepted during the reporting period.

Floor Amendment No. 5

Amend Amendment No. 4 by J. Rodriguez to **CSSB 219** as follows:

(1) On page 1 of the amendment, line 5, between "by" and "adding", insert "amending Subdivision (16) and".

(2) On page 1 of the amendment, between lines 5 and 6, insert the following:

(16) "Political advertising" means a communication supporting or opposing a candidate for nomination or election to a public office or office of a political party, a political party, a public officer, or a measure that:

(A) in return for consideration, is published in a newspaper, magazine, or other periodical or is broadcast by radio or television; ~~or~~

(B) is transmitted by an automated dial announcing device, as defined by Section 55.121, Utilities Code; or

(C) appears:

(i) in a pamphlet, circular, flier, billboard or other sign, bumper sticker, or similar form of written communication; or

(ii) on an Internet website.

Floor Amendment No. 6

Amend **CSSB 219** (house committee printing), in ARTICLE 3 of the bill, as follows:

(1) On page 39, line 27, strike "amending Subsection (a-1) and adding Subsection (a-2)" and substitute "amending Subsections (a), (a-1), and (c) and adding Subsections (a-2) and (a-3)".

(2) On page 40, between lines 1 and 2, insert the following:

(a) Financial statements filed under this subchapter are public records. The commission shall maintain the statements in separate alphabetical files and in a manner that is accessible to the public during regular office hours and make the statements available to the public on the commission's Internet website.

(3) On page 40, between lines 15 and 16, insert the following:

(a-3) The commission shall remove the home address of an individual from a financial statement filed by the individual under this subchapter before making the statement available to the public on the commission's Internet website.

(c) After the second anniversary of the date the individual ceases to be a state officer, the commission may and on notification from the former state officer shall:

(1) destroy each financial statement filed by the state officer; and

(2) remove each financial statement filed by the state officer from the commission's Internet website.

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

SECTION 3.____. Section 145.007, Local Government Code, is amended by adding Subsection (d) to read as follows:

(d) If a municipality makes financial statements filed under this chapter available to the public on the municipality's Internet website, the clerk or secretary of the municipality shall remove the home address of an individual filing a statement before making the statement available on the website.

SECTION 3.____. Section 159.007, Local Government Code, is amended by adding Subsection (d) to read as follows:

(d) If a county makes financial statements filed under this subchapter available to the public on the county's Internet website, the county clerk shall remove the home address of an individual filing a statement before making the statement available on the website.

SECTION 3.____. Subchapter B, Chapter 159, Local Government Code, is amended by adding Section 159.0341 to read as follows:

Sec. 159.0341. REDACTION OF INFORMATION FROM REPORTS AVAILABLE TO PUBLIC ON INTERNET. If a county makes reports filed under this subchapter available to the public on the county's Internet website, the authority with whom the report is filed shall remove the home address of an individual filing a report before making the report available on the website.

SECTION 3. _____. Section 159.055, Local Government Code, is amended by adding Subsection (e) to read as follows:

(e) If a county makes financial statements filed under this subchapter available to the public on the county's Internet website, the county clerk shall remove the home address of an individual filing a statement before making the statement available on the website.

SECTION 3. _____. As soon as practicable after the effective date of this Act, the Texas Ethics Commission shall make the financial statements filed under Subchapter B, Chapter 572, Government Code, available on the commission's Internet website, as provided by the changes in law made by this article.

Floor Amendment No. 7

Amend **CSSB 219** (house committee report) by adding the following appropriately numbered SECTIONS to ARTICLE 4 of the bill and renumbering remaining SECTIONS of that ARTICLE accordingly:

SECTION 4. _____. The heading to Section 253.037, Election Code, is amended to read as follows:

Sec. 253.037. RESTRICTIONS ON CONTRIBUTION OR EXPENDITURE BY POLITICAL [GENERAL PURPOSE] COMMITTEE.

SECTION 4. _____. Section 253.037(a), Election Code, is amended to read as follows:

(a) A political [~~general purpose~~] committee may not knowingly make or authorize a political contribution or political expenditure unless the committee has:

(1) filed its campaign treasurer appointment not later than the 60th day before the date the contribution or expenditure is made; and

(2) accepted political contributions from at least 10 persons.

SECTION 4. _____. Subchapter E, Chapter 254, Election Code, is amended by adding Sections 254.1241 through 254.1244 to read as follows:

Sec. 254.1241. OPTION TO FILE MONTHLY; NOTICE. (a) As an alternative to filing reports under Sections 254.123 and 254.124, a specific-purpose committee may file monthly reports.

(b) To be entitled to file monthly reports, the committee must deliver written notice of the committee's intent to file monthly to the authority with whom the committee's reports are required to be filed under this subchapter not earlier than January 1 or later than January 15 of the year in which the committee intends to file monthly. The notice for a committee formed after January 15 must be delivered at the time the committee's campaign treasurer appointment is filed.

(c) A committee that files monthly reports may revert to the regular filing schedule prescribed by Sections 254.123 and 254.124 by delivering written notice of the committee's intent not earlier than January 1 or later than January 15 of the year in

which the committee intends to revert to the regular reporting schedule. The notice must include a report of all political contributions accepted and all political expenditures made that were not previously reported.

Sec. 254.1242. CONTENTS OF MONTHLY REPORTS. Each monthly report filed under this subchapter must comply with Sections 254.031 and 254.121 except that the maximum amount of a political contribution, expenditure, or loan that is not required to be individually reported is \$10 in the aggregate.

Sec. 254.1243. MONTHLY REPORTING SCHEDULE. (a) The campaign treasurer of a specific-purpose committee filing monthly reports shall file a report not later than the 10th day of the month following the period covered by the report. A report covering the month preceding an election in which the committee is involved must be received by the authority with whom the report is required to be filed not later than the 10th day of the month following the period covered by the report.

(b) A monthly report covers the period beginning the first calendar day of each month and continuing through the last calendar day of the following month.

Sec. 254.1244. EXCEPTION TO MONTHLY REPORTING SCHEDULE. If the campaign treasurer appointment of a specific-purpose committee filing monthly reports is filed after January 1 of the year in which monthly reports are filed, the period covered by the first monthly report begins the day the appointment is filed and continues through the last calendar day of the month in which the appointment is filed unless the appointment is filed the last calendar day of the month. In that case, the period continues through the last calendar day of the month following the month in which the appointment is filed.

SECTION 4. ____. Section 253.037(a), Election Code, as amended by this article, applies only to a political contribution or political expenditure made on or after September 1, 2013. A contribution or expenditure made before September 1, 2013, is governed by the law in effect on the date the contribution or expenditure was made, and the former law is continued in effect for that purpose.

SECTION 4. ____. The changes in law made by Sections 254.1241 through 254.1244, Election Code, as added by this article, apply only to a report of political contributions and expenditures that is required to be filed on or after September 1, 2013. A report of contributions and expenditures that is required to be filed before September 1, 2013, is governed by the law in effect on the date the report is required to be filed, and the former law is continued in effect for that purpose.

Floor Amendment No. 8

Amend Amendment No. 7 to **CSSB 219** by C. Turner as follows:

(1) On page 1, line 21, through page 2, line 10, strike added Section 254.1241, Election Code.

(2) On page 3, line 13, strike "Sections 254.1241" and substitute "Sections 254.1242".

Floor Amendment No. 12

Amend **CSSB 219** by adding a new appropriately numbered SECTION to read as follows:

SECTION _____. Amend Section 254.261, Election Code, by adding subsections (e), (f), (g) and (h) to read as follows:

(e) Except as provided by other law, subsection (a) requires a non-profit corporation subject to Chapter 22, Business Organizations Code, to disclose each contribution any part of which is used to make a direct campaign expenditure in the same manner as if the contribution was a political contribution made to a general-purpose committee that does not file monthly reports under Section 254.155.

(f) A non-profit corporation described by subsection (e) is required to itemize a contribution under Section 254.031(a)(1) only if the amount contributed by a person exceeds, in the aggregate, \$1000 during the reporting period.

(g) Subsection (e) does not apply if the direct campaign expenditures made by the non-profit corporation, combined with the direct campaign expenditures made by each other entity required to be shown to be related to the non-profit corporation on the non-profit corporation's federal Internal Revenue Service Form 990, do not, in the aggregate, exceed \$25,000 in a calendar year.

(h) A contribution is not required to be disclosed under subsection (e) if the contribution is made with the express written agreement that the contribution will not be used, in whole or in part, to make a political contribution or a political expenditure. A contribution any part of which is actually used to make a political contribution or a political expenditure shall be disclosed as provided by subsection (e) notwithstanding that the contribution was made with an express written agreement that the contribution would not be used to make a political contribution or political expenditure.

Floor Amendment No. 13

Amend the Geren Amendment No. 12 to **CSSB 219** (house committee printing) as follows:

(1) On page 1, line 1, strike "by adding a" and substituting "as follows:

(1) Insert the following":

(2) On page 1, strike lines 5-11 and substitute the following:

(e) Except as provided by other law, subsection (a) applies to a non-profit corporation subject to Chapter 22, Business Organizations Code, or the applicable law of another state, that makes a campaign expenditure in connection with an election under Chapter 302, Government Code.

(e-1) A non-profit corporation described by subsection (e) is required to disclose each contribution any part of which is used to make a direct campaign expenditure in the same manner as if the contribution was a political contribution made to a general-purpose committee that does not file monthly reports under Section 254.155.

(3) On page 1, line 16, strike "(e)" and substitute "(e-1)".

(4) On page 1, line 23, strike "(e)" and substitute "(e-1)".

(5) On page 1, line 28, strike "(e)" and substitute "(e-1)".

(6) On page 2, after line 2, insert the following appropriately numbered subdivisions:

() Insert the following appropriately numbered SECTION:

SECTION _____. Subchapter B, Chapter 302, Government Code, is amended by amending Section 302.011 and adding Section 302.0151 to read as follows:

Sec. 302.011. DEFINITIONS. In this subchapter:

(1) "Speaker candidate" means a member of or candidate for the house of representatives who has announced his candidacy for or who by his actions, words, or deeds seeks election to the office of speaker of the house of representatives.

(2) "Campaign expenditure" means the expenditure by a person, regardless of the person's status as a speaker candidate, of money, or that person's [the] use of services or any other thing of value to aid or defeat the election of a speaker candidate.

(3) "Campaign funds" means the speaker candidate's personal funds that are devoted to the campaign for speaker and any money, services, or other things of value that are contributed or loaned to a [the] speaker candidate or other person to aid or defeat the election of a [for use in the candidate's campaign for] speaker candidate.

Sec. 302.0151. FILING REQUIREMENTS FOR PERSONS OTHER THAN SPEAKER CANDIDATES. (a) Except as provided by subsection (b), Sections 302.012, 302.013, and 302.014 apply to a person, including a non-profit corporation subject to Chapter 22, Business Organizations Code, or the applicable law of another state, in the same manner as a speaker candidate if the person makes one or more expenditures, in the aggregate, exceeding \$100 during any reporting period under Section 302.013(b).

(b) This section does not apply to a non-profit corporation that is organized or operated as a church.

(c) The commission shall adopt rules to implement this section.

() On page 60 of the bill, between line 9 and 10, insert the following appropriately numbered subdivisions:

() Section 302.017, Government Code;

() Section 302.019, Government Code;

Floor Amendment No. 14

Amend **CSSB 219** as follows:

(1) On page 53, line 15, insert the following SECTION to read as follows:

"SECTION 4.15 Chapter 254, Election Code, is amended by adding Section 254.2611 as follows:

Sec. 254.2611. CERTAIN NONPROFIT MEMBERSHIP ASSOCIATIONS NOT ACTING IN CONCERT. A person is not considered to be acting in concert for purposes of this section if the person:

(a) is a non-profit membership association subject to Subchapter D, Chapter 253 of the Election Code,

(b) is part of a multi-tiered local, state and national non-profit membership association structure, and

(c) communicates with any entity within the multi-tiered association structure to make a direct campaign expenditure in this state.

(2) Renumber remaining SECTIONS accordingly.

Floor Amendment No. 15

Amend Floor Amendment No. 14 by Geren to **CSSB 219**, on page 1, line 7, by striking "this section" and substituting "Section 254.261".

Floor Amendment No. 16

Amend **CSSB 219** (house committee printing), in ARTICLE 4 of the bill, by adding the following appropriately numbered SECTION to that ARTICLE and renumbering any subsequent SECTIONS of the ARTICLE accordingly:

SECTION 4. _____. Subchapter J, Chapter 254, Election Code, is amended by adding Section 254.263 to read as follows:

Sec. 254.263. APPLICABILITY OF PRIVILEGE TO CERTAIN PERSONS MAKING DIRECT CAMPAIGN EXPENDITURES. The privilege established under Subchapter C, Chapter 22, Civil Practice and Remedies Code, does not apply to:

(1) a person who is required to file a report under Section 254.261, controls a political committee or makes political expenditures described by Section 253.100(a);

(2) a person who is required to be disclosed on federal Internal Revenue Service Form 990 as an entity related to a person described by Subdivision (1); or

(3) a person who is an employee or contractor of, who acts under the control of, or who acts on behalf of a person described by Subdivision (1) or (2).

Floor Amendment No. 17

Amend the Geren amendment No. 16 to **CSSB 219** by adding a new appropriately numbered section to read as follows:

Section _____. Notwithstanding SECTION 7.01 of this Act, the change in law made by this Act to Subchapter J, Chapter 254, Election Code, 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, the change in law made by this Act to Subchapter J, Chapter 254, Election Code, takes effect September 1, 2013.

Floor Amendment No. 19

Amend **CSSB 219** (introduced version) by adding the following appropriately numbered Section to Article 4 of the bill and renumbering subsequent sections of that article appropriately:

SECTION 4. _____. Chapter 255, Election Code, is amended by adding Section 255.009 to read as follows:

Sec. 255.009. REQUIRED DISCLOSURE ON CERTAIN ELECTIONEERING COMMUNICATIONS. (a) In this section, "electioneering communication" means a communication that if taken as a whole and with limited reference to external events, such as the proximity to the election, could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidates or ballot measures.

(b) An electioneering communication made by a nonprofit corporation shall disclose in the communication the source of the funds used to pay for the communication.

Floor Amendment No. 20

Amend Amendment No. 19 by Johnson (83R19505) to **CSSB 219** as follows:

(1) On page 1 of the amendment, line 1, strike "**SB 219** (introduced version)" and substitute "**CSSB 219** (house committee printing)".

(2) On page 1 of the amendment, strike lines 8-14 and substitute the following: "electioneering communication" means a direct campaign expenditure that is:

(1) a communication that is the functional equivalent of express advocacy, and that when taken as a whole and with limited reference to external events, such as the proximity to the election, could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidate because:

(A) the electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning; and

(B) reasonable minds could not differ as to whether it encourages actions to elect or defeat one or more clearly identified candidates; or

(2) a communication that:

(A) is disseminated by a broadcast, cable, or satellite communication, a mass mailing, or a telephone bank;

(B) refers to a clearly identified candidate;

(C) is publicly distributed on or after:

(i) the 60th day before a general, special, or runoff election for the individual candidate; or

(ii) the 30th day before a primary election; and

(D) is targeted to the identified candidate's relevant electorate, which is defined as a communication that can be received over a 30 day period by at least the lesser of:

(i) 50,000 people; or

(ii) two percent of those eligible to vote for the candidate, as specified by the secretary of state as of January 1 of the year in question.

(b) An "electioneering communication" does not include a direct campaign expenditure that is:

(1) a public communication that refers to a clearly identified candidate appearing in a news story, commentary, editorial, or work intended for entertainment distributed through the facilities of a bona fide broadcasting station, newspaper, magazine, or other publication, unless those facilities are owned or controlled by a political party, political committee, or candidate;

(2) a communication to the restricted class of the corporation or labor organization making the communication as provided by Section 253.098;

(3) a communication that constitutes a bona fide candidate debate or forum, or that solely promotes a debate or forum, and is made by or on behalf of the person sponsoring the debate or forum; or

(4) any other communication exempted under regulations adopted by the commission consistent with the requirements of this definition and to ensure the appropriate implementation of this subsection.

(c) A person may not knowingly cause to be published, distributed, or broadcast an electioneering communication that does not indicate on the face of the communication the source of the

Floor Amendment No. 21

Amend **CSSB 219** (house committee report) by adding the following appropriately numbered SECTION to ARTICLE 4 of the bill and renumbering subsequent SECTIONS of ARTICLE 4 accordingly:

SECTION 4.____. Section 257.003, Election Code, is amended by amending Subsection (a) and adding Subsection (e) to read as follows:

(a) A political party that accepts contributions authorized by Section 253.104 shall report all contributions and expenditures made to and from the account required by Section 257.002, except as provided by Subsection (e).

(e) A county executive committee of a political party is not required to file a report under this section if the committee:

(1) has less than \$250 in one or more accounts maintained by the committee in which contributions authorized by Section 253.104 are deposited, as of the last day of the preceding reporting period;

(2) has not accepted any contributions authorized by Section 253.104 during the reporting period to be covered by the report; and

(3) has not made an expenditure from contributions authorized by Section 253.104 during the reporting period to be covered by the report.

Floor Amendment No. 25

Amend **CSSB 219** as follows:

Section 571.136, Government Code, is amended to read as follows:

Sec. 571.136. **DEADLINE FOR COMPLAINT RESOLUTION; EXTENSION OF DEADLINE.** (a) The commission shall complete a preliminary review hearing regarding a complaint, including the commission's decision, within 120 days of the day the respondent is sent the information required by Section 571.123(b).

(b) Notwithstanding subsection (a), ~~The~~ the commission may, on its own motion or on the reasonable request of a respondent, extend any deadline for action relating to a sworn complaint, motion, preliminary review hearing, or formal hearing.

(c)(1) If a deadline under this chapter for an action related to a preliminary review hearing or a formal hearing is extended at the request of the respondent, Section 571.140(a) does not apply to any matter related to the complaint.

(2) If a deadline under this chapter for an action related to a preliminary review hearing or a formal hearing is extended by the commission due to the failure of the complainant to reasonably cooperate with the commission's processing of the complaint, the commission may dismiss the complaint.

(3) If a deadline under this chapter is extended on the commission's own motion, the extension shall be no longer than is required by the circumstances. The commission shall state the reason for the extension, including whether the extension is due to a dispute or uncertainty regarding the facts related to the alleged violation, the law applicable to the alleged violation or both the facts of and the law applicable to the alleged violation. If the reason for the extension is related to the law applicable to the alleged violation, the commission shall state the nature of the legal issues that caused the commission to extend the deadline.

(d) Section 571.140(a) does not apply to a request for an extension of a deadline, the reasons for the granting or denial of an extension of a deadline or the dismissal of a complaint.

Floor Amendment No. 28

Amend **CSSB 219** (house committee report) by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES and SECTIONS of the bill accordingly:

ARTICLE ____ . STUDY REGARDING PUBLIC INTEGRITY UNIT

SECTION ____ .01. (a) The Texas Ethics Commission, in consultation with the Supreme Court of Texas and the Texas Court of Criminal Appeals, shall conduct a study to determine whether the law enforcement functions of the Public Integrity Unit of the district attorney for the 53rd Judicial District should be transferred to a law enforcement entity or agency to maintain separation of powers between the judicial and executive branches, prevent conflicts of interest, and ensure the administration of justice. The commission and courts shall also attempt to identify in the study any other organizations in this state having both prosecutorial and law enforcement functions.

(b) In conducting the study, the commission may make additional recommendations as the commission, in consultation with the courts, considers appropriate, including any recommendations for necessary changes in law to implement those recommendations.

SECTION ____ .02. The Texas Ethics Commission shall, not later than September 1, 2014, report the results of the study conducted under this article and any additional recommendations to 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 with jurisdiction over attorneys and the judiciary.

SECTION ____ .03. This article expires December 31, 2014.

Floor Amendment No. 30

Amend **CSSB 219** (house committee report) by adding the following appropriately numbered SECTIONS to ARTICLE 3 of the bill and renumbering remaining SECTIONS of that ARTICLE accordingly:

SECTION 3. ____ . Subchapter B, Chapter 572, Government Code, is amended by adding Section 572.0231 to read as follows:

Sec. 572.0231. CONTRACTS WITH GOVERNMENTAL ENTITIES. (a) In this section, "governmental entity" means the state, a political subdivision of the state, or an agency or department of the state or a political subdivision of the state.

(b) If the aggregate cost of goods or services sold under one or more written contracts described by this subdivision exceeds \$10,000 in the year covered by the report, an elected officer or a partisan or independent candidate for an office as an elected officer shall report on the financial statement an identification of each written contract, including the name of each party to the contract:

- (1) for the sale of goods or services;
- (2) in the amount of \$2,500 or more;
- (3) with:

(i) a governmental entity; or

(ii) a person who contracts with a governmental entity, to fulfill one or more of the person's obligations to the governmental entity under that contract; and
(4) to which the individual, the individual's spouse, the individual's dependent child, or any business association of which the individual, the individual's spouse, or the individual's dependent child has at least a 50 percent ownership interest is a party.

SECTION 2. The change in law made by this Act applies only to a financial statement filed under Subchapter B, Chapter 572, Government Code, as amended by this Act, on or after January 1, 2015. A financial statement filed before January 1, 2015, is governed by the law in effect on the date of filing, and the former law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2013.

Floor Amendment No. 32

Amend **CSSB 219** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS accordingly:

SECTION _____. Subchapter A, Chapter 253, Election Code, is amended by adding Section 253.006 to read as follows:

Sec. 253.006. CERTAIN CONTRIBUTIONS AND EXPENDITURES BY LOBBYISTS RESTRICTED. (a) In this section, "administrative action," "communicates directly with," "legislation," "member of the executive branch," and "member of the legislative branch" have the meanings assigned by Section 305.002, Government Code.

(b) Notwithstanding any other provision of law and except as provided by Subsection (c), a person required to register under Chapter 305, Government Code, may not, before the second anniversary of the date the last term for which the person was elected ends, knowingly make or authorize a political contribution or political expenditure from political contributions accepted by the person as a candidate or officeholder.

(c) Subsection (b) does not apply to a person who:

(1) communicates directly with a member of the legislative or executive branch only to influence legislation or administrative action on behalf of:

(A) a nonprofit organization exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code;

(B) a group of low-income individuals; or

(C) a group of individuals with disabilities; and

(2) does not receive compensation other than reimbursement for actual expenses for engaging in communication described by Subdivision (1).

(d) A person who violates this section commits an offense. An offense under this section is a Class A misdemeanor.

SECTION _____. Subchapter B, Chapter 305, Government Code, is amended by adding Section 305.030 to read as follows:

Sec. 305.030. EXPENDITURES FROM POLITICAL CONTRIBUTIONS RESTRICTED. (a) In this section, "political contribution" has the meaning assigned by Section 251.001, Election Code.

(b) Notwithstanding any other provision of law and except as provided by Subsection (c), a person required to register under this chapter may not, before the second anniversary of the date the last term for which the person was elected ends, knowingly make or authorize an expenditure under this chapter from political contributions accepted by the person as a candidate or officeholder.

(c) Subsection (b) does not apply to a person who:

(1) communicates directly with a member of the legislative or executive branch only to influence legislation or administrative action on behalf of:

(A) a nonprofit organization exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code;

(B) a group of low-income individuals; or

(C) a group of individuals with disabilities; and

(2) does not receive compensation other than reimbursement for actual expenses for engaging in communication described by Subdivision (1).

SECTION ____ . Section 253.006, Election Code, as added by this Act, and Section 305.030, Government Code, as added by this Act, apply to a political contribution, political expenditure, or lobbying expenditure made on or after September 1, 2013, from funds accepted as a political contribution, regardless of the date the funds were accepted.

Floor Amendment No. 33

Amend Amendment No. 32 by Howard to **CSSB 219** (house committee printing) on page 1 of the amendment, between lines 3 and 4, by inserting the following:

SECTION ____ . Chapter 252, Election Code, is amended by adding Section 252.00311 to read as follows:

Sec. 252.00311. CERTAIN USE OF CANDIDATE'S NAME BY POLITICAL COMMITTEE PROHIBITED. (a) Notwithstanding Section 252.0031(b), the name of a political committee may not include the name of any candidate that the committee supports if the candidate has not previously consented to and approved of the committee's formation.

(b) A violation of this section is a deceptive trade practice under Subchapter E, Chapter 17, Business & Commerce Code, and is actionable under that subchapter.

Floor Amendment No. 1 on Third Reading

Amend **CSSB 219** by adding the appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS accordingly.

SECTION ____ . Section 251.001(16), Election Code, is amended to read as follows:

(16) "Political advertising" means a communication supporting or opposing a candidate for nomination or election to a public office or office of a political party, a political party, a public officer, or a measure that:

(A) in return for consideration, is published in a newspaper, magazine, or other periodical or is broadcast by radio or television; ~~or~~

(B) appears:

(i) in a pamphlet, circular, flier, billboard or other sign, bumper sticker, or similar form of written communication; or

(ii) on an Internet website; or

(C) is distributed using electronic mail by a person required to file reports of political contributions or expenditures under Chapter 254.

SECTION ____ . Section 255.001, Election Code, is amended by amending Subsection (a) and adding Subsections (a-1), (a-2), (a-3), (a-4), (a-5), and (a-6) to read as follows:

(a) A person may not knowingly cause to be published, distributed, or broadcast political advertising containing express advocacy that does not include [~~indicate~~] in the advertising:

(1) an indication that it is political advertising; ~~and~~

(2) the full name of:

(A) the person who paid for the political advertising;

(B) the political committee authorizing the political advertising; or

(C) the candidate or specific-purpose committee supporting the candidate, if the political advertising is authorized by the candidate;

(3) if the political advertising is authorized by the candidate:

(A) for advertising transmitted through radio or television, an audio statement made by the candidate that identifies the candidate and states that the candidate has approved the communication; and

(B) for advertising transmitted through television:

(i) an unobscured, full-screen view of the candidate making the audio statement or a clearly identifiable photographic or similar image of the candidate accompanying the audio statement; and

(ii) a statement in writing identifying the candidate and stating that the candidate has approved the communication that appears:

(a) at the end of the communication for not less than four seconds; and

(b) in letters that are at least four percent of the vertical screen height; and

(4) if the political advertising is not authorized by the candidate:

(A) for advertising transmitted through radio or television, an audio statement of the name of the person who paid for the advertising, made by an individual named in the statement or by a representative of a person named in the statement who is not an individual; and

(B) for advertising transmitted through television, a written statement that contains the name of the person who paid for the advertising and that appears:

(i) at the end of the communication for not less than four seconds; and

(ii) in letters that are at least four percent of the vertical screen height.

(a-1) A disclosure required by this section must be presented in a clear and conspicuous manner, to give the reader, observer, or listener adequate notice of the political committee or other person who authorized and, as applicable, paid for the communication. A disclosure is not clear and conspicuous if it is difficult to read, observe, or hear or if the placement is easily overlooked.

(a-2) A photographic or similar image complies with Subsection (a)(3)(B)(i) only if the image of the candidate is at least 80 percent of the vertical screen height.

(a-3) A written disclosure satisfies the requirements of Subsection (a-1) only if it:

(1) is clearly readable;

(2) is printed:

(A) in black text on a white background or is printed so that the degree of contrast between the background color and the disclosure text color is at least as great as the degree of contrast between the background color and the color of the largest text in the communication; and

(B) within a printed box set apart from the rest of the contents of the communication;

(3) appears within the advertising, and appears on the same side as all other printing on advertising that without the disclosure would be one-sided; and

(4) is of sufficient type size to be clearly readable and:

(A) if the advertising measures not more than 24 inches by 36 inches, is in at least 12-point type; and

(B) if the advertising appears on an Internet website, is at least 12 pixels.

(a-4) If political advertising appears on a social media website, a written disclosure that complies with Subsection (a-1) and this subsection must appear on the appropriate social media profile page. If political advertising on an Internet website is too small to include the written disclosure in a manner that complies with Subsection (a-1), a written disclosure appearing on political advertising on an Internet website, including a social media profile page, satisfies the requirements of Subsection (a-1) if the disclosure links to another Internet website page that displays the full disclosure statement and is operational and freely accessible during the time the advertisement is visible. Internet advertising that is too small to include a written disclosure complying with Subsection (a-1) includes an advertisement classified as a micro bar or button according to applicable advertising standards, an advertisement that has 200 or fewer characters, and a graphic or picture link in which including the disclosure is not reasonably practical because of the size of the graphic or picture link.

(a-5) Any political advertising included in a group of materials that, if distributed separately, would require a disclosure under this section must separately include the required disclosure.

(a-6) Subsection (a) does not apply to political advertising distributed by sending a text message using a mobile communications service.

SECTION _____. This Act takes effect September 1, 2013.

Floor Amendment No. 2 on Third Reading

Amend **CSSB 219** on third reading in added Section 254.261(f), Election Code, as added by Floor Amendment No. 12 by Geren, by striking "\$1000" and substituting "\$2,500".

The amendments were read.

Senator Huffman 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 219** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Huffman, Chair; Nichols, Nelson, Van de Putte, and Uresti.

SENATE BILL 401 WITH HOUSE AMENDMENT (Motion In Writing)

Senator Lucio submitted a Motion in Writing to call **SB 401** 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.

Committee Amendment No. 1

Amend **SB 401** (engrossed version) as follows:

- (1) On page 1, line 9, strike "full-time".
- (2) On page 1, line 10, strike "assigned" and substitute "available".
- (3) On page 1, line 19, strike "full-time".
- (4) On page 1, line 20, strike "assigned" and substitute "available".

The amendment was read.

Senator Lucio 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 401** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Lucio, Chair; Patrick, Paxton, West, and Van de Putte.

SENATE BILL 484 WITH HOUSE AMENDMENTS (Motion In Writing)

Senator Whitmire submitted a Motion In Writing to call **SB 484** 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 484** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the creation of a prostitution prevention program; authorizing a fee.

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

SECTION 1. Subtitle H, Title 2, Health and Safety Code, is amended by adding Chapter 169A to read as follows:

CHAPTER 169A. PROSTITUTION PREVENTION PROGRAM

Sec. 169A.001. PROSTITUTION PREVENTION PROGRAM; PROCEDURES FOR CERTAIN DEFENDANTS. (a) In this chapter, "prostitution prevention 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, to reduce the demand for the commercial sex trade and trafficking of persons by educating offenders, 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 information, counseling, and services relating to sex addiction, sexually transmitted diseases, mental health, and substance abuse;

(5) a coordinated strategy to govern program responses to participant compliance;

(6) monitoring and evaluation of program goals and effectiveness;

(7) continuing interdisciplinary education to promote effective program planning, implementation, and operations; and

(8) development of partnerships with public agencies and community organizations.

(b) If a defendant successfully completes a prostitution prevention 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, including whether the required time has elapsed, 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.

Sec. 169A.002. AUTHORITY TO ESTABLISH PROGRAM; ELIGIBILITY.

(a) The commissioners court of a county or governing body of a municipality may establish a prostitution prevention program for defendants charged with an offense under Section 43.02(a)(1), Penal Code, in which the defendant offered or agreed to engage in or engaged in sexual conduct for a fee.

(b) A defendant is eligible to participate in a prostitution prevention program established under this chapter only if the attorney representing the state consents to the defendant's participation in the program.

(c) The court in which the criminal case is pending shall allow an eligible defendant to choose whether to participate in the prostitution prevention program or otherwise proceed through the criminal justice system.

Sec. 169A.0025. ESTABLISHMENT OF REGIONAL PROGRAM. The commissioners courts of two or more counties, or the governing bodies of two or more municipalities, may elect to establish a regional prostitution prevention program under this chapter for the participating counties or municipalities.

Sec. 169A.003. PROGRAM POWERS AND DUTIES. (a) A prostitution prevention program established under this chapter must:

(1) ensure that 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 any participant to withdraw from the program at any time before a trial on the merits has been initiated;

(3) provide each participant with information, counseling, and services relating to sex addiction, sexually transmitted diseases, mental health, and substance abuse; and

(4) provide each participant with instruction related to the prevention of prostitution.

(b) To provide each program participant with information, counseling, and services described by Subsection (a)(3), a program established under this chapter may employ a person or solicit a volunteer who is:

(1) a health care professional;

(2) a psychologist;

(3) a licensed social worker or counselor;

(4) a former prostitute;

(5) a family member of a person arrested for soliciting prostitution;

(6) a member of a neighborhood association or community that is adversely affected by the commercial sex trade or trafficking of persons; or

(7) an employee of a nongovernmental organization specializing in advocacy or laws related to sex trafficking or human trafficking or in providing services to victims of those offenses.

(c) A program established under this chapter shall establish and publish local procedures to promote maximum participation of eligible defendants in programs established in the county or municipality in which the defendants reside.

Sec. 169A.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 prostitution prevention 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 prostitution prevention program established under this chapter.

(c) A legislative committee may require a county that does not establish a prostitution prevention program under this chapter due to a lack of sufficient funding, as provided by Section 169A.0055(c), to provide the committee with any documentation in the county's possession that concerns federal or state funding received by the county.

(d) A prostitution prevention 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. 169A.005. FEES. (a) A prostitution prevention program established under this chapter may collect from a participant in the program a nonrefundable program fee in a reasonable amount not to exceed \$1,000, from which the following must be paid:

(1) a counseling and services fee in an amount necessary to cover the costs of the counseling and services provided by the program;

(2) a victim services fee in an amount equal to 10 percent of the amount paid under Subdivision (1), to be deposited to the credit of the general revenue fund to be appropriated only to cover costs associated with the grant program described by Section 531.383, Government Code; and

(3) a law enforcement training fee, in an amount equal to five percent of the total amount paid under Subdivision (1), to be deposited to the credit of the treasury of the county or municipality that established the program to cover costs associated with the provision of training to law enforcement personnel on domestic violence, prostitution, and the trafficking of persons.

(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 prostitution prevention program. The fees must be based on the participant's ability to pay.

Sec. 169A.0055. PROGRAM IN CERTAIN COUNTIES MANDATORY. (a) The commissioners court of a county shall establish a prostitution prevention program if:

(1) the county has a population of more than 200,000; and

(2) a municipality in the county has not established a prostitution prevention program.

(b) A county required under this section to establish a prostitution prevention 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 prostitution prevention program under this section only if the county receives sufficient federal or state funding specifically for that purpose.

(d) A county that does not establish a prostitution prevention program as required by this section and maintain the program is ineligible to receive from the state funds for a community supervision and corrections department.

Sec. 169A.006. SUSPENSION OR DISMISSAL OF COMMUNITY SERVICE REQUIREMENT. (a) To encourage participation in a prostitution prevention 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.

(b) On a participant's successful completion of a prostitution prevention program, a judge or magistrate may excuse the participant from any condition of community supervision previously suspended under Subsection (a).

SECTION 2. 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 prostitution prevention program established under Section 169A.002, Health and Safety Code, shall be collected under Section 169A.005, Health and Safety Code, in a reasonable amount based on the defendant's ability to pay and 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.

SECTION 3. Section 772.0061(a)(2), Government Code, is amended to read as follows:

(2) "Specialty court" means:

(A) a prostitution prevention program established under Chapter 169A, Health and Safety Code;

(B) a drug court program established under Chapter 469, Health and Safety Code;

(C) [~~B~~] a mental health court program established under Chapter 616, Health and Safety Code; and

(D) [~~C~~] a veterans court program established under Chapter 617, Health and Safety Code.

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 484** (house committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Chapter 42, Code of Criminal Procedure, is amended by adding Article 42.13 to read as follows:

Art. 42.13. SETTING ASIDE CONVICTION FOR MINORS WHO ARE VICTIMS OF TRAFFICKING OF PERSONS. (a) In this article, "minor" means a person younger than 18 years of age.

(b) A court in which a defendant has been convicted of an offense under Section 43.02, Penal Code, committed when the defendant was a minor may, if the court retains jurisdiction in the case, hear a petition from the defendant to set aside the order of conviction. The petition must allege specific facts and be supported by a personal affidavit from the petitioner that, if proved, would establish that the petitioner:

(1) was a minor at the time of the offense; and

(2) engaged in prostitution solely as the victim of an offense under Section 20A.02(a)(3) or (7), Penal Code.

(c) On the filing of the petition under Subsection (b), the clerk of the court shall promptly serve a copy of the petition and the supporting documents on the appropriate office of the attorney representing the state. Any response to the petition by the attorney representing the state must be filed not later than the 15th business day after the date of service under this subsection.

(d) If in considering the petition, the supporting documents, and any response of the attorney representing the state the court finds that there are reasonable grounds to believe the facts alleged in the petition, the court shall order a hearing on the petition. The court shall dismiss the petition and shall promptly notify the petitioner of the court's decision if the court finds that the petitioner was not a minor at the time of the offense, there are not any reasonable grounds to believe the petitioner engaged in prostitution solely as the victim of an offense under Section 20A.02(a)(3) or (7), Penal Code, or the petitioner has filed a previous petition under this article based solely on the same evidence.

(e) After the court orders a hearing under this article, the court, as the court considers necessary to ensure a fair hearing on the petition, may order any discovery from the attorney representing the state or from the petitioner. An order of discovery may include any order for probative evidence relevant to the petitioner's age or to proving or disproving the petitioner's claim of having engaged in the conduct for which the petitioner was convicted under Section 43.02, Penal Code, solely as the victim of an offense under Section 20A.02(a)(3) or (7), Penal Code.

(f) If after the court orders a hearing under this article the court finds that, based on the sworn statements of the petitioner or based on submitted evidence or affidavits, the petitioner is not represented by an attorney and is indigent, the court shall appoint an attorney to represent the petitioner at the hearing and, if appropriate, before the court of appeals and the court of criminal appeals.

(g) At the conclusion of the hearing, the court shall make a finding as to whether the petitioner has shown by clear and convincing evidence that the petitioner engaged in prostitution when the petitioner was a minor and solely as the victim of trafficking of persons.

(h) The court may set aside the order of conviction for the offense under Section 43.02, Penal Code, if the court finds that the petitioner engaged in prostitution when the petitioner was a minor and solely as the victim of trafficking of persons and that setting aside the order is in the best interest of justice.

(i) The court reporter shall record a hearing under this article. If the court makes a finding that the petitioner engaged in prostitution when the petitioner was a minor and solely as the victim of trafficking of persons, and if the petitioner is indigent, the court reporter shall transcribe the hearing, including the finding, at the county's expense. The entire record must be included with an application for appeal filed as described by this article.

(j) The petitioner and the attorney representing the state may appeal the findings of the court in the same manner as an appeal of a conviction in a criminal case.

(k) A petition for a finding that the petitioner engaged in prostitution when the petitioner was a minor and solely as the victim of trafficking of persons filed under this article and a proceeding conducted under this article do not constitute an application for a writ of habeas corpus or a proceeding based on an application for a writ of habeas corpus. A restriction on filing a subsequent application for a writ of habeas corpus imposed by Article 11.07 does not apply to a petition or proceeding under this article.

(l) This article is not intended to preclude a petitioner from receiving a reduction or termination of community supervision and a set-aside of verdict under Section 20, Article 42.12, if the petitioner is otherwise qualified to receive a dismissal under that section.

SECTION ____ . Chapter 48, Code of Criminal Procedure, is amended by adding Article 48.06 to read as follows:

Art. 48.06. PETITION FOR PARDON FOR CERTAIN MINORS WHO ARE TRAFFICKING-VICTIM OFFENDERS; JUDICIAL PROCEEDINGS. (a) In this article, "minor" means a person younger than 18 years of age.

(b) In this article, a person is considered to have been convicted in a case if:

(1) a judgment, a sentence, or both a judgment and a sentence are imposed on the person;

(2) the person receives community supervision, deferred adjudication, or deferred disposition; or

(3) the court defers final disposition of the case or imposition of the judgment and sentence.

(c) This article applies only to a person described by Subsection (d) who is unable to obtain relief under Section 20, Article 42.12, or Article 42.13 because the convicting court no longer retains jurisdiction over the case.

(d) A person convicted of an offense under Section 43.02, Penal Code, may file in the court of conviction a petition alleging specific facts and supported by a personal affidavit from the petitioner that, if proved, would establish that the petitioner:

(1) was a minor at the time of the offense; and

(2) engaged in prostitution solely as the victim of an offense under Section 20A.02(a)(3) or (7), Penal Code.

(e) On the filing of the petition under Subsection (d), the clerk of the court shall promptly serve a copy of the petition and the supporting documents on the appropriate office of the attorney representing the state. Any response to the petition by the attorney representing the state must be filed not later than the 15th business day after the date of service under this subsection.

(f) If in considering the petition, the supporting documents, and any response of the attorney representing the state the court finds that there are reasonable grounds to believe the facts alleged in the petition, the court shall order a hearing on the petition. The court shall dismiss the petition and shall promptly notify the petitioner of the court's decision if the court finds that the petitioner was not a minor at the time of the offense, there are not any reasonable grounds to believe the petitioner engaged in prostitution solely as the victim of an offense under Section 20A.02(a)(3) or (7), Penal Code, or the petitioner has filed a previous petition under this article based solely on the same evidence.

(g) After the court orders a hearing under this article, the court, as the court considers necessary to ensure a fair hearing on the petition, may order any discovery from the attorney representing the state or from the petitioner. An order of discovery may include any order for probative evidence relevant to the petitioner's age or to proving or disproving the petitioner's claim of having engaged in the conduct for which the petitioner was convicted under Section 43.02, Penal Code, solely as the victim of an offense under Section 20A.02(a)(3) or (7), Penal Code.

(h) If after the court orders a hearing under this article the court finds that, based on the sworn statements of the petitioner or based on submitted evidence or affidavits, the petitioner is not represented by an attorney and is indigent, the court shall appoint an attorney to represent the petitioner at the hearing and, if appropriate, before the court of appeals and the court of criminal appeals.

(i) At the conclusion of the hearing, the court shall make a finding as to whether the petitioner has shown by clear and convincing evidence that the petitioner engaged in prostitution when the petitioner was a minor and solely as the victim of trafficking of persons. A finding that the petitioner engaged in prostitution when the petitioner was a minor and solely as the victim of trafficking of persons does not authorize the court to set aside a conviction of the offense if the court is not authorized to set aside that sentence under other law.

(j) If the court finds that the petitioner engaged in prostitution when the petitioner was a minor and solely as the victim of trafficking of persons, the petitioner may file an application for a pardon, but the application may not be filed later than the 90th day after the date the court makes the finding.

(k) The court reporter shall record a hearing under this article. If the court makes a finding that the petitioner engaged in prostitution when the petitioner was a minor and solely as the victim of trafficking of persons, and if the petitioner is indigent, the court reporter shall transcribe the hearing, including the finding, at the county's expense. The entire record must be included with an application for a pardon filed as described by this article.

(l) The petitioner and the attorney representing the state may appeal the findings of the court in the same manner as an appeal of a conviction in a criminal case.

(m) A petition for a finding that the petitioner engaged in prostitution when the petitioner was a minor and solely as the victim of trafficking of persons filed under this article and a proceeding conducted under this article do not constitute an application for a writ of habeas corpus or a proceeding based on an application for a

writ of habeas corpus. A restriction on filing a subsequent application for a writ of habeas corpus imposed by Article 11.07 does not apply to a petition or proceeding under this article.

SECTION _____. Section 5, Article 42.12, Code of Criminal Procedure, is amended by adding Subsection (k) to read as follows:

(k) If a judge dismisses proceedings against a defendant charged with an offense under Section 43.02, Penal Code, alleged to have been committed when the defendant was younger than 18 years of age and discharges the defendant, the judge may attach to the papers in the case a statement that the defendant was a minor and a victim of trafficking of persons.

SECTION _____. Article 55.01, Code of Criminal Procedure, is amended by adding Subsection (a-3) to read as follows:

(a-3) A person who has been placed under a custodial or noncustodial arrest for commission of an offense under Section 43.02, Penal Code, is entitled to have all records and files relating to the arrest expunged in the same manner provided for a person described by Subsection (a), if a court determines under Article 42.13(g) or 48.06(i) that the person engaged in prostitution when the person was a minor and solely as the victim of trafficking of persons.

The amendments were read.

Senator Whitmire 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 484** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Whitmire, Chair; Rodríguez, Carona, Deuell, and Hegar.

SENATE BILL 1173 WITH HOUSE AMENDMENTS (Motion In Writing)

Senator West submitted a Motion In Writing to call **SB 1173** 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 1173** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to procedures for the sentencing and placement on community supervision of defendants charged with the commission of a state jail felony.

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

SECTION 1. Section 9(a), Article 42.12, Code of Criminal Procedure, is amended to read as follows:

(a) Except as provided by Subsection (g) [~~of this section~~], before the imposition of sentence by a judge in a felony case, and except as provided by Subsection (b) [~~of this section~~], before the imposition of sentence by a judge in a misdemeanor case the judge shall direct a supervision officer to report to the judge in writing on the circumstances of the offense with which the defendant is charged, the amount of restitution necessary to adequately compensate a victim of the offense, the criminal and social history of the defendant, and any other information relating to the defendant or the offense requested by the judge. It is not necessary that the report contain a sentencing recommendation, but the report must contain a proposed client supervision plan describing programs and sanctions that the community supervision and corrections department would provide the defendant if the judge suspended the imposition of the sentence or granted deferred adjudication. If the defendant is charged with a state jail felony, the report must contain recommendations for conditions of community supervision that the community supervision and corrections department considers advisable or appropriate based on the circumstances of the offense and other factors addressed in the report.

SECTION 2. Section 15(a), Article 42.12, Code of Criminal Procedure, is amended by amending Subdivision (2) and adding Subdivision (2-a) to read as follows:

(2) On conviction of a state jail felony punished under Section 12.35(a), Penal Code, other than a state jail felony listed in Subdivision (1), subject to Subdivision (2-a), the judge may:

(A) suspend the imposition of the sentence and place the defendant on community supervision; or

(B) ~~may~~ order the sentence to be executed:

(i) in whole; or

(ii) in part, with a term of community supervision to commence immediately on release of the defendant from confinement.

(2-a) In any case in which the jury assesses the punishment, the judge must follow the recommendations of the jury in suspending the imposition of a sentence or ordering a sentence to be executed. If a jury assessing punishment does not recommend community supervision, the judge must order the sentence to be executed in whole.

SECTION 3. Section 15(c)(1), Article 42.12, Code of Criminal Procedure, is amended to read as follows:

(1) Before imposing a sentence in a state jail felony case in which the judge assesses the punishment, the judge shall review the presentence investigation report prepared for the defendant under Section 9 and shall determine whether the best interests of justice require the judge to suspend the imposition of the sentence and place the defendant on community supervision or to order the sentence to be executed in whole or in part as provided by Subsection (a)(2). A judge may impose any condition of community supervision on a defendant that the judge could impose on a defendant placed on supervision for an offense other than a state jail felony and, if the judge suspends the execution of the sentence or orders the execution of the sentence

only in part, shall impose conditions of community supervision consistent with the recommendations contained in the presentence investigation report prepared for the defendant.

SECTION 4. The changes in law made by this Act apply only to the sentencing and placement on community supervision of a defendant for an offense that is committed on or after the effective date of this Act. The sentencing and placement on community supervision of a defendant for an offense that is committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and that 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.

SECTION 5. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 1173** (house committee printing) as follows:

(1) On page 2, strike line 7 and substitute "Subdivisions (2-a) and (2-b) to read as follows:"

(2) On page 2, between lines 24 and 25, insert the following:

(2-b) A defendant is considered to be finally convicted if the judge orders the sentence to be executed under Subdivision (2)(B), regardless of whether the judge orders the sentence to be executed in whole or only in part.

Floor Amendment No. 2

Amend **CSSB 1173** (house committee printing) on page 2 as follows:

(1) On line 7, strike "Subdivision (2-a)" and substitute "Subdivisions (2-a) and (2-b)".

(2) On lines 9 and 10, strike "other than a state jail felony listed in Subdivision (1), subject to Subdivision (2-a)," and substitute "subject to Subdivisions (2-a) and (2-b) [~~other than a state jail felony listed in Subdivision (1)~~];".

(3) Between lines 18 and 19, insert the following:

(2-a) Subdivision (2)(B)(ii) does not apply on conviction of:

(A) a state jail felony listed in Subdivision (1);

(B) a state jail felony under Section 39.04(a)(2), Section 49.045, or

Title 5, Penal Code;

(C) an offense punishable as a state jail felony under Section 43.23(h),

Penal Code;

(D) a state jail felony under Article 62.102; or

(E) a state jail felony involving family violence, as defined by Section

71.004, Family Code.

(4) On line 19, strike "(2-a)" and substitute "(2-b)".

Floor Amendment No. 3

Amend **CSSB 1173** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ Chapter 509, Government Code, is amended by adding Section 509.017 to read as follows:

Sec. 509.017. SPECIAL ALLOCATION FOR CERTAIN DEFENDANTS PLACED ON STATE JAIL FELONY COMMUNITY SUPERVISION. Notwithstanding any other provision of this chapter, the Texas Department of Criminal Justice shall adopt policies and procedures to:

(1) determine the cost savings to the Texas Department of Criminal Justice realized through the release of defendants on community supervision under Section 15(a)(2)(B)(ii), Article 42.12, Code of Criminal Procedure; and

(2) provide 30 percent of that cost savings to the division to be allocated to individual departments and used for the same purpose that state aid is used under Section 509.011.

The amendments were read.

Senator West 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 1173** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators West, Chair; Whitmire, Carona, Huffman, and Patrick.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Friday, May 24, 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 GRANTED THE REQUEST OF THE SENATE FOR THE APPOINTMENT OF A CONFERENCE COMMITTEE ON THE FOLLOWING MEASURES:

SB 910 (non-record vote)

House Conferees: Morrison - Chair/Johnson/Klick/Miles/Simmons

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

SB 200 (145 Yeas, 0 Nays, 2 Present, not voting)

THE HOUSE HAS RECOMMITTED THE FOLLOWING MEASURES TO CONFERENCE COMMITTEE:

SB 901 (non-record vote)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

SENATE BILL 1681 WITH HOUSE AMENDMENT

Senator Zaffirini called **SB 1681** 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 1681** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED

AN ACT

relating to oversight and management of state contracts.

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

SECTION 1. Subchapter A, Chapter 2262, Government Code, is amended by adding Sections 2262.0015 and 2262.005 to read as follows:

Sec. 2262.0015. APPLICABILITY TO CERTAIN CONTRACTS. (a) The comptroller by rule shall establish threshold requirements that exclude small or routine contracts, including purchase orders, from the application of this chapter.

(b) This chapter does not apply to an enrollment contract described by 1 T.A.C. Section 391.183 as that section existed on November 1, 2013.

Sec. 2262.005. CONSULTATION WITH STATE AGENCIES. The comptroller shall consult with state agencies in developing forms, contract terms, and criteria required under this chapter.

SECTION 2. The heading to Section 2262.053, Government Code, is amended to read as follows:

Sec. 2262.053. TRAINING FOR CONTRACT MANAGERS.

SECTION 3. Section 2262.053, Government Code, is amended by amending Subsections (a) and (d) and adding Subsections (e) and (f) to read as follows:

(a) In coordination with the [~~comptroller,~~] Department of Information Resources, [~~and~~] state auditor, and Health and Human Services Commission, the comptroller [~~commission~~] shall develop [~~or administer~~] a training program for contract managers.

(d) The comptroller [~~Texas Building and Procurement Commission~~] shall administer [~~the~~] training [~~program~~] under this section.

(e) The comptroller shall certify contract managers who have completed the contract management training required under this section.

(f) A state agency may develop qualified contract manager training to supplement the training required under this section. The comptroller may incorporate the training developed by the agency into the training program under this section.

SECTION 4. Subchapter B, Chapter 2262, Government Code, is amended by adding Sections 2262.0535 and 2262.055 to read as follows:

Sec. 2262.0535. TRAINING FOR GOVERNING BODIES. (a) The comptroller shall adapt the program developed under Section 2262.053 to provide an abbreviated program for training the members of the governing bodies of state agencies. The training may be provided together with other required training for members of state agency governing bodies.

(b) All members of the governing body of a state agency shall complete at least one course of the training provided under this section. This subsection does not apply to a state agency that does not enter into any contracts.

Sec. 2262.055. VENDOR PERFORMANCE TRACKING SYSTEM. (a) The comptroller shall evaluate the vendor's performance based on information reported by state agencies and criteria established by the comptroller.

(b) The comptroller shall establish an evaluation process that allows vendors who receive an unfavorable performance review to protest any classification given by the comptroller.

(c) The comptroller shall include the performance reviews in a vendor performance tracking system.

SECTION 5. Section 2262.101, Government Code, is amended to read as follows:

Sec. 2262.101. CREATION; DUTIES. (a) The Contract Advisory Team is created to assist state agencies in improving contract management practices by:

(1) reviewing and making recommendations on the solicitation documents and contract documents for ~~[of major]~~ contracts of [by] state agencies that have a value of at least \$10 million;

(2) reviewing any findings or recommendations made by the state auditor, including those made under Section 2262.052(b), regarding a state agency's compliance with the contract management guide; ~~[and]~~

(3) providing recommendations to the comptroller ~~[commission]~~ regarding:

(A) the development of the contract management guide; and

(B) the training under Section 2262.053;

(4) providing recommendations and assistance to state agency personnel throughout the contract management process;

(5) coordinating and consulting with the quality assurance team established under Section 2054.158 on all contracts relating to a major information resources project; and

(6) creating and periodically performing a risk assessment to determine the appropriate level of management and oversight of contracts by state agencies.

(b) The risk assessment created and performed under Subsection (a)(6) must include the following criteria:

(1) the amount of appropriations to the agency;

(2) total contract value as a percentage of appropriations to the agency; and

(3) the impact of the functions and duties of the state agency on the health, safety, and well-being of residents.

(c) The comptroller shall oversee the activities of the team, including ensuring that the team carries out its duties under Subsection (a)(5).

(d) A state agency shall:

(1) comply with a recommendation made under Subsection (a)(1); or

(2) submit a written explanation regarding why the recommendation is not applicable to the contract under review.

(e) The team may review documents under Subsection (a)(1) only for compliance with contract management and best practices principles and may not make a recommendation regarding the purpose or subject of the contract.

(f) The team may develop an expedited process for reviewing solicitations under Subsection (a)(1) for contracts:

(1) that the team identifies as posing a low risk of loss to the state; or

(2) for which templates will be used more than once by a state agency.

SECTION 6. Section 2262.102, Government Code, is amended by amending Subsection (a) and adding Subsections (c) and (d) to read as follows:

(a) The team consists of the following six ~~[five]~~ members:

(1) one member from the Health and Human Services Commission ~~[attorney general's office];~~

(2) one member from the comptroller's office;

(3) one member from the Department of Information Resources;

(4) one member from the Texas Facilities ~~[Building and Procurement]~~ Commission; ~~[and]~~

(5) one member from the governor's office; and

(6) one member from a small state agency.

(c) The attorney general's office shall provide legal assistance to the team.

(d) In this section, "small state agency" means a state agency with fewer than 100 employees.

SECTION 7. Chapter 2262, Government Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. CONTRACT FORMS AND PROVISIONS

Sec. 2262.151. CONTRACT TERMS RELATING TO NONCOMPLIANCE.

(a) The comptroller shall develop recommendations for contract terms regarding remedies for noncompliance by contractors, including remedies for noncompliance with any required disclosure of conflicts of interest by contractors. The comptroller may develop recommended contract terms that are generally applicable to state contracts and terms that are applicable to important types of state contracts.

(b) A state agency may include applicable recommended terms in a contract entered into by the agency.

Sec. 2262.152. UNIFORM FORMS. The comptroller shall develop and make available a uniform and automated set of forms that a state agency may use in the different stages of the contracting process.

Sec. 2262.153. FORMS FOR REPORTING CONTRACTOR PERFORMANCE. As part of the uniform forms published under Section 2262.152, the comptroller shall develop forms for use by state agencies in reporting a contractor's performance for use in the vendor performance tracking system under Section 2262.055.

SECTION 8. Section 2262.003, Government Code, is transferred to Subchapter D, Chapter 2262, Government Code, as added by this Act, redesignated as Section 2262.154, Government Code, and amended to read as follows:

Sec. 2262.154 [~~2262.003~~]. REQUIRED [~~CONTRACT~~] PROVISION RELATING TO AUDITING. (a) Each state agency shall include in each of its contracts a term that provides that:

(1) the state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the contract or indirectly through a subcontract under the contract;

(2) acceptance of funds directly under the contract or indirectly through a subcontract under the contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds; and

(3) under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

(b) The state auditor shall provide assistance to a state agency in developing the contract provisions.

SECTION 9. Subsection (f), Section 2262.051, Government Code, is repealed.

SECTION 10. Not later than May 1, 2014, the comptroller of public accounts shall develop the training program required by Section 2262.053, Government Code, as amended by this Act, and Section 2262.0535, Government Code, as added by this Act.

SECTION 11. A member of a governing body of a state agency is not required to complete the training provided under Section 2262.0535, Government Code, as added by this Act, until September 1, 2015.

SECTION 12. The comptroller of public accounts shall use the vendor performance tracking system established by the comptroller before the effective date of this Act in carrying out the comptroller's duties under Section 2262.055, Government Code, as added by this Act.

SECTION 13. A contract manager is not required to be certified under Chapter 2262, Government Code, as amended by this Act, until September 1, 2015.

SECTION 14. As soon as practicable, and not later than May 1, 2014, the comptroller of public accounts and Contract Advisory Team shall develop the forms and recommendations required by this Act, including Sections 2262.151, 2262.152, and 2262.153, Government Code, as added by this Act.

SECTION 15. This Act takes effect November 1, 2013.

The amendment was read.

Senator Zaffrini 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 1681** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Zaffirini, Chair; Schwertner, Birdwell, Carona, and Rodriguez.

SENATE BILL 1915 WITH HOUSE AMENDMENT

Senator Campbell called **SB 1915** 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 1915** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3926 to read as follows:

CHAPTER 3926. RIVERWALK MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3926.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "City" means the Town of Flower Mound.
- (3) "County" means Denton County.
- (4) "Director" means a board member.
- (5) "District" means the Riverwalk Municipal Management District No. 1.

Sec. 3926.002. NATURE OF DISTRICT. The Riverwalk 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. 3926.003. 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. 3926.004. CITY CONSENT AND DEVELOPMENT AGREEMENT EXECUTION REQUIRED. (a) The initial directors may not hold an election under Section 3926.003 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.

(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. 3926.005. 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. 3926.006. 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. 3926.007. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Subsection (b) of the section of the Act enacting this chapter.

(b) The boundaries and field notes of the district contained in Subsection (b) of the 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 3926.203 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. 3926.008. 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 3926.203.

(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 3926.203; 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. 3926.009. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3926.010. 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. 3926.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 3926.052, directors serve staggered four-year terms, with two or three directors' terms expiring June 1 of each odd-numbered year.

Sec. 3926.052. 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 may 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 3926.003; 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 3926.003 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 3926.003; 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 may appoint as successor initial directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3926.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 3926.102. 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. 3926.103. 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. 3926.104. 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. 3926.105. MUNICIPAL MANAGEMENT DISTRICT POWERS. The district has the powers provided by Chapter 375, Local Government Code.

Sec. 3926.106. 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. 3926.107. 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. 3926.108. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Sec. 3926.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES

Sec. 3926.151. 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. 3926.152. 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 3926.004(a)(2) or the parties to that development agreement agree to the project, in writing.

Sec. 3926.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be inside or outside the district.

Sec. 3926.154. 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 3926.004(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 by ordinance or resolution.

Sec. 3926.155. 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 Chapter 375, Local Government Code.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3926.201. 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. 3926.202. 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. 3926.203. BORROWING MONEY; OBLIGATIONS. (a) The district may borrow money for any district purpose, including refunding district obligations or paying authorized district costs, without holding an election by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract, reimbursement agreement, 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 or agreement 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. 3926.204. 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 3926.203 or to pay the costs of acquiring, maintaining, operating, improving, or constructing district improvements in the manner provided for a district under Subchapters A, E, and F, Chapter 375, Local Government Code.

(b) The district may not impose an assessment on a municipality, county, or other political subdivision.

Sec. 3926.205. 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. 3926.206. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Sec. 3926.207. NO IMPACT FEES. The district may not impose an impact fee.

Sec. 3926.208. NO AD VALOREM TAX. The district may not impose an ad valorem tax.

SUBCHAPTER E. DISSOLUTION

Sec. 3926.251. DISSOLUTION BY CITY. (a) The city may dissolve the district by ordinance.

(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; and

(2) the city agrees to succeed to the rights and obligations of the district.

Sec. 3926.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has 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) any obligations when due and payable according to their terms; or

(2) other obligations issued by the city to refund obligations of the district.

Sec. 3926.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes the obligations of the district, including any 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.

(b) The Riverwalk Municipal Management District No. 1 initially includes all the territory contained in the following area:

Lot 2R1, Block A, The River Walk at Central Park

87.678 Acres

Being all that certain lot, tract or parcel of land situated in the Carlos Chacon Survey, Abstract Number 299 and the J. T. Stewart Survey, Abstract Number 1161, Town of Flower Mound, Denton County, Texas, being part of that certain called 80 acre tract of land described in deed to Manco Investments, Incorporated recorded in Volume 439, Page 352 of the Deed Records of Denton County, Texas, and being part of that certain called 252.86 acre tract described as Part Two in deed to Edward S. Marcus recorded in Volume 470, Page 131 of the Deed Records of Denton County, Texas, and being part of that certain called 28.061 acre tract of land described in deed to Edward S. Marcus recorded in Volume 614, Page 150 of the Deed Records of Denton County, Texas, and being part of that certain called 229.56 acre tract of land described in deed to Flower Mound Development Venture recorded in Volume 1361, Pages 874 and 879 of the Real Property Records of Denton County, Texas, being part of that certain tract of land described as Tract 1 in deed to Flower Mound CBD, LTD., recorded in Document Number 07-145337 of the Real Property Records of Denton County, Texas, being all of Lot 2R1, Block A, The River Walk at Central Park 11/2010, an addition to the Town of Flower Mound according to the plat thereof recorded in Document Number 2011-23 of the Plat Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2" capped rebar (G & A) found at the most easterly northeast corner of said Lot 2R1, Block A, The River Walk at Central Park 11/2010, being on the south line of that certain called 13.948 acre tract of land described in deed to the Town of Flower Mound recorded in Volume 723, Page 858 of the Deed Records of Denton County, Texas, and being on the west line of Morriss Road, a public roadway having a 122 foot right-of-way at this point;

THENCE along the east line of said Lot 2R1 and the west line of Morriss Road the following:

S 00°14'40" E, 146.45 feet, to a 1/2" capped rebar (G&A) found;

N 89°41'20" E, 12.00 feet, to a 1/2" capped rebar (G&A) found;

S 06°35'55" W, 113.59 feet, to a 1/2" capped rebar (G&A) found;

S 00°14'40" E, 194.59 feet, to a 1/2" capped rebar (G&A) found;

N 89°41'20" E, 13.52 feet, to a 1/2" capped rebar (G&A) found;

S 00°14'40" E, 79.16 feet, to a 1/2" capped rebar (G&A) found;

S 06°35'55" W, 110.01 feet, to a 1/2" capped rebar (G&A) found;

S 00°14'40" E, 197.13 feet, to a 1/2" capped rebar (G&A) found;

N 89°41'20" E, 13.11 feet, to a 1/2" capped rebar (G&A) found;

S 00°14'40" E, 149.77 feet, to a 1/2" capped rebar (G&A) found;

S 06°35'55" W, 100.71 feet, to a 1/2" capped rebar (G&A) found;

S 00°14'40" E, 156.50 feet, to a 1/2" capped rebar (G&A) found on the north

line of 5TH Avenue (called 37 foot right-of-way);

THENCE S 89°41'20" W, 501.61 feet, along the north line of 5TH Avenue to a 1/2" capped rebar (G&A) found on the west line of Broadway Avenue;

THENCE S 00°18'40" E, 944.75 feet, along the west line of Broadway Avenue to a 1/2" capped rebar (G&A) found on the south line of 3RD Avenue;

THENCE N 89°41'20" E, 512.51 feet, along the south line of 3RD Avenue, to a 1/2" capped rebar (G&A) found on the west right-of-way line of Morriss Road and the east line of said Lot 2R1;

THENCE along the east line of said Lot 2R1 and the west line of Morriss Road the following:

S 00°14'40" E, 20.82 feet, to a 1/2" capped rebar (G&A) found;

S 06°35'55" W, 94.74 feet, to a 1/2" capped rebar (G&A) found;

S 00°14'40" E, 195.13 feet, to a 1/2" capped rebar (G&A) found;

N 89°41'20" E, 11.29 feet, to a 1/2" capped rebar (G&A) found;

S 00°14'40" E, 23.65 feet, to a 1/2" capped rebar (G&A) found;

S 06°35'55" W, 75.54 feet, to a 1/2" capped rebar (G&A) found;

S 00°14'40" E, 165.62 feet, to a 1/2" capped rebar (G&A) found on the north

right-of-way line of Buckeye Drive, a public roadway having a variable width right-of-way, as shown on the Record Plat of The Forums Phase III, an addition to the Town of Flower Mound, Denton County, Texas, according to the plat thereof recorded in Cabinet O, Page 19 of the Plat Records of Denton County, Texas;

THENCE along the north right-of-way line of Buckeye Drive the following:

S 44°58'45" W, 8.57 feet, to a 1/2" G&A capped rebar found;

S 89°30'10" W, 65.00 feet, to a 1/2" G&A capped rebar found;

S 82°17'25" W, 112.84 feet, to a 1/2" G&A capped rebar found at the beginning of a curve to the left;

THENCE along the arc of said curve having a radius of 530.00 feet, a central angle of $19^{\circ}23'37''$, whose chord bears $S 72^{\circ}35'37'' W$, 178.54 feet, an arc length of 179.40 feet to a 1/2" G&A capped rebar found on the west line of Olympia Drive, a public roadway having a right-of-way of 60 feet;

THENCE $S 00^{\circ}17'15'' E$, 490.97 feet, along the west line of Olympia Drive to a 1/2" rebar found at the northeast corner of Lot 1, Block A of The Forums Phase III;

THENCE $S 89^{\circ}42'45'' W$, 233.98 feet, along the north line of said Lot 1 to a 1/2" rebar found at an angle point;

THENCE $N 83^{\circ}05'40'' W$, along the north line of said Lot 1, passing at 10 feet the northwest corner thereof and the northeast corner of Forums Drive, a public roadway having a right-of-way of 60 feet at this point, continuing along the north line of Forums Drive a total distance of 70.00 feet to a 1/2" rebar found at the northwest corner of Forums Drive;

THENCE in a southwesterly direction along the west line of Forums Drive with the arc of a curve to the right having a radius of 520.00 feet, a central angle of $11^{\circ}39'42''$, whose chord bears $S 12^{\circ}44'11'' W$, 105.66 feet, an arc length of 105.84 feet to a 1/2" rebar found at a point of compound curvature;

THENCE in a southwesterly direction along the west line of Forums Drive with the arc of a curve to the right having a radius of 400.00 feet, a central angle of $23^{\circ}33'43''$, whose chord bears $S 30^{\circ}28'28'' W$, 163.34 feet, an arc length of 164.49 feet to a 1/2" rebar found at a point of tangency;

THENCE $S 42^{\circ}15'20'' W$, 182.38 feet, along the west line of Forums Drive to a 1/2" rebar found at a point of curvature of a curve to the left, being the southwesterly corner of Forums Drive as shown on the aforementioned plat of The Forums Phase III and being the northwesterly corner of Forums Drive, having a right-of-way of 80 feet at this point, as shown on the revised final plat of The Forums Residential, an addition to the Town of Flower Mound, Denton County, Texas, according to the plat thereof recorded in Cabinet F, Page 136 of the Plat Records of Denton County, Texas;

THENCE along the west line of Forums Drive with the arc of said curve to the left having a radius of 690.00 feet, a central angle of $05^{\circ}00'26''$, whose chord bears $S 39^{\circ}45'08'' W$, 60.28 feet, an arc length of 60.30 feet to a 1/2" rebar found on the north line of Euclid Avenue, a public roadway having a right-of-way of 60 feet, at its intersection with the west line of Forums Drive;

THENCE $N 57^{\circ}47'20'' W$, 29.46 feet, along the north line of Euclid Avenue to a 1/2" rebar found at point of curvature of a curve to the left;

THENCE along the north line of Euclid Avenue with the arc of said curve to the left having a radius of 1030.00 feet, a central angle of $12^{\circ}36'55''$, whose chord bears $N 64^{\circ}06'30'' W$, 226.33 feet, an arc length of 226.78 feet to a 1/2" rebar found at the southeast corner of Lot 40, Block 1 of The Forums Residential;

THENCE $N 05^{\circ}10'05'' E$, 279.16 feet, along the east line of Lots 40, 39, 38 and 37, Block 1 of The Forums Residential to a point on a non-tangent curve to the left (this point falls in a pond);

THENCE continuing along the east line of Lots 37, 36, 35, 34, 33, 32, 31 and 30, Block 1 with the arc of said non-tangent curve having a radius of 1180.00 feet, a central angle of $23^{\circ}11'00''$, whose chord bears $N 11^{\circ}44'54'' W$, 474.21 feet, an arc length of 477.46 to the end of said non-tangent curve (this point falls in a pond);

THENCE N 23°32'15" W, 162.40 feet, continuing along the east line of Lots 30, 29 and 28, Block 1 to a 1/2" rebar found at the northeast corner Lot 28, Block 1, and being on the south line of Lot 27, Block 1;

THENCE N 62°37'50" E, 132.45 feet, along the south line of said Lot 27, Block 1 to a 1/2" rebar found at the southeast corner thereof;

N

THENCE N 61°46'50" W, 191.93 feet along the east line of Lot 27, Block 1 to a 1/2" rebar found at a point of curvature of a curve to the right;

THENCE continuing along the east line of said Lots 27, 26, 25, 24, 23 and 22, Block 1 with the arc of said curve to the right having a radius of 600.00 feet, a central angle of 42°30'10", whose chord bears N 40°31'45" W, 434.95 feet, an arc length of 445.09 feet to a 1/2" rebar found at a point of tangency;

THENCE N 19°16'40" W, 94.67 feet, continuing along the east line of said Lot 22, Block 1 to a 1/2" rebar found at the northeast corner thereof;

THENCE S 89°29'00" W, 516.32 feet, along the north line of Lots 22, 21, 20, 19 and 18, Block 1, passing the northwest corner of said Lot 18 and the northeast corner of a 150 foot right-of-way dedication shown on the plat of The Forums Residential, same being the northeast corner of that certain right-of way abandonment to Formosa Plastics Development recorded in Document Number 01-3781 of the Real Property Records of Denton County, Texas, continuing along the north line thereof to a 1/2" capped rebar (G&A) found on the east line of a variable width right-of-way dedication according to said plat recorded in Cabinet Y, Pages 700-703, Denton County Plat Records, from which point, a Texas Department of Transportation aluminum disc found (TXDOT monument found) on the east line of F.M. 2499 (Long Prairie Road), a public roadway having a variable width right-of-way, being the northwest corner of said right-of-way abandonment, and being the southeast corner of that certain called 4.0797 acre tract of land described in deed to the Town of Flower Mound, Texas, recorded in Document Number 96-53454 of the Real Property Records of Denton County, Texas, being in a curve to the right;

THENCE Northeasterly, along the west line of said Lot 2R1, the east right-of-way line of F. M. Highway 2499-Long Prairie Road, with the arc of said curve having a radius of 225.00 feet, a central angle of 11°56'28", whose chord bears N 07°22'01" E, 46.81 feet, an arc length of 46.89 feet, to a 1/2" capped rebar (G&A) found at a point of reverse curvature;

THENCE Northeasterly, continuing along said line and with the arc of said curve having a radius of 225.00 feet, a central angle of 13°48'15", whose chord bears N 06°26'07" E, 54.08 feet, an arc length of 54.21 feet, to a 1/2" capped rebar (G&A) found;

THENCE N 00°28'00" W, 218.30 feet, continuing along said line, to a 1/2" capped rebar (G&A) found;

THENCE N 44°32'00" E, 14.14 feet, continuing along said line, to a 1/2" capped rebar (G&A) found;

THENCE N 00°28'00" W, 30.00 feet, continuing along said line, to a 1/2" capped rebar (G&A) found;

THENCE N 45°28'00" W, 21.84 feet, continuing along said line, to a 1/2" capped rebar (G&A) found;

THENCE N 00°29'00" W, 252.59 feet, continuing along said line, to a 1/2" capped rebar (G&A) found on the south line of Central Park Avenue;

THENCE N 89°41'20" E, 470.19 feet, along the south line of Central Park Drive to a 1/2" capped rebar (G&A) found;

THENCE N 00°18'40" W, 46.00 feet, to a 1/2" capped rebar (G&A);

THENCE N 89°41'20" E, 578.91 feet, to a 1/2" capped rebar (G&A) found at the southerly southeast corner of Lot 11X;

THENCE Northeasterly, continuing along the east line of Lot 11X with the arc of a curve to the right having a radius of 293.50 feet, a central angle of 36°52'02", whose chord bears N 18°07'31" E, 185.61 feet, an arc length of 188.85 feet, to a 1/2" capped rebar (G&A) found at a point of compound curvature;

THENCE Northeasterly, continuing along the east line of Lot 11X with the arc of a curve to the right having a radius of 143.50 feet, a central angle of 53°07'48", whose chord bears N 63°07'26" E, 128.35 feet, an arc length of 133.07 feet, to a 1/2" capped rebar (G&A) set at a point of tangency;

THENCE N 89°41'20" E, 82.10 feet, along the south line of Lot 11X to a 1/2" capped rebar (G&A) found at the easterly southeast corner thereof;

THENCE N 00°18'40" E, passing the northeast corner of said Lot 11X and the southeast corner of Lot 10, continuing along the common line between Lot 2R1 and Lot 10 a distance of 916.39 feet, to a 1/2" capped rebar (G&A) set at the most easterly northeast corner of Lot 10 and being on the south line of said 13.948 acre tract;

THENCE along the common line between said Lot 2R1, said 229.56 acre tract and said 13.948 acre tract the following:

N 89°30'00" E, 366.96 feet, to a 1/2" G&A capped rebar found;

N 00°30'00" W, 230.00 feet, to a 1/2" G&A capped rebar found;

N 89°30'00" E, 483.26 feet to the POINT OF BEGINNING and containing approximately 87.678 acres of land.

5.581 ACRES

Being all that certain lot, tract or parcel of land situated in the J. T. Stewart Survey, Abstract Number 1161, Town of Flower Mound, Denton County, Texas, being part of that certain called 252.86 acre tract of land described as Part Two in deed to Edward S. Marcus recorded in Volume 470, Page 131 of the Deed Records of Denton County, Texas, and being part of that certain called 229.56 acre tract of land described in deed to Flower Mound Development Venture recorded in Volume 1361, Pages 874 and 879 of the Real Property Records of Denton County, Texas, and being all of Lot 2, Block A, Riverwalk Market Addition, an addition to the Town of Flower Mound, Denton County, Texas, according to the plat thereof recorded in Document Number 2013-38 of the Plat Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING the northwest corner of said Lot 2, and being the northeast corner of Lot 1, Block A of said addition, and being on the south line of the Revised Final Plat of The Forums Residential, an addition to the Town of Flower Mound, Denton County, Texas, according to the plat thereof recorded in Cabinet F, Page 136 of the Plat Records of Denton County, Texas, and being on the south line of Euclid Avenue (called 60 foot right-of-way);

THENCE along the south line of said Forums Residential and the south line of said Euclid Avenue with the arc of a curve to the right having a central angle of $28^{\circ}27'07''$, a radius of 970.00 feet and an arc length of 481.68 feet whose chord bears $S 72^{\circ}36'43'' E$, 476.75 feet to the northwest corner of a called 0.054 acre right-of-way dedication for Forums Drive shown on said plat;

THENCE $S 12^{\circ}11'30'' W$, 154.04 feet along the west line of said 0.054 acre right-of-way dedication and the west line of said Forums Drive to a point on the arc of a curve to the left on the west line of Forums Drive, (called 80 foot right-of way at this point);

THENCE along the west line of said Forums Drive with the arc of a curve to the left having a central angle of $12^{\circ}53'05''$ a radius of 690.00 feet and an arc length of 155.17 feet whose chord bears $S 13^{\circ}42'23'' W$, 154.84 feet to a 1/2" rebar found at the most southerly southwest corner of said Forums Residential, same being the northwest corner of Phase I of The Forums, an addition to the Town of Flower Mound, Denton County, Texas, according to the plat thereof recorded in Cabinet F, Page 146 of the Plat Records of Denton County, Texas;

THENCE along the west line of said Forums Drive and the west line of said Phase I of The Forums with the arc of a curve to the left having a central angle of $07^{\circ}31'31''$, a radius of 1240.00 feet and an arc length of 162.86 feet whose chord bears $S 03^{\circ}20'43'' W$, 162.74 feet to a 1/2" G&A capped rebar found;

THENCE $S 00^{\circ}17'00'' E$, 53.69 feet along the west line of said Forums Drive and the west line of said Phase I of The Forums to a 1/2" G&A capped rebar found;

THENCE along the west line of said Forums Drive and the west line of said Phase I of The Forums with the arc of a curve to the right having a central angle of $02^{\circ}36'53''$, a radius of 1000.00 feet and an arc length of 45.63 feet whose chord bears $S 01^{\circ}01'26'' W$, 45.63 feet to a 1/2" G&A capped rebar found at the northeast corner of Lot 1, Block 5, The Forums, an addition to the Town of Flower Mound, Denton County, Texas, according to the plat thereof recorded in Cabinet H, Page 38 of the Plat Records of Denton County, Texas;

THENCE $N 77^{\circ}22'40'' W$, along the north line of said Lot 1, Block 5, passing at 174.66 feet a 1/2" rebar found at the northwest corner thereof, continuing along the common line between said Lots 1 and 2 a total distance of 180.60 feet;

THENCE along the common line between said Lots 1 and 2 the following:

N $12^{\circ}37'20'' E$, 49.83 feet;

N $77^{\circ}22'40'' W$, 79.08 feet;

N $32^{\circ}22'40'' W$, 5.90 feet;

N $77^{\circ}22'40'' W$, 77.49 feet;

S $00^{\circ}29'12'' W$, 4.06 feet;

N $77^{\circ}22'40'' W$, 15.23 feet;

N $00^{\circ}29'12'' E$, 4.06 feet;

N $77^{\circ}22'40'' W$, 74.53 feet;

N $12^{\circ}37'20'' E$, 151.63 feet;

N $00^{\circ}00'25'' E$, 410.38 feet to the POINT OF BEGINNING and containing approximately 5.581 acres of land.

Part of Lot 2R, Block A, The River Walk at Central Park 03/2010
6.894 Acres

Being all that certain lot, tract or parcel of land situated in the Carlos Chacon Survey, Abstract Number 299, Town of Flower Mound, Denton County, Texas, being part of Lot 2R, Block A, The River Walk at Central Park 03/2010, an addition to the Town of Flower Mound according to the plat thereof recorded in Document Number 2010-70 of the Plat Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2" capped rebar (G & A) found at the most northerly northwest corner of said Lot 2R, Block A, The River Walk at Central Park 03/2010, being the most westerly southwest corner of that certain called 13.948 acre tract of land described in deed to the Town of Flower Mound recorded in Volume 723, Page 858 of the Deed Records of Denton County, Texas, and being on the east line of that certain called 2.631 acre tract of land described as Tract III in deed to Hawks Ramsey, LLC recorded in Document Number 2006-35586 of the Real Property Records of Denton County, Texas;

THENCE along the common line between said Lot 2R and said 13.948 acre tract, the following:

N 89°30'00" E, 280.00 feet, to a 1/2" capped rebar (G & A) found;

S 00°30'00" E, 400.00 feet, to a 1/2" capped rebar (G & A) found;

N 89°30'00" E, 170.00 feet, to a 1/2" capped rebar (G & A) found;

S 00°30'00" E, 230.00 feet, to a 1/2" capped rebar (G & A) found;

and N 89°30'00" E, 93.04 feet, to a 1/2" capped rebar (G & A) set;

THENCE S 00°18'40" E, 101.45 feet, to a 1/2" capped rebar (G & A) set;

THENCE S 89°41'20" W, 230.48 feet, to a 1/2" capped rebar (G & A) set;

THENCE S 00°18'40" E, 98.79 feet, to a 1/2" capped rebar (G & A) set;

THENCE S 88°04'50" W, passing at 43.03 feet, a 1/2" capped rebar (G & A) found at an inner ell corner of said Lot 2R, being the northeast corner of Lot 1R, Block A, The River Walk at Central Park 03/2010, and continuing a total distance of 307.41 feet, to a 5/8" rebar found at an outer ell corner of said Lot 2R, being the southeast corner of that certain called 6.314 acre tract of land described in deed to Prairie Road Partners, Ltd. recorded in Document Number 2005-123316 of the Real Property Records of Denton County, Texas;

THENCE N 00°47'30" W, 350.03 feet, along the most northerly west line of said Lot 2R and the east line of said 6.314 acre tract, to a 1/2" rebar found at the northeast corner thereof, being the southeast corner of said Hawks Ramsey called 2.631 acre tract;

THENCE N 00°49'50" W, 487.07 feet, continuing along said line, to the POINT OF BEGINNING and containing approximately 6.894 acres of land.

Tract II

4.860 Acres

Being all that certain lot, tract or parcel of land situated in the J. T. Stewart Survey, Abstract Number 1161, Town of Flower Mound, Denton County, Texas, being part of that certain called 252.86 acre tract of land described as Part Two in deed to Edward S. Marcus recorded in Volume 470, Page 131 of the Deed Records of Denton County, Texas, and being part of that certain called 229.56 acre tract of land described in deed

to Flower Mound Development Venture recorded in Volume 1361, Pages 874 and 879 of the Real Property Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2" capped rebar found stamped DC&A at the southeast corner of Lot 1, Block A, Primrose School at The Forums, an addition to the Town of Flower Mound according to the plat thereof recorded in Cabinet P, Page 258 of the Plat Records of Denton County, Texas, and being on the west right-of-way line of Morriss Road, having a called 110 foot right-of-way at this point, according to deed to the Town of Flower Mound recorded in Volume 2091, Page 418 of the Real Property Records of Denton County, Texas;

THENCE S 00°06'30" E, 703.50 feet, along the west right-of-way line of Morriss Road, to an "X" in concrete found at the northeast corner of Lot 1, Block A, Kids R Kids Addition, an addition to the Town of Flower Mound according to the plat thereof recorded in Cabinet M, Page 47 of the Plat Records of Denton County, Texas;

THENCE S 89°45'15" W, 299.93 feet, along the north line of said Kids R Kids Addition, to a 1/2" capped rebar found stamped Arthur Surveying at the northwest corner thereof, being on the east right-of-way line of Olympia Drive;

THENCE N 00°17'15" W, 703.12 feet, along the east line of Olympia Drive, to a 1/2" capped rebar found stamped DC&A at the southwest corner of said Lot 1, Block A, Primrose School at The Forums;

THENCE N 89°41'00" E, 302.13 feet, along the south line of said Lot 1, Block A, Primrose School at The Forums, to the POINT OF BEGINNING and containing approximately 4.860 acres of land.

Tract III

2.095 Acres

Being all that certain lot, tract or parcel of land situated in the J. T. Stewart Survey, Abstract Number 1161, Town of Flower Mound, Denton County, Texas, being part of that certain called 252.86 acre tract of land described as Part Two in deed to Edward S. Marcus recorded in Volume 470, Page 131 of the Deed Records of Denton County, Texas, and being part of that certain called 229.56 acre tract of land described in deed to Flower Mound Development Venture recorded in Volume 1361, Pages 874 and 879 of the Real Property Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2" rebar found at the southwest corner of Lot 1, Block A, Flower Mound Post Office Addition, an addition to the Town of Flower Mound according to the plat thereof recorded in Cabinet L, Page 285 of the Plat Records of Denton County, Texas, and being on the north right-of-way line of Olympia Drive;

THENCE S 89°44'40" W, 291.16 feet, along the north right-of-way line of Olympia Drive, to a 1/2" rebar found on the east right-of-way line of Forums Drive, being in a curve to the right;

THENCE Northeasterly, along the east right-of-way line of Forums Drive and with the arc of said curve having a radius of 1160.00 feet, a central angle of 00°47'01", whose chord bears N 06°52'20" E, 15.86 feet, an arc length of 15.86 feet, to 1/2" rebar found at a point of compound curvature;

THENCE Northeasterly, continuing along the east right-of-way line of Forums Drive and with the arc of said curve having a radius of 610.00 feet, a central angle of 34°59'30", whose chord bears N 24°45'36" E, 366.78 feet, an arc length of 372.54 feet, to a 1/2" rebar found;

THENCE N 42°15'20" E, 86.55 feet, continuing along the east right-of-way line of Forums Drive, to a 1/2" rebar found at the point of curvature of a curve to the left;

THENCE Northeasterly, continuing along said right-of-way line and with the arc of said curve having a radius of 698.38 feet, a central angle of 06°17'17", whose chord bears N 39°06'42" E, 76.61 feet, an arc length of 76.65 feet, to 1/2" rebar found at the westerly southwest corner of Lot 1, Block A, The Forums, Phase III, an addition to the Town of Flower Mound according to the plat thereof recorded in Cabinet O, Page 19 of the Plat Records of Denton County, Texas;

THENCE S 53°58'50" E, 33.52 feet, along the southwesterly line of said Lot 1, to a 1/2" rebar found at the most south southwest corner thereof and the northwest corner of Lot 1, Block A, Flower Mound Post Office Addition;

THENCE S 00°15'20" E, 451.31 feet, along the west line of same, to the POINT OF BEGINNING and containing approximately 2.095 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, lieutenant governor, and 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 have been fulfilled and accomplished.

The amendment was read.

Senator Campbell 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 1915** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Campbell, Chair; Hinojosa, Huffman, Van de Putte, and Fraser.

**CONFERENCE COMMITTEE ON
SENATE BILL 1023 DISCHARGED**

On motion of Senator Watson and by unanimous consent, the Senate conferees on **SB 1023** were discharged.

Question — Shall the Senate concur in the House amendment to **SB 1023**?

Senator Watson moved to concur in the House amendment to **SB 1023**.

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

SENATE BILL 149 WITH HOUSE AMENDMENTS

Senator Nelson called **SB 149** 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 149** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the Cancer Prevention and Research Institute of Texas.

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

SECTION 1. Section 102.001, Health and Safety Code, is amended by adding Subdivision (2-a); and amending Subdivision (3) to read as follows:

(2-a) "Program integration committee" means the Cancer Prevention and Research Institute of Texas Program Integration Committee.

(3) "Research and prevention programs committee" means a [the] Cancer Prevention and Research Institute of Texas Scientific Research and Prevention Programs committee [committees] appointed by the chief executive officer [director].

SECTION 2. Subchapter A, Chapter 102, Health and Safety Code, is amended by adding Section 102.004 to read as follows:

Sec. 102.004. STATE AUDITOR. Nothing in this chapter limits the authority of the state auditor under Chapter 321, Government Code, or other law.

SECTION 3. Section 102.051, Health and Safety Code, is amended by amending Subsection (a) and adding Subsections (c) and (d) to read as follows:

(a) The institute ~~[may]~~:

(1) may make grants to provide funds to public or private persons to implement the Texas Cancer Plan, and may make grants to institutions of learning and to advanced medical research facilities and collaborations in this state for:

(A) research into the causes of and cures for all types of cancer in humans;

(B) facilities for use in research into the causes of and cures for cancer;

(C) research, including translational research, to develop therapies, protocols, medical pharmaceuticals, or procedures for the cure or substantial mitigation of all types of cancer in humans; and

(D) cancer prevention and control programs in this state to mitigate the incidence of all types of cancer in humans;

(2) may support institutions of learning and advanced medical research facilities and collaborations in this state in all stages in the process of finding the causes of all types of cancer in humans and developing cures, from laboratory research to clinical trials and including programs to address the problem of access to advanced cancer treatment;

(3) may establish the appropriate standards and oversight bodies to ensure the proper use of funds authorized under this chapter for cancer research and facilities development;

(4) may [employ an executive director as determined by the oversight committee;

~~[(5)]~~ employ necessary staff to provide administrative support; [and]

(5) shall continuously [(6)] monitor contracts and agreements authorized by this chapter and ensure that each grant recipient complies with the terms and conditions of the grant contract;

(6) shall ensure that all grant proposals comply with this chapter and rules adopted under this chapter before the proposals are submitted to the oversight committee for approval; and

(7) shall establish procedures to document that the institute, its employees, and its committee members appointed under this chapter comply with all laws and rules governing the peer review process and conflicts of interest.

(c) The institute shall employ a chief compliance officer to monitor and report to the oversight committee regarding compliance with this chapter and rules adopted under this chapter.

(d) The chief compliance officer shall:

(1) ensure that all grant proposals comply with this chapter and rules adopted under this chapter before the proposals are submitted to the oversight committee for approval; and

(2) attend and observe the meetings of the program integration committee to ensure compliance with this chapter and rules adopted under this chapter.

SECTION 4. Subchapter B, Chapter 102, Health and Safety Code, is amended by adding Section 102.0511 to read as follows:

Sec. 102.0511. CHIEF EXECUTIVE OFFICER; OTHER OFFICERS. (a) The oversight committee shall hire a chief executive officer. The chief executive officer shall perform the duties required by this chapter or designated by the oversight committee.

(b) The chief executive officer must have a demonstrated ability to lead and develop academic, commercial, and governmental partnerships and coalitions.

(c) The chief executive officer shall hire:

(1) one chief scientific officer;

(2) one chief operating officer;

(3) one chief product development officer; and

(4) one chief prevention officer.

(d) The officers described by Subsections (c)(1)-(4) shall report directly to the chief executive officer and assist the chief executive officer in collaborative outreach to further cancer research and prevention.

SECTION 5. Section 102.052(a), Health and Safety Code, is amended to read as follows:

(a) Not later than January 31 of each year, the institute shall submit to the lieutenant governor, the speaker of the house of representatives, the governor, and the standing committee of each house of the legislature with primary jurisdiction over institute matters and post on the institute's Internet website a report outlining [The institute shall issue an annual public report outlining] the institute's activities, grants awarded, grants in progress, research accomplishments, and future program directions. The report must include:

- (1) the number and dollar amounts of research and facilities grants;
- (2) identification of the grant recipients for the reported year;
- (3) the institute's administrative expenses;
- (4) an assessment of the availability of funding for cancer research from sources other than the institute;
- (5) a summary of findings of research funded by the institute, including promising new research areas;
- (6) an assessment of the relationship between the institute's grants and the overall strategy of its research program;
- (7) a statement of the institute's strategic research and financial plans; ~~and~~
- (8) an estimate of how much cancer has cost the state during the year, including the amounts spent by the state relating to cancer by the child health program, the Medicaid program, the Teacher Retirement System of Texas, and the Employees Retirement System of Texas;
- (9) a statement of the institute's compliance program activities, including any proposed legislation or other recommendations identified through the activities; and
- (10) a list of the waivers granted in the previous 12 months through the process established in Section 102.1062.

SECTION 6. Subchapter B, Chapter 102, Health and Safety Code, is amended by adding Section 102.0535 to read as follows:

Sec. 102.0535. GRANT RECORDS. (a) The institute shall maintain complete records of:

- (1) the review of each grant application submitted to the institute, including the score assigned to each grant application reviewed by a research and prevention programs committee in accordance with rules adopted under Section 102.251(a)(1), even if the grant application is not funded by the institute or is withdrawn after submission to the institute;
- (2) each grant recipient's financial reports, including the amount of matching funds dedicated to the research specified for the grant award;
- (3) each grant recipient's progress reports; and
- (4) the institute's review of the grant recipient's financial reports and progress reports.

(b) The institute shall have periodic audits made of any electronic grant management system used to maintain records of grant applications and grant awards under this section. The institute shall address in a timely manner each weakness identified in an audit of the system.

SECTION 7. Section 102.056, Health and Safety Code, is amended to read as follows:

Sec. 102.056. SALARY. (a) The institute may not supplement the salary of any institute employee with a gift or grant received by the institute.

(b) The institute may supplement the salary of the chief scientific officer ~~[executive director and other senior institute staff members]~~. Funding for a salary supplement for the chief scientific officer may only come from legislative ~~[gifts, grants, donations, or]~~ appropriations or bond proceeds.

(c) The institute may not supplement the salary of the chief executive officer. The salary of the chief executive officer may only be paid from legislative appropriations.

SECTION 8. Subchapter B, Chapter 102, Health and Safety Code, is amended by adding Section 102.057 to read as follows:

Sec. 102.057. PROHIBITED OFFICE LOCATION. An institute employee may not have an office in a facility owned by an entity receiving or applying to receive money from the institute.

SECTION 9. Sections 102.101(b), (d), and (e), Health and Safety Code, are amended to read as follows:

(b) The oversight committee is composed of the following nine ~~[11]~~ members:

- (1) three members appointed by the governor;
- (2) three members appointed by the lieutenant governor; and
- (3) three members appointed by the speaker of the house of representatives; ~~;~~ ~~[(4) the comptroller or the comptroller's designee; and~~
~~[(5) the attorney general or the attorney general's designee].~~

(d) In making appointments to the oversight committee, the governor, lieutenant governor, and speaker of the house of representatives:

(1) must each appoint at least one person who is a physician or a scientist with extensive experience in the field of oncology or public health; and

(2) should attempt to include cancer survivors and family members of cancer patients if possible.

(e) A person may not be a member of the oversight committee 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 money from the institute;

(2) owns or controls, directly or indirectly, an ~~[more than a five percent]~~ interest in a business entity or other organization receiving money from the institute; or

(3) uses or receives a substantial amount of tangible goods, services, or money from the institute, other than reimbursement authorized by this chapter for oversight committee membership, attendance, or expenses.

SECTION 10. Section 102.102(c), Health and Safety Code, is amended to read as follows:

(c) If the chief executive officer ~~[director]~~ has knowledge that a potential ground for removal exists, the chief executive officer ~~[director]~~ shall notify the presiding officer of the oversight committee of the potential ground. The presiding officer shall then notify the appointing authority and the attorney general that a potential ground

for removal exists. If the potential ground for removal involves the presiding officer, the chief executive officer [~~director~~] shall notify the next highest ranking officer of the oversight committee, who shall then notify the appointing authority and the attorney general that a potential ground for removal exists.

SECTION 11. Section 102.103(a), Health and Safety Code, is amended to read as follows:

(a) Oversight committee members appointed by the governor, lieutenant governor, and speaker of the house serve at the pleasure of the appointing office for staggered six-year terms, with the terms of three members expiring on January 31 of each odd-numbered year.

SECTION 12. Section 102.104, Health and Safety Code, is amended to read as follows:

Sec. 102.104. OFFICERS. (a) The oversight committee shall elect [select] a presiding officer and assistant presiding officer from among its members every two years. The oversight committee may elect additional officers from among its members.

(b) The presiding officer and assistant presiding officer may not serve in the position to which the officer was elected for two consecutive terms.

(c) The oversight committee shall:

(1) establish and approve duties and responsibilities for officers of the committee; and

(2) develop and implement policies that distinguish the responsibilities of the oversight committee and the committee's officers from the responsibilities of the chief executive officer and the employees of the institute.

SECTION 13. Section 102.106, Health and Safety Code, is amended to read as follows:

Sec. 102.106. CONFLICT OF INTEREST. (a) The oversight committee shall adopt conflict-of-interest rules, based on standards applicable to members of scientific review committees of the National Institutes of Health, to govern members of the oversight committee, the program integration committee, the research and prevention programs committees, and institute employees.

(b) An institute employee, oversight committee member, program integration committee member, or research and prevention programs committee member shall recuse himself or herself, as provided by Section 102.1061(a), (b), or (c) as applicable, if the employee or member, or a person who is related to the employee or member within the second degree of affinity or consanguinity, has a professional or financial interest in an entity receiving or applying to receive money from the institute.

(c) A person has a professional interest in an entity receiving or applying to receive money from the institute if the person:

(1) is a member of the board of directors, another governing board, or any committee of the entity, or of a foundation or similar organization affiliated with the entity, during the same grant cycle;

(2) serves as an elected or appointed officer of the entity or of a foundation or similar organization affiliated with the entity;

(3) is an employee of or is negotiating future employment with the entity or with a foundation or similar organization affiliated with the entity;

(4) represents the entity or a foundation or similar organization affiliated with the entity;

(5) is a professional associate of a primary member of the entity's research or prevention program team;

(6) is, or within the preceding six years has been, a student, postdoctoral associate, or part of a laboratory research group for a primary member of the entity's research or prevention program team;

(7) is engaged or is actively planning to be engaged in collaboration with a primary member of the entity's research or prevention program team; or

(8) has long-standing scientific differences or disagreements with a primary member of the entity's research or prevention program team, and those differences:

(A) are known to the professional community; and

(B) could be perceived as affecting objectivity.

(d) A person has a financial interest in an entity receiving or applying to receive money from the institute if the person:

(1) owns or controls, directly or indirectly, an ownership interest, including sharing in profits, proceeds, or capital gains, in an entity receiving or applying to receive money from the institute or in a foundation or similar organization affiliated with the entity; or

(2) could reasonably foresee that an action taken by the institute, a research and prevention programs committee, the program integration committee, or the oversight committee could result in a financial benefit to the person.

(e) Nothing in this chapter limits the authority of the oversight committee to adopt additional conflict-of-interest standards.

SECTION 14. Subchapter C, Chapter 102, Health and Safety Code, is amended by adding Sections 102.1061 through 102.1064 to read as follows:

Sec. 102.1061. DISCLOSURE OF CONFLICT OF INTEREST; RECUSAL. (a) If an oversight committee member or program integration committee member has a conflict of interest as described by Section 102.106 regarding an application that comes before the member for review or other action, the member shall:

(1) provide written notice to the chief executive officer and the presiding officer of the oversight committee or the next ranking member of the committee if the presiding officer has the conflict of interest;

(2) disclose the conflict of interest in an open meeting of the oversight committee; and

(3) recuse himself or herself from participating in the review, discussion, deliberation, and vote on the application and from accessing information regarding the matter to be decided.

(b) If an institute employee has a conflict of interest described by Section 102.106 regarding an application that comes before the employee for review or other action, the employee shall:

(1) provide written notice to the chief executive officer of the conflict of interest; and

(2) recuse himself or herself from participating in the review of the application and be prevented from accessing information regarding the matter to be decided.

(c) If a research and prevention programs committee member has a conflict of interest described by Section 102.106 regarding an application that comes before the member's committee for review or other action, the member shall:

(1) provide written notice to the chief executive officer of the conflict of interest; and

(2) recuse himself or herself from participating in the review, discussion, deliberation, and vote on the application and from accessing information regarding the matter to be decided.

(d) An oversight committee member, program integration committee member, research and prevention programs committee member, or institute employee with a conflict of interest may seek a waiver as provided by Section 102.1062.

(e) An oversight committee member, program integration committee member, research and prevention programs committee member, or institute employee who reports a potential conflict of interest or another impropriety or self-dealing of the member or employee and who fully complies with the recommendations of the general counsel and recusal requirements is considered in compliance with the conflict-of-interest provisions of this chapter. The member or employee is subject to other applicable laws, rules, requirements, and prohibitions.

(f) An oversight committee member, program integration committee member, research and prevention programs committee member, or institute employee who intentionally violates this section is subject to removal from further participation in the institute's grant review process.

Sec. 102.1062. EXCEPTIONAL CIRCUMSTANCES REQUIRING PARTICIPATION. The oversight committee shall adopt rules governing the waiver of the conflict-of-interest requirements of this chapter under exceptional circumstances for an oversight committee member, program integration committee member, research and prevention programs committee member, or institute employee. The rules must:

(1) authorize the chief executive officer or an oversight committee member to propose the granting of a waiver by submitting to the presiding officer of the oversight committee a written statement about the conflict of interest, the exceptional circumstance requiring the waiver, and any proposed limitations to the waiver;

(2) require a proposed waiver to be publicly reported at a meeting of the oversight committee;

(3) require a majority vote of the oversight committee members present and voting to grant a waiver;

(4) require any waiver granted to be reported annually to the lieutenant governor, the speaker of the house of representatives, the governor, and the standing committee of each house of the legislature with primary jurisdiction over institute matters; and

(5) require the institute to retain documentation of each waiver granted.

Sec. 102.1063. INVESTIGATION OF UNREPORTED CONFLICTS OF INTEREST. (a) An oversight committee member, a program integration committee member, a research and prevention programs committee member, or an institute employee who becomes aware of a potential conflict of interest described by Section 102.106 that has not been reported shall immediately notify the chief executive officer

of the potential conflict of interest. On notification, the chief executive officer shall notify the presiding officer of the oversight committee and the general counsel, who shall determine the nature and extent of any unreported conflict.

(b) A grant applicant seeking an investigation regarding whether a prohibited conflict of interest was not reported shall file a written request with the institute's chief executive officer. The applicant must:

(1) include in the request all facts regarding the alleged conflict of interest; and

(2) submit the request not later than the 30th day after the date the chief executive officer presents final funding recommendations for the affected grant cycle to the oversight committee.

(c) On notification of an alleged conflict of interest under Subsection (a) or (b), the institute's general counsel shall:

(1) investigate the matter; and

(2) provide to the chief executive officer and presiding officer of the oversight committee an opinion that includes:

(A) a statement of facts;

(B) a determination of whether a conflict of interest or another impropriety or self-dealing exists; and

(C) if the opinion provides that a conflict of interest or another impropriety or self-dealing exists, recommendations for an appropriate course of action.

(d) If the conflict of interest, impropriety, or self-dealing involves the presiding officer of the oversight committee, the institute's general counsel shall provide the opinion to the next ranking oversight committee member who is not involved with the conflict of interest, impropriety, or self-dealing.

(e) After receiving the opinion and consulting with the presiding officer of the oversight committee, the chief executive officer shall take action regarding the recusal of the individual from any discussion of or access to information related to the conflict of interest or other recommended action related to the impropriety or self-dealing. If the alleged conflict of interest, impropriety, or self-dealing is held by, or is an act of, the chief executive officer, the presiding officer of the oversight committee shall take actions regarding the recusal or other action.

Sec. 102.1064. FINAL DETERMINATION OF UNREPORTED CONFLICT OF INTEREST. (a) The chief executive officer or, if applicable, the presiding officer of the oversight committee shall make a determination regarding the existence of an unreported conflict of interest described by Section 102.1063 or other impropriety or self-dealing. The determination must specify any actions to be taken to address the conflict of interest, impropriety, or self-dealing, including:

(1) reconsideration of the application; or

(2) referral of the application to another research and prevention programs committee for review.

(b) The determination made under Subsection (a) is considered final unless three or more oversight committee members request that the issue be added to the agenda of the oversight committee.

(c) The chief executive officer or, if applicable, the presiding officer of the oversight committee, shall provide written notice of the final determination, including any further actions to be taken, to the grant applicant requesting the investigation.

(d) Unless specifically determined by the chief executive officer or, if applicable, the presiding officer of the oversight committee, or the oversight committee, the validity of an action taken on a grant application is not affected by the fact that an individual who failed to report a conflict of interest participated in the action.

SECTION 15. Section 102.107, Health and Safety Code, is amended to read as follows:

Sec. 102.107. POWERS AND DUTIES. The oversight committee shall:

(1) hire a chief ~~an~~ executive officer;

(2) annually set priorities as prescribed by the legislature for each grant program that receives money under this chapter; and

(3) consider the priorities set under Subdivision (2) in awarding grants under this chapter ~~[director]~~.

SECTION 16. Subchapter C, Chapter 102, Health and Safety Code, is amended by adding Sections 102.109 and 102.110 to read as follows:

Sec. 102.109. CODE OF CONDUCT. (a) The oversight committee shall adopt a code of conduct applicable to each oversight committee member, program integration committee member, and institute employee.

(b) The code of conduct at a minimum must include provisions prohibiting the member, the employee, or the member's or employee's spouse from:

(1) accepting or soliciting any gift, favor, or service that could reasonably influence the member or employee in the discharge of official duties or that the member, employee, or spouse of the member or employee knows or should know is being offered with the intent to influence the member's or employee's official conduct;

(2) accepting employment or engaging in any business or professional activity that would reasonably require or induce the member or employee to disclose confidential information acquired in the member's or employee's official position;

(3) accepting other employment or compensation that could reasonably impair the member's or employee's independent judgment in the performance of official duties;

(4) making personal investments or having a financial interest that could reasonably create a substantial conflict between the member's or employee's private interest and the member's or employee's official duties;

(5) intentionally or knowingly soliciting, accepting, or agreeing to accept any benefit for exercising the member's official powers or performing the member's or employee's official duties in favor of another;

(6) leasing, directly or indirectly, any property, capital equipment, employee, or service to any entity that receives a grant from the institute;

(7) submitting a grant application for funding by the institute;

(8) serving on the board of directors of an organization established with a grant from the institute; or

(9) serving on the board of directors of a grant recipient.

Sec. 102.110. FINANCIAL STATEMENT REQUIRED. Each member of the oversight committee shall file with the chief compliance officer a verified financial statement complying with Sections 572.022 through 572.0252, Government Code, as required of a state officer by Section 572.021, Government Code.

SECTION 17. Section 102.151, Health and Safety Code, is amended by amending Subsections (a-1) and (b) and adding Subsections (c) and (e) to read as follows:

(a-1) The oversight committee shall establish research and prevention programs committees. The chief executive officer [director], with approval by simple majority of the members of the oversight committee, shall appoint as members of [scientific] research and prevention programs committees experts in the field of cancer research and prevention, including qualified trained cancer patient advocates who meet the qualifications developed by rule as provided by Subsection (c).

(b) The institute shall adopt a written policy on in-state or out-of-state residency requirements for members of the research and prevention programs committees. [Individuals appointed to the research and prevention programs committee may be residents of another state.]

(c) The oversight committee shall adopt rules regarding the qualifications required for an individual who will serve as a trained cancer patient advocate committee member for a research and prevention programs committee. The rules must require a trained cancer patient advocate to receive science-based training.

(e) The chief executive officer, in consultation with the oversight committee, shall adopt a policy and document any change in the amount of honorarium paid to a member of a research and prevention programs committee, including information explaining the basis for changing the amount.

SECTION 18. Section 102.152, Health and Safety Code, is amended to read as follows:

Sec. 102.152. TERMS OF RESEARCH AND PREVENTION PROGRAMS COMMITTEE MEMBERS. Members of a research and prevention programs committee serve for terms as determined by the chief executive officer [director].

SECTION 19. Sections 102.156(a), (b), and (c), Health and Safety Code, are amended to read as follows:

(a) A member of a research and prevention programs committee[~~, the university advisory committee, or any ad hoc committee~~] appointed under this subchapter shall disclose in writing to the chief executive officer [director] if the member has a professional [an interest in a matter that comes before the member's committee] or [has a substantial] financial interest, as defined by Section 102.106, in an entity that has a direct interest in a [the] matter that comes before the member's committee.

(b) The member shall recuse himself or herself in the manner described by Section 102.1061 from the committee's deliberations and actions on the matter in Subsection (a) and may not participate in the committee's decision on the matter.

(c) A member of a research and prevention programs committee appointed under this chapter may not serve on the board of directors or other governing board of an entity receiving a grant from the institute or of a foundation or similar organization affiliated with the entity [A person has a substantial financial interest in an entity if the person:

~~[(1) is an employee, member, director, or officer of the entity; or
 [(2) owns or controls, directly or indirectly, more than a five percent interest
 in the entity].~~

SECTION 20. Sections 102.201(b) and (c), Health and Safety Code, are amended to read as follows:

(b) The cancer prevention and research fund consists of:

(1) ~~[patent, royalty, and license fees and other income received under a contract entered into as provided by Section 102.255;~~

[(2)] appropriations of money to the fund by the legislature, except that the appropriated money may not include the proceeds from the issuance of bonds authorized by Section 67, Article III, Texas Constitution;

(2) [(3)] gifts, grants, including grants from the federal government, and other donations received for the fund; and

(3) [(4)] interest earned on the investment of money in the fund.

(c) The fund may be used only to pay for:

(1) grants for cancer research and for cancer research facilities in this state to realize therapies, protocols, and medical procedures for the cure or substantial mitigation of all types of cancer in humans;

(2) the purchase, subject to approval by the institute, of laboratory facilities by or on behalf of a state agency or grant recipient;

(3) grants to public or private persons to implement the Texas Cancer Plan;

(4) the operation of the institute; ~~and~~

(5) grants for cancer prevention and control programs in this state to mitigate the incidence of all types of cancer in humans; and

(6) debt service on bonds issued as authorized by Section 67, Article III, Texas Constitution.

SECTION 21. Section 102.251, Health and Safety Code, is amended by amending Subsection (a) and adding Subsections (c), (d), and (e) to read as follows:

(a) The oversight committee shall issue rules regarding the procedure for awarding grants to an applicant under this chapter. The rules must include the following procedures:

(1) a research and prevention programs committee shall score [review] grant applications and make recommendations to the program integration committee, established under Section 102.264, and the oversight committee [executive director] regarding the award of cancer research and prevention grants, including a prioritized list that:

(A) ranks the grant applications in the order the committee determines applications should be funded; and

(B) includes information explaining how each grant application on the list meets the research and prevention programs committee's standards for recommendation;

(2) the program integration committee [executive director] shall submit to the oversight committee a list of grant applications the program integration committee by majority vote approved for recommendation that:

(A) includes documentation on the factors the program integration committee considered in making the grant recommendations;

(B) [~~that~~] is substantially based on the list submitted by the research and prevention programs committee under Subdivision (1); and

(C) [.] to the extent possible, gives priority to proposals that:

(i) [~~(A)~~] could lead to immediate or long-term medical and scientific breakthroughs in the area of cancer prevention or cures for cancer;

(ii) [~~(B)~~] strengthen and enhance fundamental science in cancer research;

(iii) [~~(C)~~] ensure a comprehensive coordinated approach to cancer research;

(iv) [~~(D)~~] are interdisciplinary or interinstitutional;

(v) [~~(E)~~] address federal or other major research sponsors' priorities in emerging scientific or technology fields in the area of cancer prevention or cures for cancer;

(vi) [~~(F)~~] are matched with funds available by a private or nonprofit entity and institution or institutions of higher education;

(vii) [~~(G)~~] are collaborative between any combination of private and nonprofit entities, public or private agencies or institutions in this state, and public or private institutions outside this state;

(viii) [~~(H)~~] have a demonstrable economic development benefit to this state;

(ix) [~~(I)~~] enhance research superiority at institutions of higher education in this state by creating new research superiority, attracting existing research superiority from institutions not located in this state and other research entities, or enhancing existing research superiority by attracting from outside this state additional researchers and resources; ~~and~~

(x) [~~(J)~~] expedite innovation and product development [commercialization], attract, create, or expand private sector entities that will drive a substantial increase in high-quality jobs, and increase higher education applied science or technology research capabilities; and

(xi) address the goals of the Texas Cancer Plan; and

(3) the institute's chief compliance officer shall compare each grant application submitted to the institute to a list of donors from any nonprofit organization established to provide support to the institute compiled from information made available under Section 102.262(c) before the application is submitted to a research and prevention programs committee for review and again before any grant is awarded to the applicant.

(c) The chief executive officer shall submit a written affidavit for each grant application recommendation included on the list submitted to the oversight committee under Subsection (a)(2). The affidavit must contain all relevant information on:

(1) the peer review process for the grant application;

(2) the application's peer review score assigned by the research and prevention programs committee; and

(3) if applicable, the intellectual property and other due diligence reviews of the application.

(d) A member of the program integration committee may not discuss a grant applicant recommendation with a member of the oversight committee unless the chief executive officer and the program integration committee have fulfilled the requirements of Subsections (a)(2) and (c), as applicable.

(e) The institute may not award a grant to an applicant who has made a gift or grant to the institute or a nonprofit organization established to provide support to the institute.

SECTION 22. Section 102.252, Health and Safety Code, is amended to read as follows:

Sec. 102.252. FUNDING [OVERRIDING] RECOMMENDATIONS. Two-thirds of the members of the [The] oversight committee present and voting must vote to approve each [follow the] funding recommendation [recommendations] of the program integration committee. If the oversight committee does not approve a funding recommendation of the program integration committee, a statement explaining the reasons a funding recommendation was not followed must be included in the minutes of the meeting [executive director in the order the executive director submits the applications to the oversight committee unless two-thirds of the members of the oversight committee vote to disregard a recommendation].

SECTION 23. Section 102.255, Health and Safety Code, is amended by amending Subsections (b), (c), and (d) and adding Subsection (e) to read as follows:

(b) Before awarding a grant under Subchapter E, the committee shall enter into a written contract with the grant recipient. The contract may specify that:

(1) if all or any portion of the amount of the grant is used to build a capital improvement:

(A) the state retains a lien or other interest in the capital improvement in proportion to the percentage of the grant amount used to pay for the capital improvement; and

(B) the grant recipient shall, if the capital improvement is sold:

(i) repay to the state the grant money used to pay for the capital improvement, with interest at the rate and according to the other terms provided by the contract; and

(ii) share with the state a proportionate amount of any profit realized from the sale; ~~and~~

(2) if ~~as of a date specified in the contract,~~ the grant recipient has not used grant money awarded under Subchapter E for the purposes for which the grant was intended, the recipient shall repay that amount and any related interest applicable under the contract to the state at the agreed rate and on the agreed terms; and

(3) if the grant recipient fails to meet the terms and conditions of the contract, the institute may terminate the contract using the written process prescribed in the contract and require the recipient to repay the grant money awarded under Subchapter E and any related interest applicable under the contract to this state at the agreed rate and on the agreed terms.

(c) The contract must:

(1) include terms relating to intellectual property rights consistent with the standards developed by the oversight committee under Section 102.256;

(2) require, in accordance with Subsection (d), the grant recipient to dedicate an amount of matching funds equal to one-half of the amount of the research grant awarded; and

(3) specify:

(A) the amount of matching funds to be dedicated under Subdivision

(2);

(B) the period in which the grant award must be spent;

(C) the name of the research project to which matching funds are to be dedicated; and

(D) the specific deliverables of the project that is the subject of the grant proposal.

(d) Before the oversight committee may make for cancer research any grant of any proceeds of the bonds issued under Subchapter E, the recipient of the grant must certify that the recipient has ~~have~~ an amount of funds equal to one-half of the grant and dedicate those funds ~~dedicated~~ to the research that is the subject of the grant request. The institute shall adopt rules specifying how a grant recipient fulfills obligations under this subchapter. At a minimum, the rules must:

(1) allow a grant recipient that is a public or private institution of higher education, as defined by Section 61.003, Education Code, to credit toward the recipient's matching funds the dollar amount equivalent to the difference between the indirect cost rate authorized by the federal government for research grants awarded to the recipient and the indirect cost rate authorized by Section 102.203(c);

(2) require that a grant recipient certify before the distribution of any money awarded under a grant for cancer research:

(A) that encumbered funds equal to one-half of the amount of the total grant award are available and not yet expended for research that is the subject of the grant; or

(B) if the grant recipient is a public or private institution of higher education, the indirect cost rate authorized by the federal research grants awarded to the recipient;

(3) specify that:

(A) a grant recipient receiving more than one grant award may provide matching funds certification at an institutional level;

(B) the recipient of a multiyear grant award may certify matching funds on a yearly basis; and

(C) grant funds may not be distributed to the grant recipient until the annual certification of the matching funds has been approved;

(4) specify that money used for purposes of certification may include:

(A) federal funds, including funds provided under the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5) and the fair market value of drug development support provided to the recipient by the National Cancer Institute or other similar programs;

(B) funds of this state;

(C) funds of other states; and

(D) nongovernmental funds, including private funds, foundation grants, gifts, and donations;

(5) specify that the following items do not qualify for purposes of the certification required by this subsection:

(A) in-kind costs;

(B) volunteer services furnished to a grant recipient;

(C) noncash contributions;

(D) income earned by the grant recipient that is not available at the time of the award;

(E) preexisting real estate of the grant recipient, including buildings, facilities, and land;

(F) deferred giving, including a charitable remainder annuity trust, a charitable remainder unitrust, or a pooled income fund; or

(G) other items as may be determined by the oversight committee;

(6) require a grant recipient and the institute to include the certification in the grant award contract;

(7) specify that a grant recipient's failure to provide certification shall serve as grounds for terminating the grant award contract;

(8) require a grant recipient to maintain adequate documentation supporting the source and use of the funds required by this subsection and to provide documentation to the institute upon request; and

(9) require that the institute establish a procedure to conduct an annual review of the documentation supporting the source and use of funds reported in the required certification.

(e) The institute shall adopt a policy on advance payments to grant recipients.

SECTION 24. Section 102.260, Health and Safety Code, is amended by amending Subsections (b) and (c) and adding Subsections (d), (e), and (f) to read as follows:

(b) The chief executive officer [~~director~~] shall determine the grant review process under this section. The chief executive officer [~~director~~] may terminate grants that do not meet contractual obligations.

(c) The chief executive officer [~~director~~] shall report at least annually to the oversight committee on the progress and continued merit of each research program funded by the institute.

(d) The institute shall establish and implement reporting requirements to ensure that each grant recipient complies with the terms and conditions in the grant contract, including verification of the amounts of matching funds dedicated to the research that is the subject of the grant award to the grant recipient.

(e) The institute shall implement a system to:

(1) track the dates on which grant recipient reports are due and are received by the institute; and

(2) monitor the status of any required report that is not timely submitted to the institute by a grant recipient.

(f) The chief compliance officer shall monitor compliance with this section and at least annually shall inquire into and monitor the status of any required report that is not timely submitted to the institute by a grant recipient. The chief compliance officer shall notify the general counsel and the oversight committee of a grant recipient that has not maintained compliance with the reporting requirements or matching funds

provisions of the grant contract to allow the institute to begin suspension or termination of the grant contract under Subsection (b). This subsection does not limit other remedies available under the grant contract.

SECTION 25. Section 102.262, Health and Safety Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) The records of a nonprofit organization established to provide support to the institute are public information subject to Chapter 552, Government Code.

(d) The institute shall post on the institute's Internet website records that pertain specifically to any gift, grant, or other consideration provided to the institute, an institute employee, or a member of an institute committee. The posted information must include each donor's name and the amount and date of the donor's donation.

SECTION 26. Subchapter F, Chapter 102, Health and Safety Code, is amended by adding Sections 102.263, 102.2631, and 102.264 to read as follows:

Sec. 102.263. COMPLIANCE PROGRAM. (a) In this section, "compliance program" means a process to assess and ensure compliance by the institute's committee members and employees with applicable laws, rules, and policies, including matters of:

- (1) ethics and standards of conduct;
- (2) financial reporting;
- (3) internal accounting controls; and
- (4) auditing.

(b) The institute shall establish a compliance program that operates under the direction of the institute's chief compliance officer. The institute may establish procedures, such as a telephone hotline, to allow private access to the compliance program office and to preserve the confidentiality of communications and the anonymity of a person making a compliance report or participating in a compliance investigation.

(c) The following are confidential and are not subject to disclosure under Chapter 552, Government Code:

(1) information that directly or indirectly reveals the identity of an individual who made a report to the institute's compliance program office, sought guidance from the office, or participated in an investigation conducted under the compliance program;

(2) information that directly or indirectly reveals the identity of an individual who is alleged to have or may have planned, initiated, or participated in activities that are the subject of a report made to the office if, after completing an investigation, the office determines the report to be unsubstantiated or without merit; and

(3) other information that is collected or produced in a compliance program investigation if releasing the information would interfere with an ongoing compliance investigation.

(d) Subsection (c) does not apply to information related to an individual who consents to disclosure of the information.

(e) Information made confidential or excepted from public disclosure by this section may be made available to the following on request in compliance with applicable laws and procedures:

(1) a law enforcement agency or prosecutor;
(2) a governmental agency responsible for investigating the matter that is the subject of a compliance report, including the Texas Workforce Commission civil rights division or the federal Equal Employment Opportunity Commission; or
(3) a committee member or institute employee who is responsible under institutional policy for a compliance program investigation or for a review of a compliance program investigation.

(f) A disclosure under Subsection (e) is not a voluntary disclosure for purposes of Section 552.007, Government Code.

Sec. 102.2631. COMPLIANCE MATTERS; CLOSED MEETING. The oversight committee may conduct a closed meeting under Chapter 551, Government Code, to discuss an ongoing compliance investigation into issues related to fraud, waste, or abuse of state resources.

Sec. 102.264. PROGRAM INTEGRATION COMMITTEE. (a) The institute shall establish a program integration committee. The committee is composed of the following five members:

- (1) the chief executive officer;
- (2) the chief scientific officer;
- (3) the chief product development officer;
- (4) the commissioner of state health services; and
- (5) the chief prevention officer.

(b) The committee has the duties assigned under this chapter.

(c) The chief executive officer shall serve as the presiding officer of the program integration committee.

SECTION 27. Chapter 102, Health and Safety Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. CANCER PREVENTION AND RESEARCH INTEREST AND SINKING FUND

Sec. 102.270. ESTABLISHMENT OF FUND. (a) The cancer prevention and research interest and sinking fund is a dedicated account in the general revenue fund.

(b) The fund consists of:

(1) patent, royalty, and license fees and other income received under a contract entered into as provided by Section 102.255; and

(2) interest earned on the investment of money in the fund.

(c) The fund may be used only to pay for debt service on bonds issued as authorized by Section 67, Article III, Texas Constitution, at a time and in a manner to be determined by the legislature in the General Appropriations Act.

SECTION 28. (a) The terms of the members of the Cancer Prevention and Research Institute of Texas Oversight Committee serving immediately before the effective date of this Act expire on the effective date of this Act.

(b) As soon as practicable after the effective date of this Act, the governor, lieutenant governor, and speaker of the house of representatives shall each appoint members to the Cancer Prevention and Research Institute of Texas Oversight Committee as required by Section 102.101, Health and Safety Code, as amended by this Act. In making the initial appointments under that section, each appointing office

shall designate one member for a term expiring January 31, 2015, one member for a term expiring January 31, 2017, and one member for a term expiring January 31, 2019.

SECTION 29. (a) As soon as practicable after the effective date of this Act, the Cancer Prevention and Research Institute of Texas Oversight Committee shall adopt the rules necessary to implement the changes in law made by this Act.

(b) The changes in law made by this Act apply only to a grant application submitted to the Cancer Prevention and Research Institute of Texas on or after the effective date of this Act. A grant application submitted before the effective date of this Act is governed by the law in effect on the date the application was submitted, and that law is continued in effect for that purpose.

(c) Not later than January 1, 2014, employees, oversight committee members, and members of other committees of the Cancer Prevention and Research Institute of Texas must comply with the changes in law made by this Act regarding the qualifications of the employees and members.

(d) Not later than December 1, 2013, the Cancer Prevention and Research Institute of Texas Oversight Committee shall employ a chief compliance officer and a chief executive officer as required by Sections 102.051(c) and 102.0511, Health and Safety Code, as added by this Act.

(e) As soon as practicable after the effective date of this Act, the Cancer Prevention and Research Institute of Texas Oversight Committee shall establish a compliance program as required by Section 102.263, Health and Safety Code, as added by this Act.

SECTION 30. 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 149** (house committee report) as follows:

(1) On page 7, strike lines 6 through 7 and substitute the following:

SECTION 9. Sections 102.101, Health and Safety Code, is amended by amending Subsections (b), (d), and (e) and adding Subsection (f) to read as follows:

(2) On page 8, between lines 11 and 12, insert the following new subsection:

(f) A person appointed to the oversight committee shall disclose to the institute each political contribution made by the person in the ten years preceding the person's appointment and each year after the person's appointment until the person's term expires. The institute annually shall post a report of the political contributions made by oversight committee members on the institute's publicly accessible Internet website and post a link to the report on the oversight committee's main Internet web page.

Floor Amendment No. 2

Amend **CSSB 149** (house committee printing) as follows:

(1) On page 4, strike lines 13-14 and substitute the following:

SECTION 5. Section 102.052, Health and Safety Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(2) On page 5, strike lines 19-20, and substitute the following:

(10) for the previous 12 months, a list of any conflicts of interest under this chapter or rules adopted under this chapter, any conflicts of interest that require recusal under Section 102.1061, any unreported conflicts of interest confirmed by an investigation conducted under Section 102.1063, including any actions taken by the institute regarding an unreported conflict of interest and subsequent investigation, and any waivers granted through the process established under Section 102.1062.

(c) The institute shall post on the institute's Internet website the list described by Subsection (a)(10).

(3) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS accordingly:

SECTION _____. The heading to Section 102.052, Health and Safety Code, is amended to read as follows:

Sec. 102.052. ANNUAL PUBLIC REPORT; INTERNET POSTING.

Floor Amendment No. 3

Amend **CSSB 149** (house committee report) as follows:

(1) On page 6, line 7, strike "and".

(2) On page 6, between lines 7 and 8, insert the following:

(4) for the purpose of determining any conflict of interest, the identity of each principal investor and owner of each grant recipient as provided by institute rules; and

(3) On page 6, line 8, strike "(4)" and substitute "(5)".

Floor Amendment No. 1 on Third Reading

Amend **CSSB 149** (house committee report) as follows:

(1) On page 7, strikes lines 6 through 7 and substitute the following:

SECTION 9. Sections 102.101, Health and Safety Code, is amended by amending Subsections (b), (d), and (e) and adding Subsection (f) to read as follows:

(2) On page 8, between lines 11 and 12, insert the following new subsection:

(f) A person appointed to the oversight committee shall disclose to the institute each political contribution to a candidate for a state or federal office over \$1,000 made by the person in the five years preceding the person's appointment and each year after the person's appointment until the person's term expires. The institute annually shall post a report of the political contributions made by oversight committee members on the institute's publicly accessible Internet website and post a link to the report on the oversight committee's main Internet web page.

The amendments were read.

Senator Nelson moved to concur in the House amendments to **SB 149**.

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

CONFERENCE COMMITTEE ON HOUSE BILL 3093

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 3093** 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 3093** 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; Schwertner, Birdwell, Van de Putte, and Carona.

SENATE BILL 656 WITH HOUSE AMENDMENT

Senator Paxton called **SB 656** 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 656** (house committee printing) as follows:

(1) On page 1, line 6, strike "Subsection (d)" and substitute "Subsections (d) and (e)".

(2) On page 2, lines 21-22, strike "bonds and other debt obligations owed by the municipality" and substitute "municipal debt obligations".

(3) On page 2, between lines 22 and 23, insert the following:

(e) In this section, "debt obligation" means an issued public security as defined by Section 1201.002, Government Code, secured by property taxes.

(4) On page 3, line 18, strike "Subsection (d)" and substitute "Subsections (d) and (e)".

(5) On page 5, lines 3-4, strike "bonds and other debt obligations owed by the county" and substitute "county debt obligations".

(6) On page 5, between lines 4 and 5, insert the following:

(e) In this section, "debt obligation" means an issued public security as defined by Section 1201.002, Government Code, secured by property taxes.

(7) On page 5, line 26, strike "Subsection (d)" and substitute "Subsections (d) and (e)".

(8) On page 7, lines 11-12, strike "bonds and other debt obligations owed by the county" and substitute "county debt obligations".

(9) On page 7, between lines 12 and 13, insert the following:

(e) In this section, "debt obligation" means an issued public security as defined by Section 1201.002, Government Code, secured by property taxes.

(10) On page 8, line 8, strike "Subsection (c)" and substitute "Subsections (c) and (d)".

(11) On page 9, lines 20-21, strike "bonds and other debt obligations owed by the county" and substitute "county debt obligations".

(12) On page 9, between lines 21 and 22, insert the following:

(d) In this section, "debt obligation" means an issued public security as defined by Section 1201.002, Government Code, secured by property taxes.

The amendment was read.

Senator Paxton moved to concur in the House amendment to **SB 656**.

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

SENATE BILL 1226 WITH HOUSE AMENDMENT

Senator Zaffirini called **SB 1226** 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 1226** (house committee report) as follows:

(1) On page 3, line 22, strike "and".

(2) On page 3, line 24, between "services" and the period, insert the following:
; and

(12) an employer or a representative of an employer in an industry in which individuals with disabilities might be employed

(3) On page 5, line 21, strike "(b)(10) or (11)" and substitute "(b)(10), (11), or (12)".

The amendment was read.

Senator Zaffirini moved to concur in the House amendment to **SB 1226**.

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

SENATE BILL 163 WITH HOUSE AMENDMENT

Senator Van de Putte called **SB 163** 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 163** (house committee printing) by adding the following appropriately numbered SECTIONS to the bill, and renumbering the SECTIONS of the bill accordingly:

SECTION _____. Subsection (c), Section 11.42, Tax Code, is amended to read as follows:

(c) An exemption authorized by Section 11.13(c) or (d) or 11.132 is effective as of January 1 of the tax year in which the person qualifies for the exemption and applies to the entire tax year.

SECTION _____. Subsection (b), Section 26.10, Tax Code, is amended to read as follows:

(b) If the appraisal roll shows that a residence homestead exemption under Section 11.13(c) or (d) or 11.132 [~~for an individual 65 years of age or older or a residence homestead exemption for a disabled individual~~] applicable to a property on January 1 of a year terminated during the year and if the owner of the property qualifies a different property for one of those residence homestead exemptions during the same year, the tax due against the former residence homestead is calculated by:

(1) subtracting:

(A) the amount of the taxes that otherwise would be imposed on the former residence homestead for the entire year had the owner [~~individual~~] qualified for the residence homestead exemption for the entire year; from

(B) the amount of the taxes that otherwise would be imposed on the former residence homestead for the entire year had the owner [~~individual~~] not qualified for the residence homestead exemption during the year;

(2) multiplying the remainder determined under Subdivision (1) by a fraction, the denominator of which is 365 and the numerator of which is the number of days that elapsed after the date the exemption terminated; and

(3) adding the product determined under Subdivision (2) and the amount described by Subdivision (1)(A).

SECTION _____. Section 26.112, Tax Code, is amended to read as follows:

Sec. 26.112. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD OF CERTAIN PERSONS [~~ELDERLY OR DISABLED PERSON~~]. (a) Except as provided by Section 26.10(b), if at any time during a tax year property is owned by an individual who qualifies for an exemption under Section 11.13(c) or (d) or 11.132, the amount of the tax due on the property for the tax year is calculated as if the individual [~~person~~] qualified for the exemption on January 1 and continued to qualify for the exemption for the remainder of the tax year.

(b) If an individual [~~a person~~] qualifies for an exemption under Section 11.13(c) or (d) or 11.132 with respect to the property after the amount of the tax due on the property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property, the assessor for each taxing unit shall recalculate the amount of the tax due on the property and correct the tax roll. If the tax bill has been mailed and the tax on the property has not been paid, the assessor shall mail a corrected tax bill to the person in whose name the property is listed on the tax roll or to the person's authorized agent. If the tax on the property has been paid, the tax collector for the taxing unit shall refund to the person who paid the tax the amount by which the payment exceeded the tax due.

The amendment was read.

Senator Van de Putte moved to concur in the House amendment to **SB 163**.

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

SENATE BILL 644 WITH HOUSE AMENDMENTS

Senator Huffman called **SB 644** 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.

Committee Amendment No. 1

Amend **SB 644** (senate engrossed version) as follows:

- (1) On page 2, strike lines 13 through 16.
- (2) On page 2, line 17, strike "(d)" and substitute "(c)".
- (3) On page 2, line 24, strike "(e)" and substitute "(d)".
- (4) On page 3, line 27, strike "or".
- (5) On page 4, strike line 1 and substitute the following:

(5) health and accident coverage provided by a risk pool created under Chapter 172, Local Government Code; or

(6) a workers' compensation insurance policy.

Floor Amendment No. 2

Amend **SB 644** (house committee printing) as follows:

(1) On page 6, lines 16-17, strike "and determine if" and substitute "examine the form's effectiveness and impact on patient safety, and determine whether".

(2) On page 6, strike lines 18 through 21 and substitute the following:

(e) The advisory committee shall be composed of the commissioner of insurance or the commissioner's designee, the executive commissioner of the Health and Human Services Commission or the executive commissioner's designee, and an equal number of members from each of the following groups:

Floor Amendment No. 3

Amend **SB 644** (house committee printing) on page 7 by striking lines 1 through 4 and substituting the following:

(7) specialty drug distributors;

(8) health benefit plan issuers for the Texas Health Insurance Pool established under Chapter 1506;

(9) health benefit plan issuers; and

(10) health benefit plan networks of providers.

Floor Amendment No. 1 on Third Reading

Amend **SB 644** as follows:

On page 6, line 24, of the committee printing insert a new Subsection (e)(3) to read "consumer experienced with prior authorizations" and renumber subsequent subsections accordingly.

The amendments were read.

Senator Huffman moved to concur in the House amendments to **SB 644**.

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

SENATE BILL 1871 WITH HOUSE AMENDMENTS

Senator Estes called **SB 1871** 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 1871** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the state cemetery.

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

SECTION 1. Section 2165.256, Government Code, is amended by adding Subsection (b-1) and amending Subsection (d) to read as follows:

(b-1) Notwithstanding Subsection (b), the property other than the property described as Lot No. 5, Division B, City of Austin, Travis County, Texas, is no longer dedicated for cemetery purposes as part of the State Cemetery as provided by that subsection if, not later than December 31, 2013:

(1) the State Cemetery Committee makes an affirmative finding that the property is no longer needed for cemetery purposes and expressly consents by a majority vote of the committee to remove the dedication; and

(2) the chair of the State Cemetery Committee files in the deed records of Travis County and submits for publication in the Texas Register a document indicating that the dedication is removed.

(d) Persons eligible for burial in the State Cemetery are:

(1) a former member of the legislature or a member who dies in office;

(2) a former elective state official or an elective state official who dies in office;

(3) a former state official or a state official who dies in office who has been appointed by the governor and confirmed by the senate and who served at least 10 [~~12~~] years in the office to which appointed;

(4) a person specified by a governor's proclamation, subject to review and approval by the committee under Subsection (e);

(5) a person specified by a concurrent resolution adopted by the legislature, subject to review and approval by the committee under Subsection (e); and

(6) a person specified by order of the committee under Subsection (e).

SECTION 2. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 1871** (house committee report) as follows:

(1) On page 1, line 11, strike "December 31, 2013" and substitute "December 31, 2014".

(2) Strike page 1, lines 12 through 15, and substitute the following:

(1) the State Cemetery Committee:

(A) makes affirmative findings that:

(i) the property is no longer needed for cemetery purposes; and

(ii) proceeds from a real property transaction involving the property described by this subsection will be used to further the goals of the State Cemetery Committee, including capital improvements or major repairs or renovations to the State Cemetery, or for a purpose described by Subsection (p); and

(B) expressly consents by a majority vote of the committee to remove the dedication; and

Floor Amendment No. 1 on Third Reading

Amend **CSSB 1871** on third reading as follows:

(1) In added Section 2165.256(b-1)(1)(A)(i), Government Code (as added by Floor Amendment No. 1 by Kuempel), following the semicolon, strike "and".

(2) Immediately following added Section 2165.256(b-1)(1)(A)(ii), Government Code (as added by Floor Amendment No. 1 by Kuempel), insert the following:

(iii) concerns expressed by residents of neighborhoods in the vicinity of the property have been considered and that efforts have been made to address those concerns; and

The amendments were read.

Senator Estes moved to concur in the House amendments to **SB 1871**.

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, Schwertner, Seliger, Taylor, Uresti, Van de Putte, West, Whitmire, Williams, Zaffirini.

Nays: Patrick, Watson.

REASON FOR VOTE

Senator Watson submitted the following reason for vote on **SB 1871**:

Senate Bill 1871 contains a provision affecting land in my district owned by the Texas State Cemetery Committee. This provision was amended onto the bill on the House floor. While the land belongs to the state, I strongly believe the nearby neighborhoods deserve to have a say in the future of this state property. It is clear that this legislation has the votes to pass the Senate. That being the case, I intend to work closely with the Cemetery Committee, the Department of Transportation, and any other agency regarding the future of this property. I have worked throughout this session to ensure that local communities, including those near this cemetery property, have a voice in the development of state land around them. I will do all I can to ensure that any development of this property will not harm or negatively impact the people and community surrounding it.

WATSON

SENATE BILL 1150 WITH HOUSE AMENDMENTS

Senator Hinojosa called **SB 1150** 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 1150** (house committee report) as follows:

(1) On page 2 of the bill, line 6, between "contract" and the underlined semicolon, insert "and this section".

(2) On page 3 of the bill, between lines 20 and 21, insert the following:

(c) To aid in determining proper reimbursement for claims as provided by Subsection (b), a provider, including a pharmacy provider, is entitled to a hearing before the State Office of Administrative Hearings to appeal a confiscatory reimbursement rate of a managed care organization or the organization's pharmacy benefit manager. A reimbursement rate is considered confiscatory for purposes of this subsection if the rate does not reimburse the provider for reasonable operating expenses, does not provide a reasonable return on the provider's investments, or places in jeopardy the provider's financial integrity. Under this subsection:

(1) if the provider's contract contains a reimbursement dispute resolution process, the parties must spend at least 45 days attempting to resolve the dispute under that process before requesting a hearing under this subsection;

(2) a hearing must be conducted by a hearing officer in the same manner as is provided for contested case hearings under Chapter 2001;

(3) the decision of the hearing officer is final;

(4) the hearing officer may:

(A) assess all or part of the costs of the hearing, not including attorney's fees, against the party or parties that do not substantially prevail, as determined by the hearing officer; and

(B) with the consent of the providers, partially or wholly combine cases that involve the same type of Medicaid provider license and specialty and the same or substantially similar reimbursement issues; and

(5) the hearing officer may not award an amount against a managed care organization to one or more providers that, in the aggregate, exceeds the amount required to be maintained by the managed care organization as adequate reserves to reasonably accommodate such awards as specified by Medicaid program statutes, rules, and contracts in effect on May 1, 2013.

Floor Amendment No. 1 on Third Reading

Amend **SB 1150** on third reading as follows:

(1) In SECTION 1 of the bill, in added Section 533.0055(b)(2)(C), Government Code, after "contract", strike "and this section".

(2) In SECTION 1 of the bill, strike added Section 533.0055(c), Government Code.

The amendments were read.

Senator Hinojosa moved to concur in the House amendments to **SB 1150**.

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

SENATE BILL 1430 WITH HOUSE AMENDMENT

Senator Hinojosa called **SB 1430** 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 1430** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED

AN ACT

relating to the applicability of certain public works contracting requirements.

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

SECTION 1. Section 2267.354, Government Code, as added by Chapter 1129 (H.B. 628), Acts of the 82nd Legislature, Regular Session, 2011, is amended to read as follows:

Sec. 2267.354. LIMITATION ON NUMBER OF PROJECTS. (a) ~~[Before September 1, 2013:~~

~~[(1) a governmental entity with a population of 500,000 or more within the entity's geographic boundary or service area may, under this subchapter, enter into contracts for not more than three projects in any fiscal year; and~~

~~[(2) a municipally owned water utility with a separate governing board appointed by the governing body of a municipality with a population of 500,000 or more may:~~

~~[(A) independently enter into a contract for not more than one civil works project in any fiscal year; and~~

~~[(B) enter into contracts for additional civil works projects in any fiscal year, but not more than the number of civil works projects prescribed by the limit in Subdivision (1) for the municipality, provided that:~~

~~[(i) the additional contracts for the civil works projects entered into by the utility under this paragraph are allocated to the number of contracts the municipality that appoints the utility's governing board may enter under Subdivision (1); and~~

~~[(ii) the governing body of the municipality must approve the contracts.~~

~~[(b) Before September 1, 2015, a governmental entity that has a population of 100,000 or more but less than 500,000 or is a board of trustees governed by Chapter 54, Transportation Code, may enter into contracts under this subchapter for not more than two projects in any fiscal year.~~

~~[(e)] After August 31, 2013 [the period described by Subsection (a) or (b)]:~~

~~(1) a governmental entity with a population of 500,000 or more within the entity's geographic boundary or service area may, under this subchapter, enter into contracts for not more than six projects in any fiscal year;~~

~~(2) a municipally owned water utility with a separate governing board appointed by the governing body of a municipality with a population of 500,000 or more may:~~

~~(A) independently enter into contracts for not more than two civil works projects in any fiscal year; and~~

~~(B) enter into contracts for additional civil works projects in any fiscal year, but not more than the number of civil works projects prescribed by the limit in Subdivision (1) for the municipality, provided that:~~

~~(i) the additional contracts for the civil works projects entered into by the utility under this paragraph are allocated to the number of contracts the municipality that appoints the utility's governing board may enter under Subdivision (1); and~~

~~(ii) the governing body of the municipality must approve the contracts; and~~

~~(3) a governmental entity that has a population of 100,000 or more but less than 500,000 or is a board of trustees governed by Chapter 54, Transportation Code, may enter into contracts under this subchapter for not more than four projects in any fiscal year.~~

~~(b) [(d)] For purposes of determining the number of eligible projects under this section, a municipally owned water utility with a separate governing board appointed by the governing body of the municipality is considered part of the municipality.~~

SECTION 2. Section 252.048(c-1), Local Government Code, is amended to read as follows:

(c-1) If a change order for a public works contract in a municipality with a population of 300,000 [~~500,000~~] or more involves a decrease or an increase of \$100,000 or less, or a lesser amount as provided by ordinance, the governing body of the municipality may grant general authority to an administrative official of the municipality to approve the change order.

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 Hinojosa moved to concur in the House amendment to **SB 1430**.

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

SENATE BILL 1623 WITH HOUSE AMENDMENTS

Senator Hinojosa called **SB 1623** 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 1623** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the creation and operations of health care funding districts in certain counties located on the Texas-Mexico border.

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

SECTION 1. The heading to Chapter 288, Health and Safety Code, is amended to read as follows:

CHAPTER 288. HEALTH CARE FUNDING DISTRICTS IN CERTAIN COUNTIES LOCATED ON TEXAS-MEXICO BORDER [~~THAT ARE ADJACENT TO COUNTIES WITH POPULATION OF 50,000 OR MORE~~]

SECTION 2. Sections 288.001(2) and (3), Health and Safety Code, are amended to read as follows:

(2) "District" means a county health care funding district created under [~~by~~] this chapter.

(3) "Paying hospital [~~District taxpayer~~]" means an institutional health care provider required to make a mandatory payment [~~a person or entity who has paid a tax imposed~~] under this chapter.

SECTION 3. Section 288.002, Health and Safety Code, is amended to read as follows:

Sec. 288.002. CREATION OF DISTRICT. A district may be [~~is~~] created by order of the commissioners court of [~~in~~] each county located on the Texas-Mexico border that has a population of:

(1) 500,000 or more and is adjacent to two or more counties each of which has a population of 50,000 or more;

(2) 350,000 or more and is adjacent to a county described by Subdivision (1); or

(3) less than 300,000 and contains one or more municipalities with a population of 200,000 or more.

SECTION 4. Subchapter A, Chapter 288, Health and Safety Code, is amended by adding Sections 288.0031 and 288.0032 to read as follows:

Sec. 288.0031. DISSOLUTION. A district created under this chapter may be dissolved in the manner provided for the dissolution of a hospital district under Subchapter E, Chapter 286.

Sec. 288.0032. EXPIRATION OF CHAPTER; DISTRIBUTION OF FUNDS ON EXPIRATION. (a) A district created under this chapter is abolished and this chapter expires on December 31, 2016.

(b) The commissioners court of a county in which a district is created shall refund to each paying hospital the proportionate share of any money remaining in the local provider participation fund created by the district under Section 288.155 at the time the district is abolished.

SECTION 5. The heading to Section 288.051, Health and Safety Code, is amended to read as follows:

Sec. 288.051. COMMISSION; DISTRICT GOVERNANCE [APPOINTMENT].

SECTION 6. Section 288.051, Health and Safety Code, is amended by amending Subsection (a) and adding Subsections (c) and (d) to read as follows:

(a) Each district created under Section 288.002 is governed by a commission consisting of the commissioners court of the county in which the district is created [of five members appointed as provided by this section].

(c) Service on the commission by a county commissioner or county judge is an additional duty of that person's office.

(d) A district is a component of county government and is not a separate political subdivision of this state.

SECTION 7. Section 288.101, Health and Safety Code, is amended to read as follows:

Sec. 288.101. LIMITATION ON [TAXING] AUTHORITY TO REQUIRE MANDATORY PAYMENT. Each district may require a mandatory payment [impose taxes] only in the manner provided by this chapter.

SECTION 8. Section 288.102, Health and Safety Code, is amended to read as follows:

Sec. 288.102. MAJORITY VOTE REQUIRED. (a) A district may not require [impose] any mandatory payment [tax] authorized by this chapter, spend any money, including for the administrative expenses of the district, or conduct any other business of the commission without an affirmative vote of a majority of the members of the commission.

(b) Before requiring a mandatory payment [imposing a tax] under this chapter in any one year, the commission must obtain the affirmative vote required by Subsection (a).

SECTION 9. Section 288.104(a), Health and Safety Code, is amended to read as follows:

(a) The commission may adopt rules governing the operation of the district, including rules relating to the administration of a mandatory payment ~~[tax]~~ authorized by this chapter.

SECTION 10. Section 288.151, Health and Safety Code, is amended to read as follows:

Sec. 288.151. HEARING ~~[BUDGET]~~. (a) Each year, the commission of a district shall hold a public hearing on ~~[prepare a budget for the following fiscal year that includes:~~

~~[(1) proposed expenditures and disbursements;~~

~~[(2) estimated receipts and collections; and~~

~~[(3)] the [rates and] amounts of any mandatory payments [taxes] that the commission intends to require [impose] during the year and how the revenue derived from those payments is to be spent.~~

(b) ~~[The commission shall hold a public hearing on the proposed budget.]~~ Not later than the 10th day before the date of the hearing, the commission shall publish at least once notice of the hearing in a newspaper of general circulation in the county in which the district is located.

(c) A representative of a paying hospital ~~[Any district taxpayer]~~ is entitled to appear at the time and place designated in the public notice and to be heard regarding any matter related to the mandatory payments required by the district under this chapter ~~[item shown in the proposed budget].~~

SECTION 11. Section 288.154(b), Health and Safety Code, is amended to read as follows:

(b) All income received by a district, including the [tax] revenue from mandatory payments remaining after [deducting] discounts and fees for assessing and collecting the payments are deducted [taxes], shall be deposited with the district depository as provided by Section 288.203 and may be withdrawn only as provided by this chapter.

SECTION 12. Subchapter D, Chapter 288, Health and Safety Code, is amended by adding Sections 288.155 and 288.156 to read as follows:

Sec. 288.155. LOCAL PROVIDER PARTICIPATION FUND; AUTHORIZED USES OF MONEY. (a) Each district shall create a local provider participation fund.

(b) The local provider participation fund consists of:

(1) all revenue from the mandatory payment required by this chapter, including any penalties and interest attributable to delinquent payments;

(2) money received from the Health and Human Services Commission as a refund of an intergovernmental transfer from the district to the state for the purpose of providing the nonfederal share of Medicaid supplemental payment program payments, provided that the intergovernmental transfer does not receive a federal matching payment; and

(3) the earnings of the fund.

(c) Money deposited to the local provider participation fund may be used only to:

(1) fund intergovernmental transfers from the district to the state to provide the nonfederal share of a Medicaid supplemental payment program authorized under the state Medicaid plan, 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), or a successor waiver program authorizing similar Medicaid supplemental payment programs;

(2) subsidize indigent programs;

(3) pay the administrative expenses of the district;

(4) refund a portion of a mandatory payment collected in error from a paying hospital; and

(5) refund to paying hospitals the proportionate share of the money received by the district from the Health and Human Services Commission that is not used to fund the nonfederal share of Medicaid supplemental payment program payments.

(d) Money in the local provider participation fund may not be commingled with other county funds.

(e) An intergovernmental transfer of funds described by Subsection (c)(1) and any funds received by the district as a result of an intergovernmental transfer described by that subdivision may not be used by the district, the county in which the district is located, or any other entity to expand Medicaid eligibility under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152).

Sec. 288.156. ALLOCATION OF CERTAIN FUNDS. Not later than the 15th day after the date the district receives a payment described by Section 288.155(c)(5), the district shall transfer to each paying hospital an amount equal to the proportionate share of those funds to which the hospital is entitled.

SECTION 13. The heading to Subchapter E, Chapter 288, Health and Safety Code, is amended to read as follows:

SUBCHAPTER E. MANDATORY PAYMENTS [TAXES]

SECTION 14. Section 288.201, Health and Safety Code, is amended to read as follows:

Sec. 288.201. MANDATORY PAYMENT BASED [TAX] ON [OUTPATIENT] HOSPITAL NET PATIENT REVENUE [SERVICES]. (a) Except as provided by Subsection (e), the [The] commission of a district may require [impose] an annual mandatory payment [tax] to be assessed quarterly on the net patient revenue of [all outpatient hospital visits to] an institutional health care provider located in the district. In the first year in which the mandatory payment [tax] is required [imposed], the mandatory payment [tax] is assessed on the net patient revenue [total number of outpatient hospital visits] of an institutional health care provider as determined by the data reported to the Department of State Health Services under Sections 311.032 and 311.033 in the fiscal year ending in 2010 [2003]. The district shall update the amount of the mandatory payment [this tax basis with the number of outpatient hospital visits reported] on a biennial basis.

(b) The amount of a mandatory payment required under this chapter must be proportionate with the amount of net patient revenue generated by a paying hospital. [A tax imposed under this section must be imposed uniformly on each institutional health care provider of outpatient hospital services located in the district.] A mandatory payment required [tax imposed] under this section [also] may not hold harmless any institutional health care provider [of outpatient hospital services], as required under 42 U.S.C. Section 1396b(w).

(c) The commission of a district shall set the amount [~~rate~~] of the mandatory payment required [~~tax imposed~~] under this section. The amount of the mandatory payment required of each paying hospital [~~rate~~] may not exceed an amount that, when added to the amount of the mandatory payments required from all other paying hospitals in the district, equals an amount of revenue that exceeds six percent of the aggregate net patient revenue of all paying hospitals in the district [~~\$100 for each outpatient hospital visit~~].

(d) Subject to the maximum amount [~~tax rate~~] prescribed by Subsection (c), the commission shall set the mandatory payments in amounts [~~rate of the tax at a rate~~] that in the aggregate will generate sufficient revenue to cover the administrative expenses of the district, to fund the nonfederal share of a Medicaid supplemental payment program, and to pay for indigent programs, except that the amount of [~~tax~~] revenue from mandatory payments used for administrative expenses of the district in a year may not exceed the lesser of four percent of the total revenue generated from the mandatory payment [~~tax~~] or \$20,000.

(e) An institutional health care provider may not add a mandatory payment required [~~tax imposed~~] under this section as a surcharge to a patient.

SECTION 15. Section 288.202, Health and Safety Code, is amended to read as follows:

Sec. 288.202. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS [~~TAXES~~]. (a) Except as provided by Subsection (b), the county tax assessor-collector shall collect a mandatory payment required [~~tax imposed~~] under this subchapter [~~unless the commission employs a tax assessor and collector for the district~~]. The county tax assessor-collector shall charge and deduct from mandatory payments [~~taxes~~] collected for the district a fee for collecting the mandatory payment [~~tax~~] in an amount determined by the commission, not to exceed the county tax assessor-collector's usual and customary charges [~~for the collection of similar taxes~~].

(b) If determined by the commission to be appropriate, the commission may contract for the assessment and collection of mandatory payments [~~taxes~~] in the manner provided by Title 1, Tax Code, for the assessment and collection of ad valorem taxes.

(c) Revenue from a fee charged by a county tax assessor-collector for collecting the mandatory payment [~~tax~~] shall be deposited in the county general fund and, if appropriate, shall be reported as fees of the county tax assessor-collector.

SECTION 16. Section 288.203, Health and Safety Code, is amended to read as follows:

Sec. 288.203. DEPOSIT [~~USE~~] OF [~~TAX~~] REVENUE FROM MANDATORY PAYMENTS. Revenue [~~generated by a district~~] from the mandatory payment required by [~~a tax imposed under~~] this chapter shall be deposited in the district's local provider participation fund [~~subchapter may be used only to:~~

~~(1) provide the nonfederal share of a Medicaid supplemental payment program;~~

~~(2) subsidize indigent programs; and~~

~~(3) pay administrative expenses of the district].~~

SECTION 17. Section 288.204, Health and Safety Code, is amended to read as follows:

Sec. 288.204. INTEREST, PENALTIES, AND DISCOUNTS. Interest, penalties, and discounts on mandatory payments required [~~taxes imposed~~] under this subchapter are governed by the law applicable to county ad valorem taxes.

SECTION 18. Section 288.205, Health and Safety Code, is amended to read as follows:

Sec. 288.205. PURPOSE; CORRECTION OF INVALID PROVISION OR PROCEDURE. (a) The purpose of this chapter is to generate revenue from a mandatory payment required [~~tax imposed~~] by the district to provide the nonfederal share of a Medicaid supplemental payment program.

(b) To the extent any provision or procedure under this chapter causes a mandatory payment [~~tax~~] under this chapter to be ineligible for federal matching funds, the district may provide by rule for an alternative provision or procedure that conforms to the requirements of the federal Centers for Medicare and Medicaid Services.

SECTION 19. Sections 288.003, 288.004, 288.051(b), 288.052, 288.053, 288.054, 288.055, 288.056, 288.057, 288.058, 288.103, 288.104(b), 288.105, 288.107, 288.153, and 288.206, Health and Safety Code, are repealed.

SECTION 20. 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 21. 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 1623** (house committee printing) as follows:

- (1) On page 7, line 20, between "be" and "proportionate", insert "uniformly".
- (2) On page 7, line 21, strike "a" and substitute "each".
- (3) On page 7, line 21, between "hospital" and the period, insert "in the district".

The amendments were read.

Senator Hinojosa moved to concur in the House amendments to **SB 1623**.

The motion prevailed by the following vote: Yeas 28, Nays 3.

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

Nays: Birdwell, Estes, Paxton.

SENATE BILL 1773 WITH HOUSE AMENDMENT

Senator Huffman called **SB 1773** 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 1773** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the creation of a select interim committee to review and make recommendations for substantive changes to ethics laws.

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

SECTION 1. INTERIM STUDY REGARDING ETHICS LAWS. (a) A select interim committee is created to study and review the statutes and regulations related to ethics, including campaign finance laws, lobby laws, and personal financial disclosure laws.

(b) The study must consider:

(1) the purposes of the current laws and whether the laws accomplish those purposes;

(2) the effectiveness of the current laws; and

(3) what changes, if any, should be made to more effectively accomplish the purposes of the laws.

(c) The committee is composed of:

(1) four members appointed by the lieutenant governor as follows:

(A) three senators, one of whom the lieutenant governor shall designate as co-chair of the committee; and

(B) one member of the public;

(2) four members appointed by the speaker of the house of representatives as follows:

(A) three state representatives, one of whom the speaker shall designate as co-chair of the committee; and

(B) one member of the public; and

(3) the presiding officer of the Texas Ethics Commission on the effective date of this Act.

(d) The committee shall convene at the call of the co-chairs.

(e) The committee has all other powers and duties provided to a special or select committee by the rules of the senate and the house of representatives, by Subchapter B, Chapter 301, Government Code, and by policies of the senate and house committees on administration.

(f) Not later than December 20, 2014, 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 and rule changes that appear necessary from the results of the committee's study under Subsection (a) of this section.

(g) Not later than the 60th day after the effective date of this Act, the lieutenant governor and the speaker of the house of representatives shall appoint the members of the committee created under this section.

(h) The Texas Legislative Council and the Texas Ethics Commission shall provide any necessary staff and resources to the committee created under this section.

SECTION 2. ABOLITION OF COMMITTEE. The committee is abolished and this Act expires December 21, 2014.

SECTION 3. EFFECTIVE DATE. This Act takes effect September 1, 2013.

The amendment was read.

Senator Huffman moved to concur in the House amendment to **SB 1773**.

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

SENATE BILL 511 WITH HOUSE AMENDMENT

Senator Whitmire called **SB 511** 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 511** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

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.

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

SECTION 1. Subsection (d), Section 51.13, Family Code, is 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) or commitment to a post-adjudication secure correctional facility under Section 54.04011 is a final felony conviction only for the purposes of Sections 12.42(a), (b), and (c)(1) or Section 12.425[~~and (e)~~], Penal Code.

SECTION 2. Section 54.04, Family Code, is amended by amending Subsections (d) and (q) and adding Subsection (z) to read as follows:

(d) If the court or jury makes the finding specified in Subsection (c) allowing the court to make a disposition in the case:

(1) the court or jury may, in addition to any order required or authorized under Section 54.041 or 54.042, place the child on probation on such reasonable and lawful terms as the court may determine:

(A) in the child's own home or in the custody of a relative or other fit person; or

(B) subject to the finding under Subsection (c) on the placement of the child outside the child's home, in:

(i) a suitable foster home;

(ii) a suitable public or private residential treatment facility licensed by a state governmental entity or exempted from licensure by state law, except a facility operated by the Texas Juvenile Justice Department [~~Youth Commission~~]; or

(iii) a suitable public or private post-adjudication secure correctional facility that meets the requirements of Section 51.125, except a facility operated by the Texas Juvenile Justice Department [~~Youth Commission~~];

(2) if the court or jury found at the conclusion of the adjudication hearing that the child engaged in delinquent conduct that violates a penal law of this state or the United States of the grade of felony and if the petition was not approved by the grand jury under Section 53.045, the court may commit the child to the Texas Juvenile Justice Department or a post-adjudication secure correctional facility under Section 54.04011(c)(1) [~~Youth Commission~~] without a determinate sentence;

(3) if the court or jury found at the conclusion of the adjudication hearing that the child engaged in delinquent conduct that included a violation of a penal law listed in Section 53.045(a) and if the petition was approved by the grand jury under Section 53.045, the court or jury may sentence the child to commitment in the Texas Juvenile Justice Department or a post-adjudication secure correctional facility under Section 54.04011(c)(2) [~~Youth Commission~~] with a possible transfer to the Texas Department of Criminal Justice for a term of:

(A) not more than 40 years if the conduct constitutes:

- (i) a capital felony;
- (ii) a felony of the first degree; or
- (iii) an aggravated controlled substance felony;

(B) not more than 20 years if the conduct constitutes a felony of the second degree; or

(C) not more than 10 years if the conduct constitutes a felony of the third degree;

(4) the court may assign the child an appropriate sanction level and sanctions as provided by the assignment guidelines in Section 59.003; or

(5) if applicable, the court or jury may make a disposition under Subsection (m) or Section 54.04011(c)(2)(A).

(q) If a court or jury sentences a child to commitment in the Texas Juvenile Justice Department or a post-adjudication secure correctional facility [~~Youth Commission~~] under Subsection (d)(3) for a term of not more than 10 years, the court or jury may place the child on probation under Subsection (d)(1) as an alternative to making the disposition under Subsection (d)(3). The court shall prescribe the period of probation ordered under this subsection for a term of not more than 10 years. The court may, before the sentence of probation expires, extend the probationary period under Section 54.05, except that the sentence of probation and any extension may not exceed 10 years. The court may, before the child's 19th birthday, discharge the child from the sentence of probation. If a sentence of probation ordered under this subsection and any extension of probation ordered under Section 54.05 will continue after the child's 19th birthday, the court shall discharge the child from the sentence of probation on the child's 19th birthday unless the court transfers the child to an appropriate district court under Section 54.051.

(z) Nothing in this section may be construed to prohibit a juvenile court or jury in a county to which Section 54.04011 applies from committing a child to a post-adjudication secure correctional facility in accordance with that section after a disposition hearing held in accordance with this section.

SECTION 3. Chapter 54, Family Code, is amended by adding Section 54.04011 to read as follows:

Sec. 54.04011. COMMITMENT TO POST-ADJUDICATION SECURE CORRECTIONAL FACILITY. (a) In this section, "post-adjudication secure correctional facility" means a facility operated by or under contract with a juvenile board or local juvenile probation department under Section 152.0016, Human Resources Code.

(b) This section applies only to a county in which the juvenile board or local juvenile probation department operates or contracts for the operation of a post-adjudication secure correctional facility.

(c) After a disposition hearing held in accordance with Section 54.04, the juvenile court of a county to which this section applies may commit a child who is found to have engaged in delinquent conduct that constitutes a felony to a post-adjudication secure correctional facility:

(1) without a determinate sentence, if:

(A) the child is found to have engaged in conduct that violates a penal law of the grade of felony and the petition was not approved by the grand jury under Section 53.045;

(B) the child is found to have engaged in conduct that violates a penal law of the grade of felony and the petition was approved by the grand jury under Section 53.045 but the court or jury does not make the finding described by Section 54.04(m)(2); or

(C) the disposition is modified under Section 54.05(f); or

(2) with a determinate sentence, if:

(A) the child is found to have engaged in conduct that included a violation of a penal law listed in Section 53.045 or that is considered habitual felony conduct as described by Section 51.031, the petition was approved by the grand jury under Section 53.045, and, if applicable, the court or jury makes the finding described by Section 54.04(m)(2); or

(B) the disposition is modified under Section 54.05(f).

(d) Nothing in this section may be construed to prohibit:

(1) a juvenile court or jury from making a disposition under Section 54.04, including:

(A) placing a child on probation on such reasonable and lawful terms as the court may determine, including placement in a public or private post-adjudication secure correctional facility under Section 54.04(d)(1)(B)(iii); or

(B) placing a child adjudicated under Section 54.04(d)(3) or (m) on probation for a term of not more than 10 years, as provided in Section 54.04(q); or

(2) the attorney representing the state from filing a motion concerning a child who has been placed on probation under Section 54.04(q) or the juvenile court from holding a hearing under Section 54.051(a).

(e) The provisions of 37 T.A.C. Section 343.610 do not apply to this section.

(f) This section expires on December 31, 2018.

SECTION 4. Subsections (b), (f), (j), and (m), Section 54.05, Family Code, are amended to read as follows:

(b) Except for a commitment to the Texas Juvenile Justice Department or to a post-adjudication secure correctional facility under Section 54.04011, ~~[Youth Commission or]~~ a disposition under Section 54.0402, or a placement on determinate sentence probation under Section 54.04(q), all dispositions automatically terminate when the child reaches the child's 18th birthday.

(f) Except as provided by Subsection (j), a disposition based on a finding that the child engaged in delinquent conduct that violates a penal law of this state or the United States of the grade of felony may be modified so as to commit the child to the Texas Juvenile Justice Department or, if applicable, a post-adjudication secure correctional facility operated under Section 152.0016, Human Resources Code, ~~[Youth Commission]~~ if the court after a hearing to modify disposition finds by a preponderance of the evidence that the child violated a reasonable and lawful order of the court. A disposition based on a finding that the child engaged in habitual felony conduct as described by Section 51.031 or in delinquent conduct that included a violation of a penal law listed in Section 53.045(a) may be modified to commit the child to the Texas Juvenile Justice Department or, if applicable, a post-adjudication secure correctional facility operated under Section 152.0016, Human Resources Code, ~~[Youth Commission]~~ with a possible transfer to the Texas Department of Criminal Justice for a definite term prescribed by, as applicable, Section 54.04(d)(3) or Section 152.0016(g), Human Resources Code, if the original petition was approved by the grand jury under Section 53.045 and if after a hearing to modify the disposition the court finds that the child violated a reasonable and lawful order of the court.

(j) If, after conducting a hearing to modify disposition without a jury, the court finds by a preponderance of the evidence that a child violated a reasonable and lawful condition of probation ordered under Section 54.04(q), the court may modify the disposition to commit the child to the Texas Juvenile Justice Department ~~[Youth Commission]~~ under Section 54.04(d)(3) or, if applicable, a post-adjudication secure correctional facility operated under Section 152.0016, Human Resources Code, for a term that does not exceed the original sentence assessed by the court or jury.

(m) If the court places the child on probation outside the child's home or commits the child to the Texas Juvenile Justice Department or to a post-adjudication secure correctional facility operated under Section 152.0016, Human Resources Code ~~[Youth Commission]~~, the court:

(1) shall include in the court's order a determination that:

(A) it is in the child's best interests to be placed outside the child's home;

(B) reasonable efforts were made to prevent or eliminate the need for the child's removal from the child's home and to make it possible for the child to return home; and

(C) the child, in the child's home, cannot be provided the quality of care and level of support and supervision that the child needs to meet the conditions of probation; and

(2) may approve an administrative body to conduct a permanency hearing pursuant to 42 U.S.C. Section 675 if required during the placement or commitment of the child.

SECTION 5. Subsections (a), (b), and (d), Section 54.052, Family Code, are amended to read as follows:

(a) This section applies only to a child who is committed to:

(1) the Texas Juvenile Justice Department [~~Youth Commission~~] under a determinate sentence under Section 54.04(d)(3) or (m) or Section 54.05(f); or

(2) a post-adjudication secure correctional facility under a determinate sentence under Section 54.04011(c)(2).

(b) The judge of the court in which a child is adjudicated shall give the child credit on the child's sentence for the time spent by the child, in connection with the conduct for which the child was adjudicated, in a secure detention facility before the child's transfer to a Texas Juvenile Justice Department [~~Youth Commission~~] facility or a post-adjudication secure correctional facility, as applicable.

(d) The Texas Juvenile Justice Department or the juvenile board or local juvenile probation department operating or contracting for the operation of the post-adjudication secure correctional facility under Section 152.0016, Human Resources Code, as applicable, [~~Youth Commission~~] shall grant any credit under this section in computing the child's eligibility for parole and discharge.

SECTION 6. Subsections (a), (h), (i), (j), and (k), Section 54.11, Family Code, are amended to read as follows:

(a) On receipt of a referral under Section 244.014(a), Human Resources Code, for the transfer to the Texas Department of Criminal Justice of a person committed to the Texas Juvenile Justice Department under Section 54.04(d)(3), 54.04(m), or 54.05(f), ~~or~~ on receipt of a request by the Texas Juvenile Justice Department under Section 245.051(d), Human Resources Code, for approval of the release under supervision of a person committed to the Texas Juvenile Justice Department under Section 54.04(d)(3), 54.04(m), or 54.05(f), or on receipt of a referral under Section 152.0016(g), Human Resources Code, the court shall set a time and place for a hearing on the release of the person.

(h) The hearing on a person who is referred for transfer under Section 152.0016(j) or 244.014(a), Human Resources Code, shall be held not later than the 60th day after the date the court receives the referral.

(i) On conclusion of the hearing on a person who is referred for transfer under Section 152.0016(j) or 244.014(a), Human Resources Code, the court may, as applicable, order:

(1) the return of the person to the Texas Juvenile Justice Department or post-adjudication secure correctional facility; or

(2) the transfer of the person to the custody of the Texas Department of Criminal Justice for the completion of the person's sentence.

(j) On conclusion of the hearing on a person who is referred for release under supervision under Section 152.0016(g) or 245.051(c), Human Resources Code, the court may, as applicable, order the return of the person to the Texas Juvenile Justice Department or post-adjudication secure correctional facility:

(1) with approval for the release of the person under supervision; or

(2) without approval for the release of the person under supervision.

(k) In making a determination under this section, the court may consider the experiences and character of the person before and after commitment to the Texas Juvenile Justice Department or post-adjudication secure correctional facility [~~youth commission~~], the nature of the penal offense that the person was found to have committed and the manner in which the offense was committed, the abilities of the person to contribute to society, the protection of the victim of the offense or any member of the victim's family, the recommendations of the Texas Juvenile Justice Department, county juvenile board, local juvenile probation department, [~~youth commission~~] and prosecuting attorney, the best interests of the person, and any other factor relevant to the issue to be decided.

SECTION 7. Section 59.009, Family Code, is amended to read as follows:

Sec. 59.009. SANCTION LEVEL SIX. (a) For a child at sanction level six, the juvenile court may commit the child to the custody of the Texas Juvenile Justice Department or a post-adjudication secure correctional facility under Section 54.04011(c)(1) [~~Youth Commission~~]. The department, juvenile board, or local juvenile probation department, as applicable, [~~commission~~] may:

(1) require the child to participate in a highly structured residential program that emphasizes discipline, accountability, fitness, training, and productive work for not less than nine months or more than 24 months unless the department, board, or probation department [~~commission~~] extends the period and the reason for an extension is documented;

(2) require the child to make restitution to the victim of the child's conduct or perform community service restitution appropriate to the nature and degree of the harm caused and according to the child's ability, if there is a victim of the child's conduct;

(3) require the child and the child's parents or guardians to participate in programs and services for their particular needs and circumstances; and

(4) if appropriate, impose additional sanctions.

(b) On release of the child under supervision, the Texas Juvenile Justice Department [~~Youth Commission~~] parole programs or the juvenile board or local juvenile probation department operating parole programs under Section 152.0016(c)(2), Human Resources Code, may:

(1) impose highly structured restrictions on the child's activities and requirements for behavior of the child as conditions of release under supervision;

(2) require a parole officer to closely monitor the child for not less than six months; and

(3) if appropriate, impose any other conditions of supervision.

(c) The Texas Juvenile Justice Department, juvenile board, or local juvenile probation department [~~Youth Commission~~] may discharge the child from the [~~commission's~~] custody of the department, board, or probation department, as applicable, on the date the provisions of this section are met or on the child's 19th birthday, whichever is earlier.

SECTION 8. Section 59.010, Family Code, is amended to read as follows:

Sec. 59.010. SANCTION LEVEL SEVEN. (a) For a child at sanction level seven, the juvenile court may certify and transfer the child under Section 54.02 or sentence the child to commitment to the Texas Juvenile Justice Department [~~Youth~~

~~Commission~~] under Section 54.04(d)(3), 54.04(m), or 54.05(f) or to a post-adjudication secure correctional facility under Section 54.04011(c)(2). The department, juvenile board, or local juvenile probation department, as applicable, ~~commission~~ may:

(1) require the child to participate in a highly structured residential program that emphasizes discipline, accountability, fitness, training, and productive work for not less than 12 months or more than 10 years unless the department, board, or probation department ~~commission~~ extends the period and the reason for the extension is documented;

(2) require the child to make restitution to the victim of the child's conduct or perform community service restitution appropriate to the nature and degree of harm caused and according to the child's ability, if there is a victim of the child's conduct;

(3) require the child and the child's parents or guardians to participate in programs and services for their particular needs and circumstances; and

(4) impose any other appropriate sanction.

(b) On release of the child under supervision, the Texas Juvenile Justice Department ~~Youth Commission~~ parole programs or the juvenile board or local juvenile probation department parole programs under Section 152.0016(c)(2), Human Resources Code, may:

(1) impose highly structured restrictions on the child's activities and requirements for behavior of the child as conditions of release under supervision;

(2) require a parole officer to monitor the child closely for not less than 12 months; and

(3) impose any other appropriate condition of supervision.

SECTION 9. Subsection (b), Section 841.003, Health and Safety Code, is amended to read as follows:

(b) A person is a repeat sexually violent offender for the purposes of this chapter if the person is convicted of more than one sexually violent offense and a sentence is imposed for at least one of the offenses or if:

(1) the person:

(A) is convicted of a sexually violent offense, regardless of whether the sentence for the offense was ever imposed or whether the sentence was probated and the person was subsequently discharged from community supervision;

(B) enters a plea of guilty or nolo contendere for a sexually violent offense in return for a grant of deferred adjudication;

(C) is adjudged not guilty by reason of insanity of a sexually violent offense; or

(D) is adjudicated by a juvenile court as having engaged in delinquent conduct constituting a sexually violent offense and is committed to the Texas Juvenile Justice Department ~~Youth Commission~~ under Section 54.04(d)(3) or (m), Family Code; and

(2) after the date on which under Subdivision (1) the person is convicted, receives a grant of deferred adjudication, is adjudged not guilty by reason of insanity, or is adjudicated by a juvenile court as having engaged in delinquent conduct, the person commits a sexually violent offense for which the person:

(A) is convicted, but only if the sentence for the offense is imposed; or

(B) is adjudged not guilty by reason of insanity.

SECTION 10. Subchapter A, Chapter 152, Human Resources Code, is amended by adding Section 152.0016 to read as follows:

Sec. 152.0016. POST-ADJUDICATION SECURE CORRECTIONAL FACILITIES; RELEASE UNDER SUPERVISION. (a) This section applies only to a county that has a population of more than one million and less than 1.5 million.

(b) In this section, "post-adjudication secure correctional facility" means a facility operated by or under contract with a juvenile board or local juvenile probation department in accordance with Section 51.125, Family Code.

(c) A juvenile board shall establish a policy that specifies whether the juvenile board or a local juvenile probation department that serves a county to which this section applies may:

(1) operate or contract for the operation of a post-adjudication secure correctional facility to confine children committed to the facility under Section 54.04011, Family Code; and

(2) operate a program through which a child committed to a post-adjudication secure correctional facility under Section 54.04011, Family Code, may be released under supervision and place the child in the child's home or in any situation or family approved by the juvenile board or local juvenile probation department.

(d) Before placing a child in the child's home under Subsection (c)(2), the juvenile board or local juvenile probation department shall evaluate the home setting to determine the level of supervision and quality of care that is available in the home.

(e) A juvenile board or a local juvenile probation department shall accept a person properly committed to it by a juvenile court under Section 54.04011, Family Code, in the same manner in which the Texas Juvenile Justice Department accepts a person under Section 54.04(e), Family Code, even though the person may be 17 years of age or older at the time of the commitment.

(f) A juvenile board or a local juvenile probation department shall establish a minimum length of stay for each child committed without a determinate sentence under Section 54.04011(c)(1), Family Code, in the same manner that the Texas Juvenile Justice Department determines a minimum length of stay for a child committed to the department under Section 243.002.

(g) Except as provided by Subsection (h), if a child is committed to a post-adjudication secure correctional facility under Section 54.04011(c)(2), Family Code, the local juvenile probation department may not release the child under supervision without approval by the juvenile court that entered the order of commitment under Section 54.04011, Family Code, unless the child has been confined not less than:

(1) 10 years for capital murder;

(2) three years for an aggravated controlled substance felony or a felony of the first degree;

(3) two years for a felony of the second degree; and

(4) one year for a felony of the third degree.

(h) The juvenile board or local juvenile probation department may release a child who has been committed to a post-adjudication secure correctional facility with a determinate sentence under Section 54.04011(c)(2), Family Code, under supervision without approval of the juvenile court that entered the order of commitment if not more than nine months remain before the child's discharge as provided by Section 245.051(g).

(i) The juvenile board or local juvenile probation department may resume the care and custody of any child released under supervision at any time before the final discharge of the child in accordance with the rules governing the Texas Juvenile Justice Department regarding resumption of care.

(j) After a child committed to a post-adjudication secure correctional facility with a determinate sentence under Section 54.04011(c)(2), Family Code, becomes 16 years of age but before the child becomes 19 years of age, the juvenile board or local juvenile probation department operating or contracting for the operation of the facility may refer the child to the juvenile court that entered the order of commitment for approval of the child's transfer to the Texas Department of Criminal Justice for confinement if the child has not completed the sentence and:

(1) the child's conduct, regardless of whether the child was released under supervision through a program established by the board or department, indicates that the welfare of the community requires the transfer; or

(2) while the child was released under supervision:

(A) a juvenile court adjudicated the child as having engaged in delinquent conduct constituting a felony offense;

(B) a criminal court convicted the child of a felony offense; or

(C) the child's release under supervision was revoked.

(k) A juvenile board or local juvenile probation department operating or contracting for the operation of a post-adjudication secure correctional facility under this section shall develop a comprehensive plan for each child committed to the facility under Section 54.04011, Family Code, regardless of whether the child is committed with or without a determinate sentence, to reduce recidivism and ensure the successful reentry and reintegration of the child into the community following the child's release under supervision or final discharge from the facility, as applicable.

(l) This section expires on December 31, 2018.

SECTION 11. Subsection (f), Section 12.42, Penal Code, is amended to read as follows:

(f) For the purposes of Subsections (a), (b), and (c)(1), ~~and (e),~~ an adjudication by a juvenile court under Section 54.03, Family Code, that a child engaged in delinquent conduct on or after January 1, 1996, constituting a felony offense for which the child is committed to the Texas Juvenile Justice Department ~~[Youth Commission]~~ under Section 54.04(d)(2), (d)(3), or (m), Family Code, or Section 54.05(f), Family Code, or to a post-adjudication secure correctional facility under Section 54.04011, Family Code, is a final felony conviction.

SECTION 12. The changes in law made by this Act apply only to conduct that occurs on or after the effective date of this Act. Conduct that occurs before the effective date of this Act is covered by the law in effect at the time the conduct

occurred, and the former law is continued in effect for that purpose. For the purposes of this section, conduct occurs before the effective date of this Act if any element of the conduct occurred before that date.

SECTION 13. This Act takes effect December 1, 2013.

The amendment was read.

Senator Whitmire moved to concur in the House amendment to **SB 511**.

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

SENATE BILL 268 WITH HOUSE AMENDMENT

Senator Seliger called **SB 268** 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 268** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

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.

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

SECTION 1. Section-46.002, Government Code, is amended to read as follows:

Sec. 46.002. PROSECUTORS SUBJECT TO CHAPTER. This chapter applies to the state prosecuting attorney, all county prosecutors, and the following state prosecutors:

(1) the district attorneys for Kenedy and Kleberg Counties and for the 1st, 2nd, 8th, 9th, 12th, 18th, 21st, 23rd, 25th, 26th, 27th, 29th, 31st, 32nd, 33rd, 34th, 35th, 36th, 38th, 39th, 42nd, 43rd, 46th, 47th, 49th, 50th, 51st, 52nd, 53rd, 63rd, 64th, 66th, 69th, 70th, 76th, 81st, 83rd, 84th, 85th, 88th, 90th, 97th, 100th, 105th, 106th, 109th, 110th, 112th, 118th, 119th, 123rd, 142nd, 143rd, 145th, 156th, 159th, 173rd, 196th, 198th, 216th, 220th, 229th, 235th, 253rd, 258th, 259th, 266th, 268th, 271st, 286th, 287th, 329th, 344th, 349th, 355th, and 506th judicial districts;

(2) the criminal district attorneys for the counties of Anderson, Austin, Bastrop, Bexar, Bowie, Brazoria, Caldwell, Calhoun, Cass, Collin, Comal, Dallas, Deaf Smith, Denton, Eastland, Fannin, Galveston, Grayson, Gregg, Harrison, Hays, Hidalgo, Jasper, Jefferson, Kaufman, Lubbock, McLennan, Madison, Navarro, Newton, Panola, Polk, Randall, Rockwall, San Jacinto, Smith, Tarrant, Taylor, Tyler, Upshur, Van Zandt, Victoria, Walker, Waller, Wichita, Wood, and Yoakum; and

(3) the county attorneys performing the duties of district attorneys in the counties of Andrews, Callahan, Cameron, Castro, Colorado, Crosby, Ellis, Falls, Freestone, Lamar, Lamb, Lampasas, Lee, Limestone, Marion, Milam, Morris, Ochiltree, Oldham, Orange, Rains, Red River, Robertson, Rusk, Swisher, Terry, Webb, and Willacy.

SECTION 2. This Act takes effect September 1, 2013.

The amendment was read.

Senator Seliger moved to concur in the House amendment to **SB 268**.

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

RECESS

On motion of Senator Whitmire, the Senate at 2:30 p.m. recessed until 3:00 p.m. today.

AFTER RECESS

The Senate met at 4:38 p.m. and was called to order by Senator Eltife.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER
Austin, Texas
Friday, May 24, 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 CONCURRED IN THE SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

- HB 31** (146 Yeas, 0 Nays, 2 Present, not voting)
- HB 97** (146 Yeas, 0 Nays, 1 Present, not voting)
- HB 195** (144 Yeas, 0 Nays, 3 Present, not voting)
- HB 232** (140 Yeas, 4 Nays, 3 Present, not voting)
- HB 315** (146 Yeas, 0 Nays, 1 Present, not voting)
- HB 437** (143 Yeas, 0 Nays, 3 Present, not voting)
- HB 697** (146 Yeas, 0 Nays, 2 Present, not voting)
- HB 796** (124 Yeas, 21 Nays, 2 Present, not voting)
- HB 1023** (142 Yeas, 2 Nays, 2 Present, not voting)
- HB 1223** (143 Yeas, 1 Nays, 1 Present, not voting)
- HB 1324** (145 Yeas, 0 Nays, 2 Present, not voting)
- HB 1366** (110 Yeas, 29 Nays, 1 Present, not voting)
- HB 1435** (144 Yeas, 0 Nays, 2 Present, not voting)
- HB 1726** (141 Yeas, 3 Nays, 1 Present, not voting)
- HB 1751** (140 Yeas, 3 Nays, 2 Present, not voting)
- HB 1803** (144 Yeas, 0 Nays, 2 Present, not voting)
- HB 1847** (142 Yeas, 1 Nays, 1 Present, not voting)

HB 1864 (144 Yeas, 0 Nays, 2 Present, not voting)

HB 2080 (142 Yeas, 1 Nays, 2 Present, not voting)

HB 2268 (142 Yeas, 0 Nays, 2 Present, not voting)

HB 2422 (146 Yeas, 0 Nays, 2 Present, not voting)

HB 2612 (143 Yeas, 0 Nays, 2 Present, not voting)

HB 2859 (109 Yeas, 35 Nays, 2 Present, not voting)

HB 2862 (146 Yeas, 0 Nays, 1 Present, not voting)

HB 2912 (145 Yeas, 0 Nays, 1 Present, not voting)

HB 2978 (143 Yeas, 0 Nays, 1 Present, not voting)

HB 3433 (131 Yeas, 13 Nays, 1 Present, not voting)

HB 3509 (134 Yeas, 10 Nays, 2 Present, not voting)

HB 3954 (144 Yeas, 0 Nays, 1 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 6 (non-record vote)

House Conferees: Otto - Chair/Bonnen, Dennis/Darby/Geren/Pitts

HB 7 (non-record vote)

House Conferees: Darby - Chair/Eiland/Otto/Pitts/Turner, Sylvester

HB 194 (non-record vote)

House Conferees: Farias - Chair/Guillen/Menéndez/Miller, Rick/Sheets

HB 489 (non-record vote)

House Conferees: Menéndez - Chair/Collier/Dale/Miller, Rick/Moody

HB 500 (non-record vote)

House Conferees: Hilderbran - Chair/Bohac/Button/Gonzalez, Naomi/King, Tracy O.

HB 586 (non-record vote)

House Conferees: Workman - Chair/Callegari/Farrar/Leach/Menéndez

HB 680 (non-record vote)

House Conferees with Instructions: Burkett - Chair/Cortez/Farias/Fletcher/Sheets

HB 1025 (non-record vote)

House Conferees: Pitts - Chair/Darby/Martinez Fischer/Oliveira/Otto

HB 2305 (non-record vote)

House Conferees: Rodriguez, Eddie - Chair/Harper-Brown/Johnson/Martinez, "Mando"/Workman

HB 3390 (non-record vote)

House Conferees: Hilderbran - Chair/Darby/Davis, John/Eiland/Murphy

THE HOUSE HAS TAKEN THE FOLLOWING OTHER ACTION:

HB 3523

Pursuant to Rule 13, Section 5A of the Rules of the Texas House, 83rd Legislature, the house hereby returns HB 3523 to the senate for further consideration due to non-germane amendments.

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

SENATE RESOLUTION 1037

Senator West offered the following resolution:

SR 1037, Recognizing Mary K. Suhm on the occasion of her retirement.

The resolution was read and was adopted without objection.

SENATE BILL 1292 WITH HOUSE AMENDMENTS

Senator Ellis called **SB 1292** 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 1292** (house committee printing) as follows:

(1) On page 1, line 9, between "penalty," and "the Department", insert "subject to Subsection (j), the state shall require either".

(2) On page 1, line 10, strike "shall" and substitute "through one of its laboratories or a laboratory accredited under Section 411.0205, Government Code, to".

(3) On page 1, line 11, strike "department's" and substitute "laboratory's".

(4) On page 1, lines 11-13, strike "or have DNA tested by a laboratory accredited under Section 411.0205, Government Code, on all" and substitute "on any".

(5) On page 1, line 14, between "offense" and the underlined period, insert "and is in the possession of the state".

(6) On page 1, line 15, strike "performed the" and substitute "performs the".

(7) On page 1, line 19, between "case," and "the", insert "unless the state has affirmatively waived the death penalty in writing,".

(8) On page 2, strike lines 7-10 and substitute the following:
to the state and the defendant. At the hearing, there is a rebuttable presumption that the biological material that the defendant requests to be tested constitutes biological evidence that is required to be tested under Subsection (i). This subsection does not in any way prohibit the state from testing biological evidence in the state's possession.

(9) On page 2, line 14, strike "documentation" and substitute "bench notes prepared by the laboratory that are".

(10) On page 2, strike lines 16-18 and substitute the following:

(l) The defendant's exclusive remedy for testing that was not performed as required under Subsection (i) or (j) is to seek a writ of mandamus from the court of criminal appeals at any time on or before the date an application for a writ of habeas corpus is due to be filed in the defendant's case under Section 4(a), Article 11.071. An application for a writ of mandamus under this subsection does not toll any period of limitations applicable to a habeas petition under state or federal law. The defendant is entitled to only one application for a writ of mandamus under this subsection. At any time after the date an application for a writ of habeas corpus is filed in the defendant's case under Section 4(a), Article 11.071, the defendant may file one additional motion for forensic testing under Chapter 64.

Floor Amendment No. 2

Amend **SB 1292** (house committee printing) on page 2, line 11, between "destroyed" and "as" by inserting "or lost".

The amendments were read.

Senator Ellis moved to concur in the House amendments to **SB 1292**.

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

SENATE BILL 126 WITH HOUSE AMENDMENT

Senator Nelson called **SB 126** 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 126** (house committee report) as follows:

(1) On page 1, line 8, between "department" and "shall", insert ", in collaboration with the commission,".

(2) On page 1, line 11, strike "and the department" and substitute ", the department, and the commission".

(3) On page 1, line 16, between "(2)" and "managed", insert "Medicaid".

(4) On page 1, line 18, between "(3)" and "persons", insert "agencies, organizations, and".

(5) Strike page 1, line 20, through page 2, line 3, and substitute the following:

(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.

(6) Insert the following appropriately numbered SECTION and renumber subsequent SECTIONS accordingly:

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.

The amendment was read.

Senator Nelson moved to concur in the House amendment to **SB 126**.

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

SENATE BILL 345 WITH HOUSE AMENDMENT

Senator Whitmire called **SB 345** 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 345** by adding the following appropriately numbered SECTIONS to the bill and renumbering the remaining SECTIONS of the bill accordingly:

SECTION _____. Section 501.009, Government Code, is amended to read as follows:

Sec. 501.009. VOLUNTEER AND FAITH-BASED ORGANIZATIONS; REPORT. (a) The department shall adopt a policy that requires each warden to identify [~~actively encourage~~] volunteer and faith-based organizations that [~~to~~] provide [~~the following~~] programs for inmates housed in facilities operated by the department. The policy must require each warden to actively encourage volunteer and faith-based organizations to provide the following programs for inmates in the warden's facility:

- (1) literacy and education programs;
- (2) life skills programs;
- (3) job skills programs;
- (4) parent-training programs;
- (5) drug and alcohol rehabilitation programs;
- (6) support group programs;
- (7) arts and crafts programs; and
- (8) other programs determined by the department to aid inmates in the

transition between confinement and society and to reduce incidence of recidivism among inmates.

(b) The policy must require that each warden submit a report to the board not later than December 31 of each year that includes, for the preceding fiscal year, a summary of:

(1) the programs provided to inmates under this section; and

(2) the actions taken by the warden to identify volunteer and faith-based organizations willing to provide programs to inmates and to encourage those organizations to provide programs in the warden's facility.

SECTION _____. Not later than December 1, 2013, the Texas Department of Criminal Justice shall adopt the policy, including a schedule for implementing the policy, required by Section 501.009, Government Code, as amended by this Act.

The amendment was read.

Senator Whitmire moved to concur in the House amendment to **SB 345**.

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

SENATE BILL 1234 WITH HOUSE AMENDMENTS

Senator Whitmire called **SB 1234** 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 1234** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the prevention of truancy and the offense of failure to attend school.

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

SECTION 1. Subsection (i), Article 45.054, Code of Criminal Procedure, is amended to read as follows:

(i) A county, justice, or municipal court shall dismiss the complaint against an individual alleging that the individual committed an offense under Section 25.094, Education Code, if:

(1) the court finds that the individual has successfully complied with the conditions imposed on the individual by the court under this article; or

(2) the individual presents to the court proof that the individual has obtained a high school diploma or a high school equivalency certificate after taking a high school equivalency examination administered under Section 7.111, Education Code.

SECTION 2. Subsection (e), Article 45.055, Code of Criminal Procedure, is amended to read as follows:

(e) A court shall expunge an individual's conviction under Section 25.094, Education Code, and records relating to a conviction, regardless of whether the individual has previously been convicted of an offense under that section, if:

(1) the court finds that the individual has successfully complied with the conditions imposed on the individual by the court under Article 45.054; or

(2) before the individual's 21st birthday, the individual presents to the court proof that the individual has obtained a high school diploma or a high school equivalency certificate after taking a high school equivalency examination administered under Section 7.111, Education Code.

SECTION 3. Article 45.056, Code of Criminal Procedure, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) Except as provided by Subsection (a-1), ~~[On approval of the commissioners court, city council, school district board of trustees, juvenile board, or other appropriate authority,]~~ a county court, justice court, municipal court, school district, or juvenile probation department shall ~~[- or other appropriate governmental entity may:]~~

~~[(+)]~~ employ a case manager or agree, in accordance with Chapter 791, Government Code, with any entity listed in this subsection or another appropriate governmental entity to jointly employ a case manager to provide services in cases involving:

(1) a juvenile offender who is ~~[offenders]~~ before a court consistent with the court's statutory powers; or

(2) a student, before the student is referred to a court for a violation of Section 25.094, Education Code, who is referred to the case manager by a school administrator or designee for intervention services because the student is considered at risk of dropping out of school, if the student and the student's parent or guardian consent to the referral to the ~~[agree in accordance with Chapter 791, Government Code, to jointly employ a]~~ case manager.

~~(a-1) A school district that employs a truancy prevention facilitator is not required to employ a case manager.~~

SECTION 4. Subsection (e), Section 25.085, Education Code, is amended to read as follows:

(e) A person who voluntarily enrolls in school or voluntarily attends school after the person's 18th birthday shall attend school each school day for the entire period the program of instruction is offered. A school district may revoke for the remainder of the school year the enrollment of a person who has more than five absences in a semester that are not excused under Section 25.087, except that a school district may not revoke the enrollment of a person under this subsection on a day on which the person is physically present at school. A person whose enrollment is revoked under this subsection may be considered an unauthorized person on school district grounds for purposes of Section 37.107.

SECTION 5. Subsection (a), Section 25.087, Education Code, is amended to read as follows:

(a) A person required to attend school ~~[- including a person required to attend school under Section 25.085(e);]~~ may be excused for temporary absence resulting from any cause acceptable to the teacher, principal, or superintendent of the school in which the person is enrolled.

SECTION 6. Section 25.0915, Education Code, is amended to read as follows:

Sec. 25.0915. TRUANCY PREVENTION MEASURES; REFERRAL AND FILING REQUIREMENT. (a) A school district shall adopt truancy prevention measures designed to:

(1) address student conduct related to truancy in the school setting before the student violates Section 25.094;

(2) minimize the need for referrals to juvenile court for conduct described by Section 51.03(b)(2), Family Code; and

(3) minimize the filing of complaints in county, justice, and municipal courts alleging a violation of Section 25.094.

(b) As a truancy prevention measure under Subsection (a), a school district may:

(1) issue a warning letter to the student and the student's parent or guardian that states the number of absences of the student and explains the consequences if the student has additional absences;

(2) impose:

(A) a behavior improvement plan on the student that must be signed by the student, the student's parent or guardian, and an employee of the school and that includes:

(i) a specific description of the behavior that is required or prohibited for the student;

(ii) the period for which the plan will be effective, not to exceed 45 school days after the date the contract becomes effective; and

(iii) the penalties for additional absences, including additional disciplinary action or the referral of the student to a juvenile court; and

(B) school-based community service; or

(3) refer the student to counseling, community-based services, or other in-school or out-of-school services aimed at addressing the student's truancy.

(c) A referral made under Subsection (b)(3) may include participation by the child's parent or guardian if necessary.

(d) Each referral to juvenile court for conduct described by Section 51.03(b)(2), Family Code, or complaint filed in county, justice, or municipal court alleging a violation by a student of Section 25.094 must:

(1) be accompanied by a statement from the student's school certifying that:

(A) the school applied the truancy prevention measures adopted under Subsection (a) to the student; and

(B) the truancy prevention measures failed to meaningfully address the student's school attendance; and

(2) specify whether the student is eligible for or receives special education services under Subchapter A, Chapter 29.

SECTION 7. Subsection (e), Section 25.094, Education Code, is amended to read as follows:

(e) An offense under this section is a Class C misdemeanor punishable by a fine not to exceed:

(1) \$100 for a first offense;

(2) \$200 for a second offense;

(3) \$300 for a third offense;

(4) \$400 for a fourth offense; or

(5) \$500 for a fifth or subsequent offense.

SECTION 8. Subsections (a) and (b), Section 25.0951, Education Code, are amended to read as follows:

(a) If a student fails to attend school without excuse on 10 or more days or parts of days within a six-month period in the same school year, a school district shall within 10 school days of the student's 10th absence:

(1) file a complaint against the student or the student's parent or, if the district provides evidence that both the student and the student's parent contributed to the student's failure to attend school, both the student and the parent in a county, justice, or municipal court for an offense under Section 25.093 or 25.094, as appropriate, or refer the student to a juvenile court in a county with a population of less than 100,000 for conduct that violates Section 25.094; or

(2) refer the student to a juvenile court for conduct indicating a need for supervision under Section 51.03(b)(2), Family Code.

(b) If a student fails to attend school without excuse on three or more days or parts of days within a four-week period but does not fail to attend school for the time described by Subsection (a), the school district may:

(1) file a complaint against the student or the student's parent or, if the district provides evidence that both the student and the student's parent contributed to the student's failure to attend school, both the student and the parent in a county, justice, or municipal court for an offense under Section 25.093 or 25.094, as appropriate, or refer the student to a juvenile court in a county with a population of less than 100,000 for conduct that violates Section 25.094; or

(2) refer the student to a juvenile court for conduct indicating a need for supervision under Section 51.03(b)(2), Family Code.

SECTION 9. The changes in law made by this Act apply only to conduct violating Section 25.094, Education Code, on or after the effective date of this Act. A violation that occurs before the effective date of this Act is covered by the law in effect when the violation occurred, and the former law is continued in effect for that purpose. For purposes of this section, a violation occurs before the effective date of this Act if any element of the violation occurs before that date.

SECTION 10. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 1234** (house committee report) by striking all below the enacting clause and substituting the following:

SECTION 1. Subsection (i), Article 45.054, Code of Criminal Procedure, is amended to read as follows:

(i) A county, justice, or municipal court shall dismiss the complaint against an individual alleging that the individual committed an offense under Section 25.094, Education Code, if:

(1) the court finds that the individual has successfully complied with the conditions imposed on the individual by the court under this article; or

(2) the individual presents to the court proof that the individual has obtained a high school diploma or a high school equivalency certificate after taking a high school equivalency examination administered under Section 7.111, Education Code.

SECTION 2. Subsection (e), Article 45.055, Code of Criminal Procedure, is amended to read as follows:

(e) A court shall expunge an individual's conviction under Section 25.094, Education Code, and records relating to a conviction, regardless of whether the individual has previously been convicted of an offense under that section, if:

(1) the court finds that the individual has successfully complied with the conditions imposed on the individual by the court under Article 45.054; or

(2) before the individual's 21st birthday, the individual presents to the court proof that the individual has obtained a high school diploma or a high school equivalency certificate after taking a high school equivalency examination administered under Section 7.111, Education Code.

SECTION 3. Subsection (a), Article 45.056, Code of Criminal Procedure, is amended to read as follows:

(a) On approval of the commissioners court, city council, [~~school district board of trustees,~~] juvenile board, or other appropriate authority, a county court, justice court, municipal court, [~~school district,~~] juvenile probation department, or other appropriate governmental entity may[~~:~~

~~[(4)]~~ employ a case manager or agree, in accordance with Chapter 791, Government Code, with any appropriate governmental entity to jointly employ a case manager or to jointly contribute to the costs of a case manager employed by one governmental entity to provide services in cases involving juvenile offenders before a court consistent with the court's statutory powers[~~;~~ or

~~[(2) agree in accordance with Chapter 791, Government Code, to jointly employ a case manager].~~

SECTION 4. Section 25.085, Education Code, is amended by amending Subsection (e) and adding Subsections (g) and (h) to read as follows:

(e) A person who voluntarily enrolls in school or voluntarily attends school after the person's 18th birthday shall attend school each school day for the entire period the program of instruction is offered. A school district may revoke for the remainder of the school year the enrollment of a person who has more than five absences in a semester that are not excused under Section 25.087, except that a school district may not revoke the enrollment of a person under this subsection on a day on which the person is physically present at school. A person whose enrollment is revoked under this subsection may be considered an unauthorized person on school district grounds for purposes of Section 37.107:

(g) After the third unexcused absence of a person described by Subsection (e), a school district shall issue a warning letter to the person that states the person's enrollment may be revoked for the remainder of the school year if the person has more than five unexcused absences in a semester.

(h) As an alternative to revoking a person's enrollment under Subsection (e), a school district may impose a behavior improvement plan described by Section 25.0915(b)(1).

SECTION 5. Section 25.0915, Education Code, is amended to read as follows:

Sec. 25.0915. TRUANCY PREVENTION MEASURES; REFERRAL AND FILING REQUIREMENT. (a) A school district shall adopt truancy prevention measures designed to:

(1) address student conduct related to truancy in the school setting before the student violates Section 25.094;

(2) minimize the need for referrals to juvenile court for conduct described by Section 51.03(b)(2), Family Code; and

(3) minimize the filing of complaints in county, justice, and municipal courts alleging a violation of Section 25.094.

(b) As a truancy prevention measure under Subsection (a), a school district may take one or more of the following actions:

(1) impose:

(A) a behavior improvement plan on the student that must be signed by an employee of the school, that the school district has made a good faith effort to have signed by the student and the student's parent or guardian, and that includes:

(i) a specific description of the behavior that is required or prohibited for the student;

(ii) the period for which the plan will be effective, not to exceed 45 school days after the date the contract becomes effective; or

(iii) the penalties for additional absences, including additional disciplinary action or the referral of the student to a juvenile court; or

(B) school-based community service; or

(2) refer the student to counseling, community-based services, or other in-school or out-of-school services aimed at addressing the student's truancy.

(c) A referral made under Subsection (b)(2) may include participation by the child's parent or guardian if necessary.

(d) Each referral to juvenile court for conduct described by Section 51.03(b)(2), Family Code, or complaint filed in county, justice, or municipal court alleging a violation by a student of Section 25.094 must:

(1) be accompanied by a statement from the student's school certifying that:

(A) the school applied the truancy prevention measures adopted under Subsection (a) to the student; and

(B) the truancy prevention measures failed to meaningfully address the student's school attendance; and

(2) specify whether the student is eligible for or receives special education services under Subchapter A, Chapter 29.

(e) Except as provided by Subsection (f), a school district shall employ a truancy prevention facilitator to implement the truancy prevention measures required by this section and any other effective truancy prevention measures as determined by the school district or campus. At least annually, the truancy prevention facilitator shall meet to discuss effective truancy prevention measures with a case manager or other individual designated by a juvenile or criminal court to provide services to students of the school district in truancy cases.

(f) Instead of employing a truancy prevention facilitator, a school district may designate an existing district employee to implement the truancy prevention measures required by this section and any other effective truancy prevention measures as determined by the school district or campus.

SECTION 6. Subsection (e), Section 25.094, Education Code, is amended to read as follows:

(e) An offense under this section is a [Class C] misdemeanor punishable by a fine not to exceed:

- (1) \$100 for a first offense;
- (2) \$200 for a second offense;
- (3) \$300 for a third offense;
- (4) \$400 for a fourth offense; or
- (5) \$500 for a fifth or subsequent offense.

SECTION 7. Subsections (a) and (b), Section 25.0951, Education Code, are amended to read as follows:

(a) If a student fails to attend school without excuse on 10 or more days or parts of days within a six-month period in the same school year, a school district shall within 10 school days of the student's 10th absence:

(1) file a complaint against the student or the student's parent or, if the district provides evidence that both the student and the student's parent contributed to the student's failure to attend school, both the student and the parent in a county, justice, or municipal court for an offense under Section 25.093 or 25.094, as appropriate, or refer the student to a juvenile court in a county with a population of less than 100,000 for conduct that violates Section 25.094; or

(2) refer the student to a juvenile court for conduct indicating a need for supervision under Section 51.03(b)(2), Family Code.

(b) If a student fails to attend school without excuse on three or more days or parts of days within a four-week period but does not fail to attend school for the time described by Subsection (a), the school district may:

(1) file a complaint against the student or the student's parent or, if the district provides evidence that both the student and the student's parent contributed to the student's failure to attend school, both the student and the parent in a county, justice, or municipal court for an offense under Section 25.093 or 25.094, as appropriate, or refer the student to a juvenile court in a county with a population of less than 100,000 for conduct that violates Section 25.094; or

(2) refer the student to a juvenile court for conduct indicating a need for supervision under Section 51.03(b)(2), Family Code.

SECTION 8. The changes in law made by this Act apply only to conduct violating Section 25.094, Education Code, on or after the effective date of this Act. A violation that occurs before the effective date of this Act is covered by the law in effect when the violation occurred, and the former law is continued in effect for that purpose. For purposes of this section, a violation occurs before the effective date of this Act if any element of the violation occurs before that date.

SECTION 9. This Act takes effect September 1, 2013.

Floor Amendment No. 2

Amend **CSSB 1234** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS accordingly:

SECTION _____. Subchapter C, Chapter 25, Education Code, is amended by adding Section 25.0916 to read as follows:

Sec. 25.0916. UNIFORM TRUANCY POLICIES IN CERTAIN COUNTIES.

(a) This section applies only to a county:

- (1) with a population greater than 1.5 million; and
- (2) that includes at least:

(A) 15 school districts with the majority of district territory in the county; and

(B) one school district with a student enrollment of 50,000 or more and an annual dropout rate spanning grades 9-12 of at least five percent, computed in accordance with standards and definitions adopted by the National Center for Education Statistics of the United States Department of Education.

(b) A committee shall be established to recommend a uniform truancy policy for each school district located in the county.

(c) Not later than September 1, 2013, the county judge and the mayor of the municipality in the county with the greatest population shall each appoint one member to serve on the committee as a representative of each of the following:

(1) a juvenile district court;

(2) a municipal court;

(3) the office of a justice of the peace;

(4) the superintendent or designee of an independent school district;

(5) an open-enrollment charter school;

(6) the office of the district attorney; and

(7) the general public.

(d) Not later than September 1, 2013, the county judge shall appoint to serve on the committee one member from the house of representatives and one member from the senate who are members of the respective standing legislative committees with primary jurisdiction over public education.

(e) The county judge and mayor of the municipality in the county with the greatest population shall:

(1) both serve on the committee or appoint representatives to serve on their behalf; and

(2) jointly appoint a member of the committee to serve as the presiding officer.

(f) Not later than September 1, 2014, the committee shall recommend:

(1) a uniform process for filing truancy cases with the judicial system;

(2) uniform administrative procedures;

(3) uniform deadlines for processing truancy cases;

(4) effective prevention, intervention, and diversion methods to reduce truancy and referrals to a county, justice, or municipal court;

(5) a system for tracking truancy information and sharing truancy information among school districts and open-enrollment charter schools in the county; and

(6) any changes to statutes or state agency rules the committee determines are necessary to address truancy.

(g) Compliance with the committee recommendations is voluntary.

(h) The committee's presiding officer shall issue a report not later than December 1, 2015, on the implementation of the recommendations and compliance with state truancy laws by a school district located in the county.

(i) This section expires January 1, 2016.

The amendments were read.

Senator Whitmire moved to concur in the House amendments to **SB 1234**.

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, Patrick, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, West, Whitmire, Williams, Zaffirini.

Nays: Nelson, Paxton, Watson.

SENATE BILL 347 WITH HOUSE AMENDMENTS

Senator Seliger called **SB 347** 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 347** (house committee printing) as follows:

(1) On page 1, line 6, between "by" and "adding", insert "amending Subsection (e) and".

(2) On page 1, between lines 6 and 7, insert the following:

(e) The commission may transfer money from the low-level radioactive waste fund to the perpetual care account to make payments required by the commission under Section 401.303. The commission shall notify the Texas Low-Level Radioactive Waste Disposal Compact Commission of an action the commission takes under this subsection.

(3) Add the following appropriately numbered SECTIONS and renumber any subsequent SECTIONS accordingly:

SECTION ____ . Section 401.207, Health and Safety Code, is amended by adding Subsections (d-1), (d-2), (d-3), (e-1) and (e-2) and amending Subsection (e) to read as follows:

(d-1) Beginning September 1, 2015, the compact waste disposal facility license holder may accept nonparty compact waste for disposal at the facility only if:

(1) the waste has been volume-reduced, if eligible, by at least a factor of three in a manner consistent with this subchapter as provided by commission rule; and

(2) the compact waste disposal facility license holder collects a fee under Section 401.249(f).

(d-2) If volume reduction of a low-level radioactive waste stream would result in a change of waste classification to a class higher than Class C, the payment of the fee and compliance with other requirements of Subsection (d-1) do not apply.

(d-3) The commission may assess an additional fee on a nonparty compact waste generator for failing to comply with the volume reduction requirements established under this section. The fee shall be deposited to the credit of the low-level radioactive waste fund under Section 401.249(f). Fees deposited under this subsection may be transferred and used only to support the operations of the Texas Low-Level Radioactive Waste Disposal Compact Commission under Section 401.251.

(e) The compact waste disposal facility license holder may not collect a fee under this section or enter into a contract for the disposal of nonparty low-level radioactive waste that has been designated as Class A low-level radioactive waste under 10 C.F.R. Section 61.55 and commission rule unless the waste is containerized. The compact waste disposal facility license holder may collect a fee and dispose of:

(1) not more than the greater of:

(A) 1.167 million curies of nonparty compact waste; or

(B) an amount of nonparty compact waste equal to 30 percent of the initial licensed capacity of the facility; and

(2) not more than 275,000 curies of nonparty compact waste in any fiscal year [accept more than 50,000 total cubic feet of nonparty compact waste annually. The compact waste disposal facility license holder may not accept more than 120,000 curies of nonparty compact waste annually, except that in the first year the license holder may accept 220,000 curies].

(e-1) The legislature by general law may establish revised limits under Subsection (e) after considering the results of the study under Section 401.208.

(e-2) [(e-1)] The commission's executive director, on completion of the study under Section 401.208, may prohibit the license holder from accepting any additional nonparty compact waste if the commission determines from the study that the capacity of the facility will be limited, regardless of whether the limit under Subsection (f) has been reached.

SECTION _____. Section 401.218, Health and Safety Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) In addition to the fees charged to support the operations of the Texas Low-Level Radioactive Waste Disposal Compact Commission, the commission's executive director may charge a license holder a fee to cover the administrative costs of the executive director's action to adjust, correct, or otherwise modify a license.

SECTION _____. The changes in law made by this Act apply only to a contract for the disposal of compact waste or nonparty compact waste that is signed on or after the effective date of this Act. A contract signed before the effective date of this Act is governed by the law in effect on the date the contract was signed, and the former law is continued in effect for that purpose.

Floor Amendment No. 2

Amend **SB 347** (house committee report) as follows:

Insert the following new sections in the bill and renumber remaining sections accordingly:

SECTION _____. Subsection (d), Section 401.052, Health and Safety Code, as amended by Chapters 580 (H.B. 1678) and 1067 (H.B. 1567), Acts of the 78th Legislature, Regular Session, 2003, is reenacted and amended to read as follows:

(d) Fees assessed under this section to provide additional revenue to support the activities of the Texas Low-Level Radioactive Waste Disposal Compact Commission:

(1) may not exceed \$10 per cubic foot of shipped low-level radioactive waste;

(2) shall be collected by the department and deposited to the credit of the perpetual care account;

(3) shall be used ~~[exclusively]~~ by the department for emergency planning for and response to transportation accidents involving low-level radioactive waste, including first responder training in counties through which transportation routes are designated in accordance with Subsection (a); and

(4) may not be collected on waste disposed of at a federal facility waste disposal facility ~~[shall be suspended when the amount of fees collected reaches \$500,000, except that if the balance of fees collected is reduced to \$350,000 or less, the assessments shall be reinstated to bring the balance of fees collected to \$500,000].~~

SECTION _____. Subsection (a), Section 401.109, Health and Safety Code, is amended to read as follows:

(a) The department or commission may require a holder of a license issued by the agency to provide security acceptable to the agency to assure performance of the license holder's obligations under this chapter. The department ~~[or commission]~~ shall deposit security provided to the department under this section to the credit of the perpetual care account. The department ~~[or commission]~~ by rule shall provide that any evidence of security must be made payable to the credit of the perpetual care account. The commission shall deposit security provided to the commission under this section to the credit of the environmental radiation and perpetual care account. The commission shall provide that security must be made payable to the credit of the environmental radiation and perpetual care account.

SECTION _____. Section 401.152, Health and Safety Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) The department ~~[agency]~~ shall use the security provided by the license holder to pay the costs of actions that are taken or that are to be taken under this section. The department ~~[agency]~~ shall send to the comptroller a copy of its order together with necessary written requests authorizing the comptroller to:

- (1) enforce security supplied by the license holder;
- (2) convert an amount of security into cash, as necessary; and
- (3) disburse from the security in the radiation and perpetual care account the amount necessary to pay the costs.

(c) The commission shall use the security provided by the license holder to pay the costs of actions taken or to be taken under this section, including costs associated with the Texas Low-Level Radioactive Waste Disposal Compact Commission. The commission shall send to the comptroller a copy of its order together with necessary written requests authorizing the comptroller to:

- (1) enforce security supplied by the license holder;
- (2) convert an amount of security to cash, as necessary; and
- (3) disburse from the security in the environmental radiation and perpetual care account the amount necessary to pay the costs.

SECTION _____. Section 401.207(h), Health and Safety Code, is amended to read as follows:

(h) A surcharge collected under Subsection (g) shall be deposited to the credit of the environmental radiation and perpetual care account ~~[low-level radioactive waste fund].~~

SECTION _____. Section 401.208, Health and Safety Code, is amended by amending Subsection (c) and adding Subsection (f) to read as follows:

(c) Not later than December 1, 2016 [~~2012~~], the commission shall submit a final report of the results of the study to the standing committees of the senate and the house of representatives with jurisdiction over the disposal of low-level radioactive waste.

SECTION _____. Subsection (e), Section 401.249, Health and Safety Code, is amended to read as follows:

(e) The commission may transfer money from the low-level radioactive waste fund to the environmental radiation and perpetual care account to make payments required by the commission under Section 401.303.

SECTION _____. Subsection (d), Section 401.301, Health and Safety Code, is amended to read as follows:

(d) The commission and department shall [~~may~~] require that each person who holds a specific license issued by the agency pay to the agency an additional five percent of the appropriate fee set under Subsection (b). Fees collected by the department under this subsection shall be deposited to the credit of the perpetual care account. Fees collected by the commission under this subsection shall be deposited to the environmental radiation and perpetual care account. The fees are not refundable. The holder of a specific license authorizing the extraction, processing, or concentration of uranium or thorium from ore is not required to pay the additional fee described by this subsection before the beginning of operations under the license.

SECTION _____. Subsection (g), Section 401.303, Health and Safety Code, is amended to read as follows:

(g) If a license holder satisfies the obligations under this chapter, the issuing agency shall have the comptroller promptly refund to the license holder from the perpetual care account or the environmental radiation and perpetual care account, as applicable, the excess of the amount of all payments made by the license holder to the issuing agency and the investment earnings of those payments over the amount determined to be required for the continuing maintenance and surveillance of land, buildings, and radioactive material conveyed to the state.

SECTION _____. Subsections (b), (c), (d), (e), (f), and (g), Section 401.305, Health and Safety Code, are amended to read as follows:

(b) The department [~~and commission each~~] shall deposit to the credit of the perpetual care account money and security it receives [~~they receive~~] under this chapter, including an administrative penalty collected by the department under Sections 401.384-401.390 but excluding fees collected under Sections 401.301(a)-(c) and 401.302. Interest earned on money in the perpetual care account shall be credited to the perpetual care account.

(c) Money and security in the perpetual care account may be administered by the department [~~or commission~~] only for storage, maintenance, and distribution of mammography medical records or the decontamination, decommissioning, stabilization, reclamation, maintenance, surveillance, control, storage, and disposal of radioactive substances for the protection of the public health and safety and the environment under this chapter and for refunds under Section 401.303.

(d) Money and security in the perpetual care account may not be used for normal operating expenses of the department [~~or commission~~].

(e) The department [~~or commission~~] may use money in the perpetual care account to pay for measures:

(1) to prevent or mitigate the adverse effects of abandonment of radioactive substances, default on a lawful obligation, insolvency, or other inability by the holder of a license issued by the department [~~or commission~~] to meet the requirements of this chapter or of department [~~or commission~~] rules;

(2) to assure the protection of the public health and safety and the environment from the adverse effects of ionizing radiation; and

(3) to protect the health and safety of mammography patients by assuring mammography medical records are made available to affected patients.

(f) The department [~~or commission~~] may provide, by the terms of a contract or lease entered into between the department [~~or commission~~] and any person, by the terms of a mammography certification issued by the department [~~or commission~~] to any person, or by the terms of a license issued to any person, for the storage, maintenance, and distribution of mammography medical records. The department [~~or commission~~] may provide, by the terms of a contract or lease entered into between the department [~~or commission~~] and any person or by the terms of a license issued by the department [~~or commission~~] to any person, for the decontamination, closure, decommissioning, reclamation, surveillance, or other care of a site or facility subject to department [~~or commission~~] jurisdiction under this chapter as needed to carry out the purpose of this chapter.

(g) The existence of the perpetual care account does not make the department [~~or commission~~] liable for the costs of storage, maintenance, and distribution of mammography medical records arising from a mammography certification holder's failure to store, maintain, and make available mammography medical records or for the costs of decontamination, transfer, transportation, reclamation, surveillance, or disposal of radioactive substances arising from a license holder's abandonment of radioactive substances, default on a lawful obligation, insolvency, or inability to meet the requirements of this chapter or of department [~~or commission~~] rules.

SECTION _____. Subchapter H, Chapter 401, Health and Safety Code, is amended by adding Sections 401.306 and 401.307 to read as follows:

Sec. 401.306. ENVIRONMENTAL RADIATION AND PERPETUAL CARE ACCOUNT. (a) The environmental radiation and perpetual care account is an account in the general revenue fund to support the activities of the Texas Low-Level Radioactive Waste Disposal Compact Commission.

(b) The commission shall deposit to the credit of the environmental radiation and perpetual care account money and security it receives under this chapter, including fees collected under Section 401.301(d). Interest earned on money in the environmental radiation and perpetual care account shall be credited to the environmental radiation and perpetual care account.

(c) Money and security in the environmental radiation and perpetual care account may be administered by the commission only for the decontamination, decommissioning, stabilization, reclamation, maintenance, surveillance, control,

storage, and disposal of radioactive substances for the protection of the public health and safety and the environment under this chapter and for refunds under Section 401.303.

(d) Money and security in the environmental radiation and perpetual care account may not be used for normal operating expenses of the commission.

(e) The commission may use money in the environmental radiation and perpetual care account to pay for measures:

(1) to prevent or mitigate the adverse effects of abandonment of radioactive substances, default on a lawful obligation, insolvency, or other inability by the holder of a license issued by the commission to meet the requirements of this chapter or of commission rules; and

(2) to ensure the protection of the public health and safety and the environment.

(f) The commission may provide, by the terms of a contract or lease entered into between the commission and any person, or by the terms of a license issued to any person, for the decontamination, closure, decommissioning, reclamation, surveillance, or other care of a site or facility subject to commission jurisdiction under this chapter as needed to carry out the purposes of this chapter.

(g) The existence of the environmental radiation and perpetual care account does not make the commission liable for the costs of decontamination, transfer, transportation, reclamation, surveillance, or disposal of radioactive substances arising from a license holder's abandonment of radioactive substances, default on a lawful obligation, insolvency, or inability to meet the requirements of this chapter or of commission rules.

Sec. 401.307. PERPETUAL CARE ACCOUNT AND ENVIRONMENTAL RADIATION AND PERPETUAL CARE ACCOUNT CAPS. (a) The fees imposed under Sections 401.052(d) and 401.301(d) are suspended when the sum of the balances of the perpetual care account and the environmental radiation and perpetual care account reaches \$100 million. The fees are reinstated when the sum of the balances of the perpetual care account and the environmental radiation and perpetual care account falls to \$50 million or less.

(b) The surcharge collected under Section 401.207(g) is collected without regard to the balances of the perpetual care account and the environmental radiation and perpetual care account.

(c) Notwithstanding Subsection (a), a fee imposed by the commission under Section 401.301(d) on the holder of a license authorizing the extraction, processing, or concentration of uranium or thorium from ore is suspended when the amount in the environmental radiation and perpetual care account attributable to those fees reaches \$2 million. If the amount in that account attributable to those fees is reduced to \$1.5 million or less, the fee is reinstated until the amount reaches \$2 million.

(d) Notwithstanding Subsection (a), a fee imposed under Section 401.052(d) is suspended from imposition against a party state compact waste generator when the amount in the perpetual care account attributable to those fees reaches \$500,000. If the amount in that account attributable to those fees is reduced to \$350,000 or less, the fee is reinstated until the amount reaches \$500,000.

(e) This section does not relieve a generator from liability for a transportation accident involving low-level radioactive waste.

SECTION _____. The following sections of the Health and Safety Code are repealed:

- (1) Subsection (h), Section 401.245;
- (2) Subsection (b), Section 401.2455;
- (3) Subsection (e), Section 401.301; and
- (4) Section 403.0052.

SECTION _____. (a) As soon as practicable after the effective date of this Act, the Texas Commission on Environmental Quality shall adopt rules to implement Subsection (d-1), Section 401.207, and Subsection (d), Section 401.218, Health and Safety Code, as added by this Act.

(b) As soon as practicable after the effective date of this Act but not later than the first anniversary of the effective date of this Act, the Texas Commission on Environmental Quality shall adopt rules to implement Subsection (b), Section 401.2456, Health and Safety Code, as amended by this Act, and Subsection (f), Section 401.2456, Health and Safety Code, as added by this Act.

(c) As soon as practicable after the effective date of this Act but not later than January 1, 2014, the Texas Commission on Environmental Quality and the Department of State Health Services shall update the portion of the memorandum of understanding between the two agencies under Section 401.069, Health and Safety Code, that governs each agency's role regarding the regulation and oversight of radioactive materials and sources of radiation.

The amendments were read.

Senator Seliger moved to concur in the House amendments to **SB 347**.

The motion prevailed by the following vote: Yeas 26, Nays 5.

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

Nays: Davis, Duncan, Garcia, Rodríguez, Watson.

SENATE BILL 1795 WITH HOUSE AMENDMENT

Senator Watson called **SB 1795** 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 1795** (house committee printing) as follows:

- (1) On page 6, line 8, strike "or".
- (2) On page 6, line 11, strike the period and substitute "; or

(6) in the course of acting as a navigator, engage in any electioneering activities or finance or otherwise support the candidacy of a person for an office in the legislative, executive, or judicial branch of state government, or of the government of the United States, or any political subdivision of this state.

The amendment was read.

Senator Watson moved to concur in the House amendment to **SB 1795**.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Paxton.

SENATE BILL 492 WITH HOUSE AMENDMENTS

Senator Lucio called **SB 492** 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 492** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the licensing and regulation of prescribed pediatric extended care centers; providing penalties; imposing fees.

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

SECTION 1. Subtitle B, Title 4, Health and Safety Code, is amended by adding Chapter 248A to read as follows:

CHAPTER 248A. PRESCRIBED PEDIATRIC EXTENDED CARE CENTERS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 248A.001. DEFINITIONS. In this chapter:

(1) "Basic services" includes:

(A) the development, implementation, and monitoring of a comprehensive protocol of care that:

(i) is provided to a medically dependent or technologically dependent minor;

(ii) is developed in conjunction with the minor's parent or legal guardian; and

(iii) specifies the medical, nursing, psychosocial, therapeutic, and developmental services required by the minor served; and

(B) the caregiver training needs of the minor's parent or legal guardian.

(2) "Center" means a prescribed pediatric extended care center.

(3) "Commission" means the Health and Human Services Commission.

(4) "Commissioner" means the commissioner of aging and disability services.

(5) "Controlling person" has the meaning assigned by Section 248A.0012.

(6) "Department" means the Department of Aging and Disability Services.

(7) "Executive commissioner" means the executive commissioner of the commission.

(8) "Medically dependent or technologically dependent minor" means a minor who because of an acute, chronic, or intermittent medically complex or fragile condition or disability requires ongoing, technology-based skilled nursing care prescribed by the minor's physician to avert death or further disability or the routine use of a medical device to compensate for a deficit in a life-sustaining body function.

The term does not include minor or occasional medical conditions that do not require continuous nursing care, including asthma or diabetes, or a condition that requires an epinephrine injection.

(9) "Minor" means an individual younger than 21 years of age.

(10) "Prescribed pediatric extended care center" means a facility operated for profit or on a nonprofit basis that provides nonresidential basic services to four or more medically dependent or technologically dependent minors who require the services of the facility and who are not related by blood, marriage, or adoption to the owner or operator of the facility.

Sec. 248A.0012. CONTROLLING PERSON. (a) A person is a controlling person if the person has the ability, acting alone or in concert with others, to directly or indirectly influence, direct, or cause the direction of the management of, expenditure of money for, or policies of a center or other person.

(b) For purposes of this chapter, "controlling person" includes:

(1) a management company, landlord, or other business entity that operates or contracts with another person for the operation of a center;

(2) any person who is a controlling person of a management company or other business entity that operates a center or that contracts with another person for the operation of a center; and

(3) any other person who, because of a personal, familial, or other relationship with the owner, manager, landlord, tenant, or provider of a center, is in a position of actual control of or authority with respect to the center, regardless of whether the person is formally named as an owner, manager, director, officer, provider, consultant, contractor, or employee of the center.

(c) Notwithstanding any other provision of this section, for purposes of this chapter, a controlling person of a center or of a management company or other business entity described by Subsection (b)(1) that is a publicly traded corporation or is controlled by a publicly traded corporation means an officer or director of the corporation. The term does not include a shareholder or lender of the publicly traded corporation.

(d) A controlling person described by Subsection (b)(3) does not include a person, including an employee, lender, secured creditor, or landlord, who does not exercise any formal or actual influence or control over the operation of a center.

(e) The executive commissioner may adopt rules that define the ownership interests and other relationships that qualify a person as a controlling person under this section.

Sec. 248A.002. EXEMPTIONS. This chapter does not apply to:

(1) a facility operated by the United States government or a federal agency;

or

(2) a health facility otherwise licensed under this subtitle.

Sec. 248A.003. CONFLICT WITH LOCAL LAWS. To the extent of any conflict between the standards adopted under this chapter and a standard required in a local, county, or municipal ordinance, this chapter controls.

SUBCHAPTER B. LICENSING OF CENTERS

Sec. 248A.051. LICENSE REQUIRED; PREMISES RESTRICTION. (a) A person may not own or operate a prescribed pediatric extended care center in this state unless the person holds a license issued under this chapter.

(b) A separate license is required for each center located on separate premises, regardless of whether the centers are under the ownership or operation of the same person.

(c) A person may not operate a center on the same premises as:

(1) a child-care facility licensed under Chapter 42, Human Resources Code;

or

(2) any other facility licensed by the department or the Department of State Health Services.

Sec. 248A.052. APPLICATION; ISSUANCE. (a) An applicant for a prescribed pediatric extended care center license shall submit to the department in accordance with executive commissioner rules:

(1) a sworn application on the form prescribed by the department;

(2) a letter of credit as prescribed by the department to demonstrate the applicant's financial viability; and

(3) the required fees.

(b) The application must contain:

(1) the location of the premises of the center for which the license is sought;

(2) documentation, signed by the appropriate local government official, stating the location and use of the premises meet local zoning requirements;

(3) the name, address, and social security number of, and background and criminal history check information for:

(A) the applicant;

(B) the administrator responsible for daily operations of the center;

(C) the financial officer responsible for financial operations of the center; and

(D) each controlling person;

(4) the name, address, and federal employer identification number or taxpayer identification number of the applicant and of each controlling person, if the applicant or controlling person is not an individual;

(5) the business name of the center;

(6) the maximum patient capacity requested for the center; and

(7) a sworn affidavit that the applicant has complied with this chapter and rules adopted under this chapter.

(c) The department shall issue a license to a center under this chapter if the department determines that the applicant and the center meet the requirements of this chapter and the rules and standards adopted under this chapter. The license must include:

(1) the license holder's name;

(2) the location of the premises of the center; and

(3) a statement indicating the center provides services to minors for 12 hours or less in a 24-hour period and does not provide 24-hour care.

Sec. 248A.053. LICENSE TERM; RENEWAL; NOTIFICATION. (a) A license issued under this chapter expires on the second anniversary of the date of issuance.

(b) A person applying to renew a center license shall:

(1) submit a renewal application to the department on the form prescribed by the department at least 60 days but not more than 120 days before expiration of the license;

(2) submit the renewal fee in the amount required by the department; and

(3) comply with any other requirements specified by executive commissioner rule.

(c) The department shall assess a \$50 per day late fee to a license holder who submits a renewal application after the date required by Subsection (b)(1), except that the total amount of a late fee may not exceed the lesser of 50 percent of the license renewal fee or \$500.

(d) At least 120 days before expiration of a center license, the department shall notify the owner or operator of the center of the license expiration.

Sec. 248A.054. LICENSE NOT TRANSFERABLE OR ASSIGNABLE. A license under this chapter is issued to the license holder named on the license at the location of the premises listed on the license and is not transferable or assignable.

SUBCHAPTER C. POWERS AND DUTIES OF

EXECUTIVE COMMISSIONER, COMMISSION, AND DEPARTMENT

Sec. 248A.101. ADOPTION OF RULES AND STANDARDS. (a) The executive commissioner shall adopt rules necessary to implement this chapter.

(b) To protect the health and safety of the public and ensure the health, safety, and comfort of the minors served by a center, the rules must establish minimum center standards, including:

(1) standards relating to the issuance, renewal, denial, suspension, probation, and revocation of a license to operate a center;

(2) standards relating to the provision of family-centered basic services that include individualized medical, developmental, and family training services;

(3) based on the size of the building and the number of minors served, building construction and renovation standards, including standards for plumbing, electrical, glass, manufactured buildings, accessibility for the physically disabled, and fire protection;

(4) based on the size of the building and the number of minors served, building maintenance conditions relating to plumbing, heating, lighting, ventilation, adequate space, fire protection, and other conditions;

(5) standards relating to the minimum number of and qualifications required for personnel who provide personal care or basic services to the minors served;

(6) standards relating to the sanitary conditions within a center and its surroundings, including water supply, sewage disposal, food handling, and general hygiene;

(7) standards relating to the programs offered by the center to promote and maintain the health and development of the minors served and to meet the training needs of the minors' parents or legal guardians;

(8) standards relating to physician-prescribed supportive services;

(9) standards relating to transportation services; and

(10) standards relating to maintenance of patient medical records and program records in accordance with other law and with accepted professional standards and practices.

(c) The executive commissioner by rule shall authorize the commissioner to grant a waiver from compliance with standards adopted under Subsection (b)(3), (4), or (6) to a center located in a municipality that adopts a code to regulate any of those standards if the commissioner determines the applicable municipal code standards exceed the corresponding standards adopted under Subsection (b)(3), (4), or (6).

Sec. 248A.102. INSPECTIONS; CORRECTIVE ACTION PLAN. (a) The department may inspect a center, including its records, at reasonable times as necessary to ensure compliance with this chapter and the rules adopted under this chapter. The center shall provide the department with access to all center records.

(b) The department shall inspect a center before issuing or renewing a license under this chapter.

(c) The department may require a center that undergoes an inspection to:

(1) take appropriate corrective action necessary to comply with the requirements of this chapter and rules adopted under this chapter; and

(2) submit a corrective action plan to the department for approval.

(d) A center shall make available to any person on request a copy of each inspection report pertaining to the center that has been issued by the department. Before making an inspection report available under this subsection, the center shall redact from the report any information that is confidential under other law.

Sec. 248A.103. FEES. (a) The executive commissioner shall set fees imposed by this chapter in amounts reasonable and necessary to cover the cost of administering this chapter.

(b) A fee collected under this chapter shall be deposited in the state treasury to the credit of the general revenue fund and shall be appropriated to the department to administer and enforce this chapter.

(c) A fee collected under this chapter is nonrefundable.

Sec. 248A.104. COMMISSION DUTIES. The commission shall designate a center licensed under this chapter as a health care services provider under the medical assistance program established under Chapter 32, Human Resources Code.

SUBCHAPTER D. CENTER REGULATION

Sec. 248A.151. ADMISSION CRITERIA FOR MINOR CLIENT. A center may not admit a minor client to the center unless:

(1) the client is a medically dependent or technologically dependent minor;

(2) the minor's prescribing physician issues a prescription ordering care at a center;

(3) the minor's parent or legal guardian consents to the minor's admission to the center; and

(4) the admission is voluntary based on the parent's or legal guardian's preference in both managed care and non-managed care service delivery systems.

Sec. 248A.152. RESTRICTIONS ON HOURS, SERVICES, AND PATIENT CAPACITY. (a) A center may not provide services to a minor for more than 12 hours in any 24-hour period.

(b) A center may not provide services other than services regulated under this chapter and executive commissioner rule.

(c) The maximum patient capacity at a center may not exceed 60.

Sec. 248A.153. LICENSE DISPLAY. Each center licensed under this chapter shall display the center's license in a conspicuous location readily visible to a person entering the center.

Sec. 248A.154. MAINTENANCE OF RECORDS. Each center shall maintain at the center the medical and other records required by this chapter and by rules adopted under this chapter.

Sec. 248A.155. COMPLAINTS. A person may file a complaint with the department against a center licensed or required to be licensed under this chapter. The department shall investigate the complaint in accordance with the complaint procedures established under Chapter 161, Human Resources Code.

Sec. 248A.156. COMPLIANCE WITH OTHER LAW. (a) A center shall comply with Chapter 260A and rules adopted under that chapter.

(b) An owner, center employee, or other person subject to Chapter 260A shall comply with that chapter and rules adopted under that chapter.

Sec. 248A.157. CLOSING OF CENTER. At least 30 days before the date a center voluntarily discontinues operation, the owner or operator of the center shall inform the parent or legal guardian of each minor client to whom the center is providing services of:

(1) the discontinuance; and

(2) the proposed time of the discontinuance.

SUBCHAPTER E. GENERAL ENFORCEMENT

Sec. 248A.201. DENIAL, SUSPENSION, OR REVOCATION OF LICENSE.

(a) The department may deny, suspend, or revoke a license issued under this chapter for:

(1) a violation of this chapter or a rule or standard adopted under this chapter;

(2) an intentional or negligent act by the center or an employee of the center that the department determines significantly affects the health or safety of a minor served by the center;

(3) use of drugs or intoxicating liquors to an extent that affects the license holder's or applicant's professional competence;

(4) a felony conviction, including a finding or verdict of guilty, an admission of guilt, or a plea of nolo contendere, in this state or in any other state of any person required to undergo a background and criminal history check under this chapter;

(5) fraudulent acts, including acts relating to Medicaid fraud and obtaining or attempting to obtain a license by fraud or deception; or

(6) a license revocation, suspension, or other disciplinary action taken against the license holder or any person listed in the application in another state.

(b) Except as provided by Section 248A.203, the procedures by which the department denies, suspends, or revokes a license and by which those actions are appealed are governed by the procedures for a contested case hearing under Chapter 2001, Government Code.

Sec. 248A.202. PROBATION. (a) If the department finds that a center is in repeated noncompliance with this chapter, rules adopted under this chapter, or a corrective action plan, but that the noncompliance does not endanger a minor served by the center or the public health and safety, the department may schedule the center for probation rather than suspending or revoking the center's license.

(b) The department shall provide notice to the center of the probation and of the items of noncompliance not later than the 10th day before the date the probation period begins.

(c) The department shall designate a period of not less than 30 days during which the center will remain under probation. During the probation period, the center must correct the items that were in noncompliance and report the corrections to the department for approval.

(d) The department may suspend or revoke the license of a center that does not correct items that were in noncompliance or does not comply with this chapter or the rules adopted under this chapter within the applicable probation period.

Sec. 248A.203. EMERGENCY SUSPENSION. (a) The department may issue an emergency order to suspend a license issued under this chapter if the department has reasonable cause to believe that the conduct of a license holder creates an immediate danger to a minor served by the center or the public health and safety. An emergency suspension is effective immediately without a hearing on notice to the license holder.

(b) On written request of the license holder, the department shall conduct a hearing not earlier than the 10th day or later than the 30th day after the date the hearing request is received to determine if the emergency suspension is to be continued, modified, or rescinded.

(c) The hearing and any appeal are governed by the department's rules for a contested case hearing and by Chapter 2001, Government Code.

Sec. 248A.204. INJUNCTION. (a) The department may petition a district court for a temporary restraining order to restrain a continuing violation of this chapter or a rule or standard adopted under this chapter if the department finds that the violation creates an immediate threat to the health and safety of the minors served by a center.

(b) A district court, on petition of the department and on a finding by the court that a person is violating this chapter or the rules adopted under this chapter, may by injunction:

(1) prohibit the person from continuing the violation;

(2) restrain or prevent the establishment or operation of a center without a license issued under this chapter; or

(3) grant any other injunctive relief warranted by the facts.

(c) The attorney general may institute and conduct a suit authorized by this section at the request of the department. The attorney general and the department may recover reasonable expenses incurred in obtaining relief under this section, including court costs, reasonable attorney's fees, investigation costs, witness fees, and deposition expenses.

(d) Venue for a suit brought under this section is in the county in which the center is located or in Travis County.

Sec. 248A.205. CIVIL PENALTY. (a) A person who violates this chapter or a rule or standard adopted under this chapter or who fails to comply with a corrective action plan submitted under this chapter is liable for a civil penalty of not more than \$500 for each violation if the department determines the violation threatens the health and safety of a minor served by the center.

(b) Each day a violation continues constitutes a separate violation for the purposes of this section.

(c) The attorney general may sue to collect the penalty. The attorney general and the department may recover reasonable expenses incurred in obtaining relief under this section, including court costs, reasonable attorney's fees, investigation costs, witness fees, and deposition expenses.

(d) All penalties collected under this section shall be deposited in the state treasury in the general revenue fund.

Sec. 248A.206. CRIMINAL PENALTY. (a) A person commits an offense if the person knowingly establishes or operates a center without the appropriate license issued under this chapter.

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

(c) Each day a violation continues constitutes a separate offense.

SUBCHAPTER F. ADMINISTRATIVE PENALTY

Sec. 248A.251. IMPOSITION OF PENALTY. The commissioner may impose an administrative penalty on a person licensed under this chapter who violates this chapter or a rule or standard adopted or order issued under this chapter.

Sec. 248A.252. AMOUNT OF PENALTY. (a) The amount of the penalty may not exceed \$500 for each violation, and each day a violation continues or occurs is a separate violation for purposes of imposing a penalty.

(b) The amount shall be based on:

(1) the seriousness of the violation, including the nature, circumstances, extent, and gravity of the violation;

(2) the threat to health or safety caused by the violation;

(3) any previous violations;

(4) the amount necessary to deter a future violation;

(5) the efforts made by the violator to correct the violation; and

(6) any other matter that justice may require.

Sec. 248A.253. REPORT AND NOTICE OF VIOLATION AND PENALTY. (a) If the department initially determines that a violation occurred, the department shall give written notice of the report to the person.

(b) The notice must:

(1) include a brief summary of the alleged violation;

(2) state the amount of the recommended penalty; and

(3) inform the person of the person's right to a hearing on the occurrence of the violation, the amount of the penalty, or both.

Sec. 248A.254. PENALTY TO BE PAID OR HEARING REQUESTED. (a) Not later than the 20th day after the date the person receives the notice sent under Section 248A.253, the person in writing may:

(1) accept the determination and recommended penalty of the department;

or

(2) make a request for a hearing on the occurrence of the violation, the amount of the penalty, or both.

(b) If the person accepts the determination and recommended penalty or if the person fails to respond to the notice, the commissioner by order shall approve the determination and impose the recommended penalty.

Sec. 248A.255. HEARING. (a) If the person requests a hearing, the commissioner shall refer the matter to the State Office of Administrative Hearings, which shall promptly set a hearing date and give written notice of the time and place of the hearing to the person. An administrative law judge of the State Office of Administrative Hearings shall conduct the hearing.

(b) The administrative law judge shall make findings of fact and conclusions of law and promptly issue to the commissioner a proposal for a decision about the occurrence of the violation and the amount of a proposed penalty.

Sec. 248A.256. DECISION BY COMMISSIONER. (a) Based on the findings of fact, conclusions of law, and proposal for a decision, the commissioner by order may:

(1) find that a violation occurred and impose a penalty; or

(2) find that a violation did not occur.

(b) The notice of the commissioner's order under Subsection (a) that is sent to the person in accordance with Chapter 2001, Government Code, must include a statement of the right of the person to judicial review of the order.

Sec. 248A.257. OPTIONS FOLLOWING DECISION: PAY OR APPEAL. Not later than the 30th day after the date the order of the commissioner imposing an administrative penalty under Section 248A.256 becomes final, the person shall:

(1) pay the penalty; or

(2) file a petition for judicial review of the commissioner's order contesting the occurrence of the violation, the amount of the penalty, or both.

Sec. 248A.258. STAY OF ENFORCEMENT OF PENALTY. (a) Within the period prescribed by Section 248A.257, a person who files a petition for judicial review may:

(1) stay enforcement of the penalty by:

(A) paying the penalty to the court for placement in an escrow account in the court registry; or

(B) giving the court a supersedeas bond approved by the court that:

(i) is for the amount of the penalty; and

(ii) is effective until all judicial review of the commissioner's order

is final; or

(2) request the court to stay enforcement of the penalty by:

(A) filing with the court a sworn affidavit of the person stating that the person is financially unable to pay the penalty and is financially unable to give the supersedeas bond; and

(B) sending a copy of the affidavit to the commissioner by certified mail.

(b) If the commissioner receives a copy of an affidavit under Subsection (a)(2), the commissioner may file with the court, not later than the fifth day after the date the copy is received, a contest to the affidavit. The court shall hold a hearing on the facts

alleged in the affidavit as soon as practicable and shall stay the enforcement of the penalty on finding that the alleged facts are true. The person who files an affidavit has the burden of proving that the person is financially unable to pay the penalty and to give a supersedeas bond.

Sec. 248A.259. COLLECTION OF PENALTY. (a) If the person does not pay the penalty and the enforcement of the penalty is not stayed, the penalty may be collected.

(b) The attorney general may sue to collect the penalty and may recover reasonable expenses, including attorney's fees, incurred in recovering the penalty.

(c) A penalty collected under this subchapter shall be deposited in the state treasury in the general revenue fund.

Sec. 248A.260. DECISION BY COURT. (a) If the court sustains the finding that a violation occurred, the court may uphold or reduce the amount of the penalty and order the person to pay the full or reduced amount of the penalty.

(b) If the court does not sustain the finding that a violation occurred, the court shall order that a penalty is not owed.

Sec. 248A.261. REMITTANCE OF PENALTY AND INTEREST. (a) If the person paid the penalty and if the amount of the penalty is reduced or the penalty is not upheld by the court, the court shall order, when the court's judgment becomes final, that the appropriate amount plus accrued interest be remitted to the person not later than the 30th day after the date the judgment of the court becomes final.

(b) The interest accrues at the rate charged on loans to depository institutions by the New York Federal Reserve Bank.

(c) The interest shall be paid for the period beginning on the date the penalty is paid and ending on the date the penalty is remitted.

Sec. 248A.262. RELEASE OF BOND. (a) If the person gave a supersedeas bond and the penalty is not upheld by the court, the court shall order, when the court's judgment becomes final, the release of the bond.

(b) If the person gave a supersedeas bond and the amount of the penalty is reduced, the court shall order the release of the bond after the person pays the reduced amount.

Sec. 248A.263. ADMINISTRATIVE PROCEDURE. A proceeding to impose the penalty is considered to be a contested case under Chapter 2001, Government Code.

SECTION 2. Subchapter F, Chapter 411, Government Code, is amended by adding Section 411.13861 to read as follows:

Sec. 411.13861. ACCESS TO CRIMINAL HISTORY RECORD INFORMATION: DEPARTMENT OF AGING AND DISABILITY SERVICES.

(a) The Department of Aging and Disability Services is entitled to obtain from the Department of Public Safety criminal history record information maintained by the Department of Public Safety that relates to a person required to undergo a background and criminal history check under Chapter 248A, Health and Safety Code.

(b) Criminal history record information obtained under Subsection (a) is for the exclusive use of the Department of Aging and Disability Services and is privileged and confidential.

(c) Criminal history record information obtained under Subsection (a) may not be released or disclosed to any person or agency except on court order or with the consent of the person who is the subject of the information. The Department of Aging and Disability Services may destroy the criminal history record information after the information is used for the purposes authorized by this section.

(d) This section does not prohibit the Department of Aging and Disability Services from obtaining and using criminal history record information as provided by other law.

SECTION 3. Subdivision (3), Section 250.001, Health and Safety Code, is amended to read as follows:

(3) "Facility" means:

(A) a nursing home, custodial care home, or other institution licensed by the Department of Aging and Disability Services under Chapter 242;

(B) an assisted living facility licensed by the Department of Aging and Disability Services under Chapter 247;

(C) a home and community support services agency licensed under Chapter 142;

(D) an adult day care facility licensed by the Department of Aging and Disability Services under Chapter 103, Human Resources Code;

(E) a facility for persons with mental retardation licensed under Chapter 252;

(F) an adult foster care provider that contracts with the Department of Aging and Disability Services;

(G) a facility that provides mental health services and that is operated by or contracts with the Department of State Health Services;

(H) a local mental health or mental retardation authority designated under Section 533.035;

(I) a person exempt from licensing under Section 142.003(a)(19); ~~or~~

(J) a special care facility licensed by the Department of State Health Services under Chapter 248; or

(K) a prescribed pediatric extended care center licensed by the Department of Aging and Disability Services under Chapter 248A.

SECTION 4. Subdivision (4), Section 253.001, Health and Safety Code, is amended to read as follows:

(4) "Facility" means:

(A) a facility:

(i) licensed by the department; or

(ii) licensed under Chapter 252;

(B) an adult foster care provider that contracts with the department; ~~or~~

(C) a home and community support services agency licensed by the department under Chapter 142; or

(D) a prescribed pediatric extended care center licensed under Chapter 248A.

SECTION 5. Subdivisions (5) and (7), Section 260A.001, Health and Safety Code, are amended to read as follows:

(5) "Facility" means:

(A) an institution as that term is defined by Section 242.002; ~~and~~

(B) an assisted living facility as that term is defined by Section 247.002;

and

(C) a prescribed pediatric extended care center as that term is defined by Section 248A.001.

(7) "Resident" means an individual, including a patient, who resides in or receives services from a facility.

SECTION 6. Section 32.024, Human Resources Code, is amended by adding Subsection (jj) to read as follows:

(jj) The department shall establish a separate provider type for prescribed pediatric extended care centers licensed under Chapter 248A, Health and Safety Code, for purposes of enrollment as a provider for and reimbursement under the medical assistance program.

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 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. (a) Not later than July 1, 2014, the executive commissioner of the Health and Human Services Commission shall adopt the rules required by Subchapter C, Chapter 248A, Health and Safety Code, as added by this Act.

(b) Notwithstanding Section 248A.051, Health and Safety Code, as added by this Act, a person is not required to hold a prescribed pediatric extended care center license until January 1, 2015.

(c) When determining an initial reimbursement rate for licensed prescribed pediatric extended care centers that are enrolled in the medical assistance program, the executive commissioner of the Health and Human Services Commission shall establish a reimbursement rate that, when converted to an hourly rate, is not more than 70 percent of the average hourly unit rate for private duty nursing services provided under the Texas Health Steps Comprehensive Care Program.

SECTION 9. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2013.

(b) Subchapters E and F, Chapter 248A, Health and Safety Code, as added by this Act, take effect January 1, 2015.

Floor Amendment No. 1

Amend **CSSB 492** (house committee report) as follows:

(1) On page 10, line 14, between "CLIENT." and "A", insert "(a)".

(2) On page 10, between lines 24 and 25, insert the following:

(b) An admission authorized under this section is not intended to supplant the right to a Medicaid private duty nursing benefit, when medically necessary.

The amendments were read.

Senator Lucio moved to concur in the House amendments to **SB 492**.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Paxton.

SENATE BILL 1003 WITH HOUSE AMENDMENTS

Senator Carona called **SB 1003** 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 1003** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to a review of and report regarding the use of adult and juvenile administrative segregation in facilities in this state.

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

SECTION 1. DEFINITION. In this Act, "facility" means:

- (1) a facility operated by or under contract with the Texas Department of Criminal Justice;
- (2) a facility operated by a municipality, or a private vendor on behalf of a municipality, for the confinement of a person arrested for, charged with, or convicted of a criminal offense; or
- (3) a public or private juvenile secure detention facility.

SECTION 2. REVIEW OF ADMINISTRATIVE SEGREGATION POLICIES.

Subject to the availability of funds from gifts, grants, and donations accepted under Section 3 of this Act, the Criminal Justice Legislative Oversight Committee shall appoint an independent third party to conduct a review of facilities in this state regarding the facilities' use of adult and juvenile administrative segregation and related statistics, including:

- (1) classification to administrative segregation and release from administrative segregation;
- (2) security threat group classification;
- (3) notification of release and release procedures;
- (4) access of adults and juveniles confined in administrative segregation to:
 - (A) mental health services;
 - (B) health care services;
 - (C) substance abuse programs and services;
 - (D) reentry resources and transitional programs and services; and
 - (E) other programs and services that are available to the general adult and juvenile population;
- (5) access of adults confined in administrative segregation to programs and services for adults who are veterans;
- (6) the number of adults and juveniles confined in administrative segregation who were referred to mental health professionals;
- (7) the average length of time adults and juveniles were continuously confined in administrative segregation; and
- (8) the rate of recidivism among adults and juveniles who were confined in administrative segregation at any time.

SECTION 3. ACCEPTANCE OF GIFTS, GRANTS, AND DONATIONS. (a) For the purpose of funding the third-party review under Section 2 of this Act, the Criminal Justice Legislative Oversight Committee may:

(1) apply for and accept:

(A) gifts, grants, and donations from any organization described in Section 501(c)(3) or (4) of the Internal Revenue Code of 1986; and

(B) federal grants; and

(2) accept donations from an individual or a private entity.

(b) All gifts, grants, and donations must be reported in the public records of the Criminal Justice Legislative Oversight Committee with the name of the donor and purpose of the gift, grant, or donation accepted.

SECTION 4. REPORT. Not later than December 31, 2014, the independent third party shall provide a report of the third party's findings and recommendations to the governor, the lieutenant governor, the speaker of the house of representatives, and the standing legislative committees with primary jurisdiction over criminal justice matters. At a minimum, the report must contain detailed recommendations to:

(1) reduce the administrative segregation population in facilities in this state;

(2) divert adults and juveniles with mental illness from administrative segregation; and

(3) decrease the length of time adults and juveniles are confined in administrative segregation in facilities in this state.

SECTION 5. PUBLIC INFORMATION. Chapter 552, Government Code, applies to:

(1) the review conducted by the independent third party under this Act and all information gathered and analyzed for that review, including background research and any report or summary; and

(2) the report submitted by the independent third party under Section 4 of this Act.

SECTION 6. EXPIRATION. This Act expires February 1, 2015.

SECTION 7. EFFECTIVE DATE. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 1003** (house committee printing) on page 3 by striking lines 25 through 27 and substituting the following:
summary;

(2) the report submitted by the independent third party under Section 4 of this Act; and

(3) all information collected, created, or stored under this Act by the Criminal Justice Legislative Oversight Committee.

Floor Amendment No. 1 on Third Reading

Amend **CSSB 1003** (house committee report) 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 amendments were read.

Senator Carona moved to concur in the House amendments to **SB 1003**.

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

SENATE BILL 1388 WITH HOUSE AMENDMENT

Senator Carona called **SB 1388** 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 1388** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to identity recovery services; imposing a fee.

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

SECTION 1. Section 348.208, Finance Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) A retail installment contract may include as a separate charge an amount for:

(1) motor vehicle property damage or bodily injury liability insurance;

(2) mechanical breakdown insurance;

(3) participation in a motor vehicle theft protection plan;

(4) insurance to reimburse the retail buyer for the amount computed by subtracting the proceeds of the buyer's basic collision policy on the motor vehicle from the amount owed on the vehicle if the vehicle has been rendered a total loss;

(5) a warranty or service contract relating to the motor vehicle;

(6) an identity recovery service contract [~~defined by Section 1306.003, Occupations Code~~]; or

(7) a debt cancellation agreement if the agreement is included as a term of a retail installment contract under Section 348.124.

(b-1) In this section, "identity recovery service contract" means an agreement:

(1) to provide identity recovery, as defined by Section 1304.003, Occupations Code;

(2) that is entered into for a separately stated consideration and for a specified term; and

(3) that is financed through a retail installment contract.

SECTION 2. Section 353.207, Finance Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) A retail installment contract may include as a separate charge an amount for:

(1) motor vehicle property damage or bodily injury liability insurance;

(2) mechanical breakdown insurance;

(3) participation in a motor vehicle theft protection plan;

(4) insurance to pay all or part of the amount computed by subtracting the proceeds of the retail buyer's basic collision policy on the commercial vehicle from the amount owed on the vehicle in the event of a total loss or theft of the vehicle;

(5) a warranty or service contract relating to the commercial vehicle;

(6) an identity recovery service contract [~~defined by Section 1306.003, Occupations Code~~]; or

(7) a debt cancellation agreement.

(b-1) In this section, "identity recovery service contract" means an agreement:

(1) to provide identity recovery, as defined by Section 1304.003, Occupations Code;

(2) that is entered into for a separately stated consideration and for a specified term; and

(3) that is financed through a retail installment contract.

SECTION 3. Sections 1304.003(a) and (b), Occupations Code, are amended to read as follows:

(a) In this chapter:

(1) "Identity recovery" means a process, through a limited power of attorney and the assistance of an identity recovery expert, that returns the identity of an identity theft victim to pre-identity theft event status.

(2) "Service [~~service~~] contract" means an agreement[=

[~~(+)~~] that is entered into for a separately stated consideration and for a specified term[~~and~~

[~~(2)~~] under which a provider agrees to:

(A) repair, replace, or maintain a product, or provide indemnification for the repair, replacement, or maintenance of a product, for operational or structural failure or damage caused by a defect in materials or workmanship or by normal wear; or

(B) provide identity recovery, if the service contract is financed under Chapter 348 or 353, Finance Code.

(b) A service contract described by Subsection (a)(2)(A) may also provide for:

(1) incidental payment or indemnity under limited circumstances, including towing, rental, and emergency road service;

(2) the repair or replacement of a product for damage resulting from a power surge or for accidental damage incurred in handling the product; or

(3) identity recovery, [~~as defined by Section 1306.002,~~] if the service contract is financed under Chapter 348 or 353, Finance Code.

SECTION 4. Subchapter C, Chapter 1304, Occupations Code, is amended by adding Section 1304.1035 to read as follows:

Sec. 1304.1035. IDENTITY RECOVERY SERVICE CONTRACT REPORT; FEE. Not later than the 30th day after the date each calendar quarter ends, a provider must report to the department the number of service contracts described by Section 1304.003(a)(2)(B) that were sold or issued to consumers in this state during the most recent calendar quarter and must submit a fee of \$1 for each of those service contracts to the department. The report and fee are required only for a service contract that provides only for identity recovery services.

SECTION 5. Section 1304.104, Occupations Code, is amended to read as follows:

Sec. 1304.104. INFORMATION CONCERNING NUMBER OF SERVICE CONTRACTS SOLD OR ISSUED. Information concerning the number of service contracts sold or issued by a provider that is submitted under Section 1304.103 or 1304.1035 is a trade secret to which Section 552.110, Government Code, applies.

SECTION 6. Section 2306.003(c), Occupations Code, is amended to read as follows:

(c) A vehicle protection product may also include identity recovery, as defined by Section 1304.003 [~~1306.002~~], if the vehicle protection product is financed under Chapter 348 or 353, Finance Code.

SECTION 7. Chapter 1306, Occupations Code, is repealed.

SECTION 8. (a) The changes in law made by this Act apply only to a contract entered into or renewed on or after the effective date of this Act. A contract entered into or renewed 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.

(b) The repeal of Chapter 1306, Occupations Code, by this Act does not apply to a violation of that chapter that occurs before the effective date of the repeal. A violation that occurs before the effective date of the repeal is governed by the law as it existed on the date the violation occurred, and the former law is continued in effect for that purpose. For purposes of this subsection, a violation occurred before the effective date of the repeal if any element of the violation occurred before that date.

SECTION 9. This Act takes effect September 1, 2013.

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 1388**.

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

CONFERENCE COMMITTEE ON HOUSE BILL 1897
(Motion In Writing)

Senator Carona 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 1897** 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 1897** 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 Carona, Chair; Watson, West, Deuell, and Taylor.

CONFERENCE COMMITTEE ON HOUSE BILL 1951
(Motion In Writing)

Senator Carona 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 1951** 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 1951** 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 Carona, Chair; Ellis, Van de Putte, Eltife, and Duncan.

CONFERENCE COMMITTEE ON HOUSE BILL 2982
(Motion In Writing)

Senator Duncan 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 2982** 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 2982** 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 Duncan, Chair; Fraser, Davis, Seliger, and Uresti.

CONFERENCE COMMITTEE ON HOUSE BILL 3142
(Motion In Writing)

Senator Estes 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 3142** 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 3142** 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 Estes, Chair; Schwertner, Uresti, Hinojosa, and Hegar.

CONFERENCE COMMITTEE ON HOUSE BILL 3903
(Motion In Writing)

Senator Campbell 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 3903** 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 3903** 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 Campbell, Chair; Fraser, Hegar, Hinojosa, and Taylor.

SENATE BILL 949 WITH HOUSE AMENDMENT
(Motion In Writing)

Senator Nelson submitted a Motion In Writing to call **SB 949** 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 949** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 155.0045, Occupations Code, is repealed.

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 949** 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, Rodríguez, Deuell, and Taylor.

SENATE BILL 1373 WITH HOUSE AMENDMENT
(Motion In Writing)

Senator Hinojosa submitted a Motion In Writing to call **SB 1373** 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 1373** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to display of the Honor and Remember flag.

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

SECTION 1. Subchapter A, Chapter 2165, Government Code, is amended by adding Section 2165.0065 to read as follows:

Sec. 2165.0065. DISPLAY OF HONOR AND REMEMBER FLAG. (a) In this section, "Honor and Remember flag" means the Honor and Remember, Inc., flag.

(b) The Honor and Remember flag shall be displayed at each state office building, at the State Cemetery under Section 2165.256, and at each veterans cemetery managed by the Veterans' Land Board on:

(1) the third Saturday in May, "Armed Forces Day";

(2) the last Monday in May, "Memorial Day";

(3) the 14th day of June, "Flag Day";

(4) the fourth day of July, "Independence Day";

(5) the 11th day of November, "Veterans Day";

(6) "National POW/MIA Recognition Day";

(7) the last Sunday in September, "Gold Star Mother's Day"; and

(8) any date on which a resident of this state is killed while serving on active duty in the armed forces of the United States.

(c) If a facility to which Subsection (b) applies will not have staff available to display the Honor and Remember flag on the day provided by Subsection (b), the facility's staff shall display the flag on the last preceding day the staff is available and leave the flag on display on the day provided by Subsection (b).

SECTION 2. The Honor and Remember flag is designated as the symbol of our state's concern and commitment to honoring and remembering the lives of all members of the United States armed forces who have lost their lives while serving or as a result of service and their families.

SECTION 3. The Honor and Remember flag's red field represents the blood shed by brave men and women who sacrificed their lives for freedom, and the flag's white border recognizes the purity of that sacrifice. The flag's blue star is a symbol of active service in military conflict that dates back to World War I. The flag's gold star signifies the ultimate sacrifice of a warrior in active service who is not returning home and reflects the value of the life given. The folded flag element highlights this nation's final tribute to a fallen service member and a family's sacrifice. The flag's flame symbolizes the eternal spirit of the departed.

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 1373** 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; Birdwell, Campbell, Uresti, and Whitmire.

SENATE BILL 646 WITH HOUSE AMENDMENT

Senator Deuell called **SB 646** 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 646** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to court-ordered outpatient mental health services.

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

SECTION 1. Subchapter A, Chapter 574, Health and Safety Code, is amended by adding Section 574.0125 to read as follows:

Sec. 574.0125. IDENTIFICATION OF PERSON RESPONSIBLE FOR COURT-ORDERED OUTPATIENT MENTAL HEALTH SERVICES. Not later than the third day before the date of a hearing that may result in the judge ordering the patient to receive court-ordered outpatient mental health services, the judge shall identify the person the judge intends to designate to be responsible for those services under Section 574.037.

SECTION 2. Section 574.037, Health and Safety Code, is amended by amending Subsections (a) and (b) and adding Subsections (b-1), (b-2), (c-1), (c-2), (c-3), and (c-4) to read as follows:

(a) The court, in an order that directs a patient to participate in outpatient mental health services, shall designate the person identified under Section 574.0125 as [identify a person who is] responsible for those services or may designate a different person if necessary. The person designated [identified] must be the facility administrator or an individual involved in providing court-ordered outpatient services. A person may not be designated as responsible for the ordered services without the

person's consent unless the person is the facility administrator of a department facility or the facility administrator of a community center that provides mental health services in the region in which the committing court is located.

(b) The person responsible for the services shall submit to the court ~~[within two weeks after the court enters the order]~~ a general program of the treatment to be provided as required by this subsection and Subsection (b-2). The program must be incorporated into the court order. The program must include:

(1) services to provide care coordination; and

(2) any other treatment or services, including medication and supported housing, that are available and considered clinically necessary by a treating physician or the person responsible for the services to assist the patient in functioning safely in the community.

(b-1) If the patient is receiving inpatient mental health services at the time the program is being prepared, the person responsible for the services under this section shall seek input from the patient's inpatient treatment providers in preparing the program.

(b-2) The person responsible for the services shall submit the program to the court before the hearing under Section 574.034 or 574.035 or before the court modifies an order under Section 574.061, as appropriate.

(c-1) A patient subject to court-ordered outpatient services may petition the court for specific enforcement of the court order.

(c-2) A court may, on its own motion, set a status conference with the person responsible for the services, the patient, and the patient's attorney.

(c-3) The court shall order the patient to participate in the program but may not compel performance. If a court receives information under Subsection (c)(1) that a patient is not complying with the court's order, the court may:

(1) set a modification hearing under Section 574.062; and

(2) issue an order for temporary detention if an application is filed under Section 574.063.

(c-4) The failure of a patient to comply with the program incorporated into a court order is not grounds for punishment for contempt of court under Section 21.002, Government Code.

SECTION 3. Section 574.061(f), Health and Safety Code, is amended to read as follows:

(f) If the court modifies the order, the court shall designate ~~[identify]~~ a person to be responsible for the outpatient services as prescribed by Section 574.037.

SECTION 4. Section 574.063(b), Health and Safety Code, is amended to read as follows:

(b) The application must state the applicant's opinion and detail the reasons for the applicant's opinion that:

(1) the patient meets the criteria described by Section 574.064(a-1) ~~[574.065(a)]~~; and

(2) detention in an inpatient mental health facility is necessary to evaluate the appropriate setting for continued court-ordered services.

SECTION 5. Section 574.064, Health and Safety Code, is amended by adding Subsections (a-1) and (a-2) and amending Subsections (b) and (e) to read as follows:

(a-1) A physician shall evaluate the patient as soon as possible within 24 hours after the time detention begins to determine whether the patient, due to mental illness, presents a substantial risk of serious harm to the patient or others so that the patient cannot be at liberty pending the probable cause hearing under Subsection (b). The determination that the patient presents a substantial risk of serious harm to the patient or others may be demonstrated by:

(1) the patient's behavior; or

(2) evidence of severe emotional distress and deterioration in the patient's mental condition to the extent that the patient cannot live safely in the community.

(a-2) If the physician who conducted the evaluation determines that the patient does not present a substantial risk of serious harm to the patient or others, the facility shall:

(1) notify:

(A) the person designated under Section 574.037 as responsible for providing outpatient mental health services or the facility administrator of the outpatient facility treating the patient; and

(B) the court that entered the order directing the patient to receive court-ordered outpatient mental health services; and

(2) release the patient.

(b) A patient who is not released under Subsection (a-2) may be detained under a temporary detention order for more than 72 hours, excluding Saturdays, Sundays, legal holidays, and the period prescribed by Section 574.025(b) for an extreme emergency only if, after a hearing held before the expiration of that period, the court, a magistrate, or a designated associate judge finds that there is probable cause to believe that:

(1) the patient, due to mental illness, presents a substantial risk of serious harm to the patient or others, using the criteria prescribed by Subsection (a-1), to the extent that the patient cannot be at liberty pending the final hearing under Section 574.062 [~~meets the criteria described by Section 574.065(a)~~]; and

(2) detention in an inpatient mental health facility is necessary to evaluate the appropriate setting for continued court-ordered services.

(e) A patient released from an inpatient mental health facility under Subsection (a-2) or (d) continues to be subject to the order for court-ordered outpatient services, if the order has not expired.

SECTION 6. Section 574.065(a), Health and Safety Code, is amended to read as follows:

(a) The court may modify an order for outpatient services at the modification hearing if the court determines that the patient meets the applicable criteria for court-ordered inpatient mental health services prescribed by Section 574.034(a) or 574.035(a).

SECTION 7. The heading to Subchapter G, Chapter 574, Health and Safety Code, is amended to read as follows:

SUBCHAPTER G. ADMINISTRATION OF MEDICATION TO PATIENT UNDER COURT ORDER FOR ~~[INPATIENT]~~ MENTAL HEALTH SERVICES

SECTION 8. Section 574.102, Health and Safety Code, is amended to read as follows:

Sec. 574.102. APPLICATION OF SUBCHAPTER. This subchapter applies to the application of medication to a patient subject to a court ~~[an]~~ order for ~~[inpatient]~~ mental health services under this chapter or other law.

SECTION 9. Section 574.103(b), Health and Safety Code, is amended to read as follows:

(b) A person may not administer a psychoactive medication to a patient under court-ordered inpatient mental health services who refuses to take the medication voluntarily unless:

- (1) the patient is having a medication-related emergency;
- (2) the patient is under an order issued under Section 574.106 authorizing the administration of the medication regardless of the patient's refusal; or
- (3) the patient is a ward who is 18 years of age or older and the guardian of the person of the ward consents to the administration of psychoactive medication regardless of the ward's expressed preferences regarding treatment with psychoactive medication.

SECTION 10. Subchapter D, Chapter 1001, Health and Safety Code, is amended by adding Section 1001.083 to read as follows:

Sec. 1001.083. REPORT ON COURT-ORDERED OUTPATIENT MENTAL HEALTH SERVICES. (a) Not later than December 1, 2016, the department shall prepare and submit to the legislature a report containing information about persons receiving court-ordered outpatient mental health services in this state and the effectiveness of those services.

(b) This section expires September 1, 2017.

SECTION 11. Sections 574.034(i) and 574.035(j), Health and Safety Code, are repealed.

SECTION 12. The change in law made by this Act applies only to an application for court-ordered mental health services or temporary detention filed on or after the effective date of this Act. An application filed 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.

SECTION 13. This Act takes effect September 1, 2013.

The amendment was read.

Senator Deuell moved to concur in the House amendment to **SB 646**.

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

(Senator Seliger in Chair)

SENATE BILL 1216 WITH HOUSE AMENDMENTS

Senator Eltife called **SB 1216** 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 1216** (house committee printing) on page 3, lines 9 through 12, by striking added Section 1217.002(c), Insurance Code, and relettering the subsequent subsections of that section accordingly.

Floor Amendment No. 2

Amend **SB 1216** (house committee printing) as follows:

(1) On page 4, line 18, strike "or".

(2) On page 4, line 23, between "1217.002" and the period, insert the following:

; or

(5) a workers' compensation insurance policy

Floor Amendment No. 3

Amend **SB 1216** (house committee printing) on page 7, line 12, by striking "medical".

The amendments were read.

Senator Eltife moved to concur in the House amendments to **SB 1216**.

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

(Senator Eltife in Chair)

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 176 ADOPTED**

Senator Carona called from the President's table the Conference Committee Report on **SB 176**. The Conference Committee Report was filed with the Senate on Tuesday, May 21, 2013.

On motion of Senator Carona, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 200 ADOPTED**

Senator Patrick called from the President's table the Conference Committee Report on **SB 200**. The Conference Committee Report was filed with the Senate on Tuesday, May 21, 2013.

On motion of Senator Patrick, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Friday, May 24, 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 CONCURRED IN THE SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

- HB 38** (115 Yeas, 25 Nays, 2 Present, not voting)
HB 585 (146 Yeas, 0 Nays, 2 Present, not voting)
HB 595 (144 Yeas, 0 Nays, 2 Present, not voting)
HB 658 (144 Yeas, 0 Nays, 2 Present, not voting)
HB 1606 (119 Yeas, 26 Nays, 2 Present, not voting)
HB 1692 (90 Yeas, 54 Nays, 2 Present, not voting)
HB 2028 (145 Yeas, 0 Nays, 2 Present, not voting)
HB 2029 (144 Yeas, 0 Nays, 2 Present, not voting)
HB 2259 (144 Yeas, 0 Nays, 2 Present, not voting)
HB 2645 (139 Yeas, 6 Nays, 3 Present, not voting)
HB 2733 (145 Yeas, 0 Nays, 2 Present, not voting)
HB 3028 (146 Yeas, 0 Nays, 2 Present, not voting)
HB 3605 (146 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 3569 (non-record vote)

House Conferees: Kleinschmidt - Chair/Anderson/Guillen/Kacal/White

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

GUESTS PRESENTED

Senator West was recognized and introduced to the Senate students from the Irma Lerma Rangel Young Women's Leadership School.

The Senate welcomed its guests.

CONFERENCE COMMITTEE ON HOUSE BILL 3390

(Motion In Writing)

Senator Duell 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 3390** 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 3390** 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 Deuell, Chair; Hancock, Watson, Eltife, and Seliger.

SESSION TO CONSIDER EXECUTIVE APPOINTMENTS

The Presiding Officer announced the time had arrived to consider executive appointments to agencies, boards, and commissions. Notice of submission of these names for consideration was given Wednesday, May 22, 2013, by Senator Hegar.

Senator Hegar moved confirmation of the nominees reported Wednesday by the Committee on Nominations.

The Presiding Officer asked if there were requests to sever nominees.

Senator Zaffirini requested the following nominees be severed:

Member, Board of Regents, The University of Texas System: Ernest Aliseda, Hidalgo County.

Member, Board of Regents, The University of Texas System: Paul Lewis Foster, El Paso County.

Member, Board of Regents, The University of Texas System: Jeffery Dee Hildebrand, Harris County.

NOMINEES CONFIRMED

The following nominees, not severed and reported by the Committee on Nominations, were confirmed by the following vote: Yeas 31, Nays 0.

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.

NOMINEES CONFIRMED

The following severed nominee, as reported by the Committee on Nominations, was confirmed by the following vote: Yeas 30, Nays 1.

Nays: Whitmire.

Member, Board of Regents, The University of Texas System: Ernest Aliseda, Hidalgo County.

The following severed nominee, as reported by the Committee on Nominations, was confirmed by the following vote: Yeas 30, Nays 1.

Nays: Whitmire.

Member, Board of Regents, The University of Texas System: Paul Lewis Foster, El Paso County.

The following severed nominee, as reported by the Committee on Nominations, was confirmed by the following vote: Yeas 30, Nays 1.

Nays: Whitmire.

Member, Board of Regents, The University of Texas System: Jeffery Dee Hildebrand, Harris County.

REMARKS ORDERED PRINTED

On motion of Senator Zaffirini and by unanimous consent, the remarks regarding The University of Texas System Board of Regents nominees were ordered reduced to writing and printed in the *Senate Journal* as follows:

Senator Watson: Thank you, Mr. President. Members, for months now we've stood together in the face of controversy involving The University of Texas System. We've asked serious questions about the governance and management and what some of us saw as micromanagement of activities at The University of Texas at Austin by members of the system's Board of Regents. Concerns were expressed about whether there was a campaign by a few to oust the successful President. We've expressed disappointment when we believed the Regents weren't forthcoming in providing us information we're entitled to. Sadly, this issue has regressed to the point that people speak in terms of battle and the fog of war. There's reason to believe that the controversy and the battle is damaging this great system, a university system we simply must have function well, a system that is a cornerstone of our state's legacy of success and its future promise. We responded to this controversy, these concerns, and this damage through our part of the overall governance structure, with legislation that sends clear direction, including about the role of policymaker versus micromanager and when a board can terminate a President of an institution, making it clear that Regents can't fire a President unilaterally but, instead, the decision is one for the Chancellor. This week we exercised, and today we exercise another part of our oversight role with the Regent confirmation process. In the hearing, we heard unmistakable commitments to move past divisiveness, controversies, hidden agendas,

investigations, and the war metaphors that have taken a toll on this system and university we all value. The vetting process revealed recognition that current activity by some on the board is unhealthy and yielded firm assurances that the nominees will seek better solutions. The three nominees acknowledged the Legislature's legitimate function and role in higher education governance and committed to seek good relations with Members of the Legislature and to implement and honor good policies reflected in Senate Bill 15. And we heard solid promises that these nominees are not part of any vendetta to oust UT's excellent President. So, Members, I will vote to confirm these three men as Regents. My vote today is of both hope and pragmatism: hope and belief that these three men made promises, have the ability, and can be voices of reason, moderation, and reconciliation; hope that as a state we can come together to continue down this trail of progress and achievement that our universities and the Texans trained at those universities have helped blaze; hope that these men are being sincere when they pledge to work with us in this Legislature just as we try to work with them; hope that they are as passionate as they appear about the future of this university system. And I mean all of it, all of its potential, including the truly historical developments we've witnessed recently with the creation of a new medical school in Austin, the new university and medical school in South Texas, the research that's going on at MD Anderson Cancer Center, and so much more, and that their passion for the people who we all serve will keep them focused on the enormous future and not petty grievances. But we also must be pragmatic. The Constitution gives the Governor power to appoint whomever he chooses. I'd much rather confirm these men who've gone through this process and answered our questions than have their seats filled by people who haven't and aren't in a position to demonstrate anything to us or the people of Texas before taking such an important office. So, I think we should take the chance that they mean what they told us. I think we should confirm them in the sincere hope that they'll work with us and with President Powers to help the system as a whole and The University of Texas, in particular, thrive in the 21st century. In my opinion, that's what they pledged to us, and that pledge means a lot. I'd hate to think someone might serve under our current circumstances without having the opportunity to make it. I wish them good luck, and I look forward to working with them. Thank you, Mr. President, and thank you, Members.

Senator Zaffirini: Thank you, Mr. President. Mr. President and Members, I rise, too, to address the subject of the nominees for the UT Board of Regents. In 1876, the Texas Constitution called for the creation of a university of the first class. In response, the state created The University of Texas at Austin. The UT seal embodies the words of Mirabeau B. Lamar, the father of education, who wrote, The cultivated mind is the guardian genius of democracy. Words like first class, cultivated mind, guardian genius, and democracy are hallmarks of academic excellence. These ideals require the best students, the best faculty, the best researchers, the best administrators, and the best Regents. When Regents micromanage and focus on accountability, affordability, efficiency, and productivity without simultaneously focusing on excellence, they risk lowering our standards, tarnishing our brand, and damaging our recruitment and retention of the best students, faculty, researchers, and administrators. This is especially true if they micromanage individually instead of functioning as a policymaking board. Today, as the Texas Senate exercises our responsibility to

provide advice and consent in the nomination and confirmation process, we focus on three outstanding Texans who are being scrutinized, not necessarily because of their own character, qualifications, or experience but, frankly, because of the conduct of a minority of Regents who have been called, among other things, rogue Regents, who have hijacked the UT agenda, stirred controversy that lowered morale, and resulted in negative attention and publicity in Texas and nationally and focused on UT at the expense of other institutions in the system. Last Monday, 22 Senators participated in the Nominations Committee hearing of UT Regent nominees Paul Foster, Ernesto Aliseda, and Jeff Hildebrand. And 11 Senators asked them questions and made comments. First and foremost, at the Nominations Committee hearing and during additional meetings and conversations, the nominees agreed that they were committed to excellence, not to widgetizing of higher education. In doing so, they expressed their understanding that the importance of academic research, not only in the sciences but also in the liberal arts and other areas, their support for academic freedom and tenure, their belief that every institution in the UT system merits attention, including those in South Texas and in El Paso, and most important, their agreement to focus on excellence as they discuss any topics, such as accountability, affordability, efficiency, productivity, and transparency. In response to observations that some UT Regents reflected a double standard, refusing to practice the accountability, responsiveness, and transparency that they demand of others, the three nominees agreed to reach out to all stakeholders and to be responsive to them going forward, particularly in understanding their concerns and their solutions for the controversy at hand, to improve morale by ensuring that personnel not be burdened with unreasonable data demands and deadlines, to ensure that the board functions as a policymaking body, not as a collection of micromanaging individuals with their own agendas, and to investigate and to improve the process by which the board, in particular, responds to requests for public information. Contrary to the belief expressed in a document submitted by Regent Chair Gene Powell, the three nominees agreed that The University of Texas System is subject to Section 51.352 of the Education Code. Specifically, they agreed that under this law, UT Regents are bound by directives, including that they shall exercise the traditional and time-honored role for such boards as their roles have evolved in the U.S. and shall be the keystone of the governance structure, shall preserve institutional independence and defend a university's right to manage its own affairs through its chosen administrators and employees, shall enhance the public image of each institution, shall nurture each institution to be sure each achieves its full potential with its enrolled admission, and shall provide policy direction. For the life of me, Members, I cannot understand why anyone would assume that the UT board is exempt from these directives that also are best practices, but I am heartened by each nominee's stated belief that they apply to UT. In effect, the nominees agreed that they must abide by the law and not hold themselves above it in any way. Specifically, they agreed that Regents have a fiduciary duty and that they would report anyone who breached that duty. All of us who believe in the transparency and accountability standards memorialized in the Texas Public Information Act welcome the pledges of these nominees to investigate and to improve the process reportedly defied by some UT Regents that thwart public information requests. These problems include delaying, inexcusably and deliberately, responses to

legislators' requests; labeling inconvenient information as confidential; reducing access to information by embedding security codes that preclude printing; using large, dark watermarks to reduce readability; allowing one Regent, perhaps more, to insert himself in the process by revealing documents before they are submitted to us; and requiring legislators to sign confidentiality agreements to access confidential information to which we have a right. In 2011, when the attempt to hijack the higher education agenda exploded into a statewide controversy that attracted national and even international attention, many understood the negative impact on higher education in general, but on A&M, UT Austin, and the emerging research universities in particular. The three nominees whom we consider today denied any interest in implementing the so-called seven solutions espoused by Jeff Sandefer, the Texas Public Policy Foundation, and others. They went so far as to express positions counter to those so-called solutions and other legislative recommendations, including their disdain for the black and red reports and for placing universities under Sunset and their support for using taxpayer money for research. Because the situation evolved into a focus on UT Austin and its President, many legislators repeatedly have expressed our admiration, respect, support, and, yes, even our love for Bill Powers. And we have warned that all hell would break loose if he were fired or forced to resign. The three Regent nominees denied any participation in any attempt to fire Bill Powers. They agreed that only the Chancellor, not the Regents, can recommend the firing of a President. They agreed to meet with President Powers and to understand his perspective and went so far as to express admiration for him. When Regent Foster mentioned his reservation about President Powers' fundraising capabilities, we pointed out that UT Austin is raising an average of \$1.2 million per day and is on track to surpass its best year in fundraising. Specific concerns about these three nominees were raised to them. Regent Foster explained why he cast the deciding vote to continue the investigation of the UT Law School Foundation, admitted that he should have done more to resolve the controversy, and pledged to exercise his leadership in the future. Nominee Aliseda said he is an Aggie who loves UT, expressed a particular interest in the system's South Texas institutions, and said he would use his mediation skills to resolve the controversy. Nominee Hildebrand denied he would be influenced by his friend, Jeff Sandefer, or by any other person, stated that his success reflects his independence, and pledged to use his problem-solving skills for the betterment of the UT system. I am confident that the Senate today could block these three nominees. Many of us who have reservations about each of these nominees, partly because we regret confirming the three 2011 nominees whose nominations were not vetted fully or properly, having listened intently and repeatedly to our current nominees, however, some of us will vote to confirm them because we are willing to give them the benefit of the doubt, know that we can continue to interact with them and, above all, above all, recognize that if we don't confirm them, three other nominees could be appointed and could serve without undergoing the Senate confirmation process until the next regular legislative session in 2015. I am cautiously optimistic that having listened to us, these three nominees realize that the responsibility is enormous, are committed to counter-balancing negative forces, and understand that their work will be scrutinized by all of us who are passionate about higher education in general and the UT system and UT Austin in particular.

Accordingly, although unenthusiastically, I will vote "aye" and look forward to a productive relationship with these three nominees. My prayer is that they and all Regents will listen as closely to us as we have listened, and will continue to listen, to each of them. Thank you, Mr. President and Members.

Senator Hinojosa: Thank you, Mr. President and Members. I rise to support the nomination of Ernest Aliseda to The University of Texas Board of Regents. I've known Judge Aliseda for 15 years. He's a resident of my San Antonio District 20. He's a resident of the City of McAllen where I reside and is my hometown. I will just give a few of the highlights of his qualifications to serve on the Board of Regents for The University of Texas. His education, he has a bachelor's degree from University of Texas, A&M, excuse me, from Texas A&M College Station. He also attended The University of Texas–Pan American. His law degree, he has a law degree from the University of Houston school center. He also has studied in Spain and Mexico. He's written numerous articles on different legal issues. They've been published not only throughout the state but throughout the nation. He's also a very experienced person. Judge Aliseda served as a District Judge twice in two separate district courts, Hidalgo County. He's also served as a municipal judge in the City of McAllen. He's also a mediator. He's mediated many difficult issues among parties who had disagreements among themselves. He's also very knowledgeable in commercial law, litigation, and has extensive management experience. He's also involved very much in the community. He's a past director of the board of Texas Rural Legal Aid, legal services for the poor. He's also a bar member of the Hispanic issues section for the State Bar of Texas. He participates and is a member of the citizens league, where citizens get together to discuss different public issues before the community of the City of McAllen. And he also participates in the teen court system, trying to encourage students, the youngsters, to understand our civil justice system and the way it works. He's also a military person. He is a Major in the United States Army Reserve Judge Advocate General's Corps. He's received the meritorious army award. He's received the Medal of Commendation for his service and a national defense service medal, to name just a few of the distinguished awards in the Army. I also tell you, he's a family man, a family man who also believes in public service. He has a brother, former State Representative Jose Aliseda, who is a District Attorney for Bee, Live Oak, and McMullen counties. But just as important, his wife, Debbie Crane Aliseda, also serves the public in that she's a member of McAllen school board. He also has a brother-in-law, Scott Crane, who's involved in public service; he's a City Commissioner for the City of McAllen. He has another brother-in-law who also serves the public; he's a federal judge for the southern district of McAllen. And just as important, he's got five children, five children, and two of them attend The University of Texas here in Austin. I will tell you that he's a man of character. He's a responsible person. He has integrity and is committed to education. I support the nomination and ask that Ernest Aliseda be confirmed by the Texas Senate to The University of Texas Board of Regents. Thank you, Mr. President, and thank you, Members.

Senator Huffman: Thank you, Mr. President. Members, I rise today in support of my constituent, Mr. Jeff Hildebrand. After the nomination hearing on Monday, many of you came up to me and told me how impressed you were with Mr. Hildebrand and his presentation to the Committee. As a public servant, I, too, am impressed by Mr.

Hildebrand and feel that we are actually very fortunate to have someone with his vision and knowledge who is willing to serve us on The UT System Board of Regents. One of the things that I find very interesting about Mr. Hildebrand is that he is very successful, but he's self-made. In 1989, he left a safe career at Exxon and founded Hilcorp Energy. He started small, just three guys and a telephone, and that risk has turned into a very successful business which has been cited as one of the top workplaces in the country. I fully support Mr. Hildebrand's nomination for appointment to The University of Texas System Board of Regents. I urge all of my colleagues to support my constituent as well, and I expect that we will see great things from this man as he serves our state. Thank you very much.

Senator Seliger: Thank you, Mr. President. Members, one of the tough things to acknowledge, I think, is over the last several biennia, we have made some mistakes, I think, in some of the confirmations of people at The University of Texas Board of Regents. And I absolutely share that responsibility with those of us who have sat on this floor. But it is the Governor's right to appoint who he will, and in this case, he has appointed very successful and accomplished, even impressive, individuals who deserve the right to show they can do the important job they have to do as Regents. And as they talked, as you listened carefully, I think that they all want to. They are not people who are easily led, and there's a very good chance as we go forward, they're people who certainly have the capability to make the best judgments based upon what's best for this institution and for the Texans who will go there and prepare for the future, for Texas' future. They have pledged to follow the spirit of SB 15, really, whether it passed or not, and see to it that governance follows a very carefully delineated and purposeful hierarchy to see to it that the people who are responsible for certain functions in the university do those functions. I think they acknowledged to us in that hearing that they believe that universities are places not only for industrial productivity but for intellectual inquiry. There is a tremendous amount of value of having honored and awarded engineers and physicists, but there is no less value in having true humanities scholars, Pulitzer Prize winners, also on that faculty, because we, as Texans, our children, grandchildren, great-grandchildren will learn something from all of them that they will take forward in the future. I was impressed by the fact, if you saw, that given the probative and incisive questioning and remarks by Senator Watson and Senator Garcia, Senator Zaffirini, Senator Eltife, that one of the real values in this hearing, in some ways, were not what we learned from them themselves but the fact that they realize that their activities as Regents are going to be very, very carefully scrutinized by the people in this body, some of whom are loyal and loving UT alumni. Some of us are not, but realize the value in those institutions and all great institutions as they shape the state that they are here to serve. And, therefore, I think these gentlemen deserve the right, since we know of no reason not to, to be treated as people of integrity, that they are going to do what they say and their commitment is a real one to the long term and near term, I guess, benefit of that university. And that's why I intend to, and would urge the Members to, vote for the confirmation of these three nominees. Thank you, Mr. President and Members.

Senator Rodríguez: Thank you, Mr. President and Members. I, too, rise in support of all three nominees, but I wish to confine my remarks to my constituent, Paul Foster. Paul Foster has been a UT system Regent since 2007. He's Vice-chair of the board

and is Chairman of the board's Finance and Planning Committee. He is also the Chairman of the board of UTIMCO, the nonprofit investment management company that manages 30 billion in assets for the UT system. I believe he's a man who understands fiduciary responsibility, given the task that he has carried out on behalf of the system. As we all know, UTIMCO is the second largest university endowment in the country and widely recognized and widely regarded as one of the best run university endowment organizations. Paul is also a former member of the Texas Higher Education Coordinating Board. His personal commitment to education can be seen across the state, from his work at the UT system to giving back to his alma mater, Baylor, and, of course, his support of El Paso institutions. Many people have played a vital role in building, for example, the Texas Tech Medical School in El Paso, which is a cornerstone for the University Medical Center of the Americas. However, without Paul's generous contribution of \$50 million in 2007, our community would not have been able to realize this goal of establishing a first class, four-year medical school as quickly as we did. In addition, he's been a strong supporter for The University of Texas at El Paso, where he has contributed to new athletic facilities, that are source of pride for the school and the community. When Paul, a 1979 graduate of Baylor University, Senator Watson, and your classmate, was named Alumni of the Year, he said this about giving back to the school, Education is absolutely critical to the breeding, to breeding successful environments, economic development, and moving society forward; it's just something that I've developed a passion for and that I believe is critically important. Now, I realize that this may not be an easy vote for some people because of all the controversy that we have been hearing about, including this afternoon, there is a vigorous debate, in fact, over the relationship of the Board of Regents and the UT Austin campus and the system. But as many have already pointed out, Senator Zaffirini, Senator Watson, and others, the UT system is larger than just one institution. As we all know, it serves more than 200,000 students in nine universities and six health institutions, and it has close to 90,000 employees. The UT system brand, as was testified at the committee hearing, is a significant asset to the state. In the Nominations Committee, we heard Paul commit to the importance of maintaining that brand and to maintaining the system's commitment to building that brand throughout all of the UT systems' campuses. He also acknowledged, in recognition of questions from Senator Zaffirini, that the Regents are bound by the state code regarding boards and commissions. And he stated, as has already been said, that he was not interested in micromanagement. And in prior conversations I had with him before the Nomination Committee hearings, he assured me that he was not involved in any agenda to get rid of President Powers or to diminish the standing of the university in this state and in this country. I believe that Paul has been an asset to The UT System Board of Regents and that he will continue to be an asset to the system as it continues to be at the forefront of American higher education. And, therefore, Mr. President and Members, I urge you to support his nomination to The UT System Board of Regents, as well as the other two nominees. Thank you.

Senator Lucio: Thank you, Mr. President. I, too, rise and I join my colleague, Senator Hinojosa, in support of, as a matter of fact, I claim Ernesto Aliseda myself, because he is from McAllen. I represent McAllen, and I want to recommend to you, Members, this outstanding man. I will not reiterate, obviously, what Senator Hinojosa

shared with us, but you can tell that at this point, Ernest Aliseda has lived an exemplary life and he's contributed to community, state, and country in so many different ways. I do want to, I would be remiss if I didn't thank Regent Foster, Paul obviously took part in decision-making that supported our efforts in bringing a world class university, a new university, a component, another campus of The University of Texas System in the Rio Grande Valley, a regional university that will also have in it, within its umbrella, a medical school that we're all pretty excited. And I, obviously, thank you, the body, this body, the Senate, for supporting that effort. Congratulate Mr. Jeffery Hildebrand and wish him well. But I think the only thing I want to say is that for those listening—and a lot of people in our state don't realize that Texas really is run by boards and commissions—we, as a Legislature, take part every two years in establishing public policy that hopefully will have a positive impact to our state. The Governor appoints, we confirm, and that's been mentioned by many of you. We hope to come together in the confirmation process to make sure that we have the men and women in these positions that will do good for the, and serve well in the boards they're going to be serving in. So, I rise to support not only Ernest Aliseda but the other two nominees, Regent Foster, who has already been on the board for a while and, of course, Jeffery Hildebrand, and ask them to work with other members that are on the board at this time for the good of the UT system in our state. Thank you.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Friday, May 24, 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 CONCURRED IN THE SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

HB 16 (142 Yeas, 1 Nays, 2 Present, not voting)

HB 431 (144 Yeas, 0 Nays, 2 Present, not voting)

HB 1050 (139 Yeas, 1 Nays, 2 Present, not voting)

HB 1090 (120 Yeas, 18 Nays, 2 Present, not voting)

HB 1128 (103 Yeas, 41 Nays, 2 Present, not voting)

HB 2000 (141 Yeas, 3 Nays, 2 Present, not voting)

HB 2615 (114 Yeas, 29 Nays, 2 Present, not voting)

HB 2694 (144 Yeas, 1 Nays, 2 Present, not voting)

HB 2825 (144 Yeas, 0 Nays, 2 Present, not voting)

HB 2895 (145 Yeas, 0 Nays, 2 Present, not voting)

HB 2935 (135 Yeas, 3 Nays, 2 Present, not voting)

HB 3063 (142 Yeas, 2 Nays, 2 Present, not voting)

HB 3103 (141 Yeas, 0 Nays, 2 Present, not voting)

HB 3188 (145 Yeas, 0 Nays, 2 Present, not voting)

HB 3209 (143 Yeas, 2 Nays, 2 Present, not voting)

HB 3357 (142 Yeas, 0 Nays, 2 Present, not voting)

HB 3422 (143 Yeas, 2 Nays, 2 Present, not voting)

HB 3556 (139 Yeas, 3 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 1675 (non-record vote)

House Conferees: Bonnen, Dennis - Chair/Anchia/Cook/Dutton/Price

HB 2012 (non-record vote)

House Conferees: Villarreal - Chair/Aycock/Farney/Howard/King, Ken

HB 2741 (non-record vote)

House Conferees: Phillips - Chair/Fletcher/Harper-Brown/Martinez, "Mando"/Pickett

HB 2836 (non-record vote)

House Conferees: Ratliff - Chair/Farney/Huberty/Kuempel/Turner, Sylvester

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 429 (142 Yeas, 3 Nays, 2 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

**CONFERENCE COMMITTEE ON HOUSE BILL 6
(Motion In Writing)**

Senator Williams 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 6** 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 6** 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 Williams, Chair; Duncan, Nelson, Watson, and Hinojosa.

CONFERENCE COMMITTEE ON HOUSE BILL 7
(Motion In Writing)

Senator Williams 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 7** 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 7** 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 Williams, Chair; Duncan, Nelson, Eltife, and Hegar.

CONFERENCE COMMITTEE ON HOUSE BILL 500
(Motion In Writing)

Senator Hegar 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 500** 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 500** 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 Hegar, Chair; Williams, Duncan, Nelson, and Lucio.

CONFERENCE COMMITTEE ON HOUSE BILL 213
(Motion In Writing)

Senator Hegar 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 213** 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 213** 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 Hegar, Chair; Williams, Duncan, Nelson, and Lucio.

CONFERENCE COMMITTEE ON HOUSE BILL 508
(Motion In Writing)

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 508** 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 508** 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; Carona, Paxton, Hinojosa, and Deuell.

CONFERENCE COMMITTEE ON HOUSE BILL 912
(Motion In Writing)

Senator Estes 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 912** 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 912** 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 Estes, Chair; Hegar, Duncan, Ellis, and West.

CONFERENCE COMMITTEE ON HOUSE BILL 3106
(Motion In Writing)

Senator Carona 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 3106** 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 3106** 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 Carona, Chair; Eltife, Hancock, Lucio, and Van de Putte.

SENATE BILL 1907 WITH HOUSE AMENDMENTS
(Motion In Writing)

Senator Hegar submitted a Motion In Writing to call **SB 1907** 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 1907** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the transportation and storage of firearms and ammunition in private vehicles on the campuses of institutions of higher education.

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

SECTION 1. Subchapter Z, Chapter 51, Education Code, is amended by adding Section 51.979 to read as follows:

Sec. 51.979. TRANSPORTATION AND STORAGE OF FIREARMS AND AMMUNITION IN PRIVATE VEHICLES ON CERTAIN CAMPUSES. (a) For purposes of this section:

(1) "Campus" means all land and buildings owned or leased by an institution of higher education or private or independent institution of higher education.

(2) "Institution of higher education" and "private or independent institution of higher education" have the meanings assigned by Section 61.003.

(b) An institution of higher education or private or independent institution of higher education in this state may not adopt or enforce any rule, regulation, or other provision prohibiting or placing restrictions on the storage or transportation of a firearm or ammunition in a locked, privately owned or leased motor vehicle by a person who lawfully possesses the firearm or ammunition:

(1) on a street or driveway located on the campus of the institution; or

(2) in a parking lot, parking garage, or other parking area located on the campus of the institution.

SECTION 2. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 1907** (House Committee Printing) as follows:

(1) On page 1, line 19, after "provision" insert "or take any other action, including posting notice under Section 30.06, Penal Code,".

(2) On page 1, line 22, after between "person" and "who", insert ", including a student enrolled at that institution,".

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 1907** 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; Whitmire, Patrick, Huffman, and Birdwell.

SENATE BILL 1158 WITH HOUSE AMENDMENTS
(Motion In Writing)

Senator Van de Putte submitted a Motion In Writing to call **SB 1158** 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 1158** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to higher education for veterans and their families.

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

SECTION 1. Section 54.341, Education Code, is amended by amending Subsections (a-2), (b), (d), (h), (i), (k), (k-1), (l), (m), and (n) and adding Subsections (a-4) and (o) to read as follows:

(a-2) The exemptions provided for in Subsection (a) also apply to the spouse of:

(1) a member of the armed forces of the United States:

(A) who was killed in action;

(B) who died while in service;

(C) who is missing in action;

(D) whose death is documented to be directly caused by illness or injury connected with service in the armed forces of the United States; or

(E) who became totally and permanently disabled or meets the eligibility requirements for individual unemployability ~~[for purposes of employability]~~ according to the disability ratings of the Department of Veterans Affairs as a result of a service-related injury; or

(2) a member of the Texas National Guard or the Texas Air National Guard who:

(A) was killed since January 1, 1946, while on active duty either in the service of this state or the United States; or

(B) is totally and permanently disabled or meets the eligibility requirements for individual unemployability ~~[for purposes of employability]~~ according to the disability ratings of the Department of Veterans Affairs, regardless of whether the member is eligible to receive disability benefits from the department, as a result of a service-related injury suffered since January 1, 1946, while on active duty either in the service of this state or the United States.

(a-4) A person who before the 2014-2015 academic year received an exemption under this section continues to be eligible for the exemption provided by this section as this section existed on January 1, 2013.

(b) The exemptions provided for in Subsection (a) also apply to:

(1) the children of members of the armed forces of the United States:

(A) who are or were killed in action;

(B) who die or died while in service;

(C) who are missing in action;

(D) whose death is documented to be directly caused by illness or injury connected with service in the armed forces of the United States; or

(E) who became totally and permanently disabled or meet the eligibility requirements for individual unemployability ~~[for purposes of employability]~~ according to the disability ratings of the Department of Veterans Affairs as a result of a service-related injury; and

(2) the children of members of the Texas National Guard and the Texas Air National Guard who:

(A) were killed since January 1, 1946, while on active duty either in the service of their state or the United States; or

(B) are totally and permanently disabled or meet the eligibility requirements for individual unemployability ~~[for purposes of employability]~~ according to the disability ratings of the Department of Veterans Affairs, regardless of whether the members are eligible to receive disability benefits from the department, as a result of a service-related injury suffered since January 1, 1946, while on active duty either in the service of this state or the United States.

(d) The governing board of each institution of higher education granting an exemption under this section shall require each applicant claiming the exemption to submit to the institution, in the form and manner prescribed by the Texas Veterans Commission for purposes of this section under Section 434.0079(b), Government Code, an application for the exemption and necessary [satisfactory] evidence that the applicant qualifies for the exemption not later than the official day of record for the semester or term to which the exemption applies on which the institution must determine the enrollment that is reported to the Texas Higher Education Coordinating Board or on another day, not later than the end of the semester, as determined by the governing board [one year after the earlier of the date the institution:

~~[(1) provides written notice to the applicant of the applicant's eligibility for the exemption; or~~

~~[(2) receives a written acknowledgement from the applicant evidencing the applicant's awareness of the applicant's eligibility for the exemption].~~

(h) The governing board of each institution of higher education shall electronically report to the Texas Veterans Commission [~~Higher Education Coordinating Board~~] the information required by Section 434.00791, Government Code, [~~61.0516~~] relating to each individual receiving an exemption from fees and charges under Subsection (a), (a-2), or (b). The institution shall report the information for the preceding fiscal year not later than December 31 of each year [~~for the fall semester, May 31 of each year for the spring semester, and September 30 of each year for the summer session~~].

(i) The Texas Veterans Commission [~~Texas Higher Education Coordinating Board~~] may adopt rules to provide for the efficient and uniform application of this section. In developing rules under this subsection, the commission shall consult with the Texas Higher Education Coordinating Board and institutions of higher education.

(k) The Texas Veterans Commission [~~Higher Education Coordinating Board~~] by rule shall prescribe procedures to allow:

(1) a person who becomes eligible for an exemption provided by Subsection (a) to waive the person's right to any unused portion of the [~~maximum~~] number of cumulative credit hours for which the person could receive the exemption and assign the exemption for the unused portion of those credit hours to a child of the person; and

(2) following the death of a person who becomes eligible for an exemption provided by Subsection (a), the assignment of the exemption for the unused portion of the credit hours to a child of the person, to be made by the person's spouse or by the conservator, guardian, custodian, or other legally designated caretaker of the child, if the child does not otherwise qualify for an exemption under Subsection (b).

(k-1) The procedures under Subsection (k) must provide:

(1) the manner in which a person may waive the exemption;

(2) the manner in which a child may be designated to receive the exemption;

(3) a procedure permitting the designation of a different child to receive the exemption if the child previously designated to receive the exemption did not use the exemption under this section for all of the assigned portion of credit hours; [~~and~~]

(4) a method of documentation to enable institutions of higher education to determine the eligibility of the designated child to receive the exemption; and

(5) a procedure permitting a person who waived the exemption and designated a child to receive the exemption to revoke that designation as to any unused portion of the assigned credit hours.

(l) To be eligible to receive an exemption under Subsection (k), the child must:

(1) be a student who is classified as a resident under Subchapter B when the child enrolls in an institution of higher education; [~~and~~]

(2) make satisfactory academic progress in a degree, certificate, or continuing education program as determined by the institution at which the child is enrolled in accordance with the policy of the institution's financial aid department, except that the institution may not require the child to enroll in a minimum course load; and

(3) be 25 years of age or younger on the first day of the semester or other academic term for which the exemption is claimed.

(m) For purposes of this section, a person is the child of another person if ~~[the person is 25 years of age or younger on the first day of the semester or other academic term for which the exemption is claimed and]~~:

(1) the person is the stepchild or the biological or adopted child of the other person; or

(2) the other person claimed the person as a dependent on a federal income tax return filed for the preceding year or will claim the person as a dependent on a federal income tax return for the current year.

(n) The Texas Veterans Commission ~~[Higher Education Coordinating Board]~~ by rule shall prescribe procedures by which a child assigned an exemption under Subsection (k) who suffered from a severe illness or other debilitating condition that affected the child's ability to use the exemption before reaching the age described by Subsection (1)(3) ~~[(m)]~~ may be granted additional time to use the exemption corresponding to the time the child was unable to use the exemption because of the illness or condition.

(o) The Texas Higher Education Coordinating Board and the Texas Veterans Commission shall coordinate to provide each respective agency with any information required to ensure the proper administration of this section and the proper execution of each agency's statutory responsibilities concerning this section.

SECTION 2. Subchapter D, Chapter 54, Education Code, is amended by adding Section 54.3411 to read as follows:

Sec. 54.3411. PERMANENT FUND SUPPORTING MILITARY AND VETERANS EXEMPTIONS. (a) In this section, "trust company" means the Texas Treasury Safekeeping Trust Company.

(b) The permanent fund supporting military and veterans exemptions is a special fund in the treasury outside the general revenue fund. The fund is composed of:

(1) money transferred or appropriated to the fund by the legislature;

(2) gifts and grants contributed to the fund; and

(3) the returns received from investment of money in the fund.

(c) The trust company shall administer the fund. The trust company shall determine the amount available for distribution from the fund, determined in accordance with a distribution policy that is adopted by the comptroller and designed to preserve the purchasing power of the fund's assets and to provide a stable and predictable stream of annual distributions. Expenses of managing the fund's assets shall be paid from the fund. Except as provided by this section, money in the fund may not be used for any purpose. Sections 403.095 and 404.071, Government Code, do not apply to the fund.

(d) In managing the assets of the fund, through procedures and subject to restrictions the trust company considers appropriate, the trust company may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

(e) The amount available for distribution from the fund may be appropriated only to offset the cost to institutions of higher education of the exemptions required by Section 54.341. The amount appropriated shall be distributed to eligible institutions in proportion to each institution's respective share of the aggregate cost to all institutions of the exemptions required by Section 54.341, as determined by the Legislative Budget Board. The amount appropriated shall be distributed annually to each eligible institution of higher education.

(f) The governing board of an institution of higher education entitled to receive money under this section may solicit and accept gifts and grants to the fund. A gift or grant to the fund must be distributed and appropriated for the purposes of the fund, subject to any limitation or requirement placed on the gift or grant by the donor or granting entity.

SECTION 3. Subchapter A, Chapter 434, Government Code, is amended by adding Section 434.0079 to read as follows:

Sec. 434.0079. DUTIES REGARDING CERTAIN TUITION AND FEE EXEMPTIONS FOR VETERANS AND FAMILY MEMBERS. (a) The commission, through its veteran education program, shall assist veterans and their family members in claiming and qualifying for exemptions from the payment of tuition and fees at institutions of higher education under Section 54.341, Education Code.

(b) The commission shall establish the application and necessary evidence requirements for a person to claim an exemption under Section 54.341, Education Code, at an institution of higher education.

(c) The commission shall adopt rules governing the coordination of federal and state benefits of a person eligible to receive an exemption under Section 54.341(k), Education Code, including rules governing:

(1) the total number of credit hours assigned under that section that a person may apply to an individual degree or certificate program, consistent with the standards of the appropriate recognized regional accrediting agency; and

(2) the application of the assigned exemption to credit hours for which the institution of higher education does not receive state funding.

SECTION 4. Section 61.0516, Education Code, is transferred to Subchapter A, Chapter 434, Government Code, redesignated as Section 434.00791, Government Code, and amended to read as follows:

Sec. 434.00791 [61.0516]. ELECTRONIC SYSTEM TO MONITOR TUITION EXEMPTIONS FOR VETERANS AND FAMILY MEMBERS [DEPENDENTS].

(a) In this section, "institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(b) The commission [board] shall ensure [develop] a system to electronically monitor the use of tuition and fee exemptions at institutions of higher education under Section 54.341, Education Code, is developed. The system must allow the commission [board] to electronically receive, for each semester, the following information from institutions of higher education:

(1) the name of the institution;

(2) the name, identification number, and date of birth of each individual attending the institution and receiving benefits for the semester under Section 54.341, Education Code;

(3) for each individual receiving benefits, the number of credit hours for which the individual received an exemption for the semester;

(4) for each individual receiving benefits at the institution during the semester, the total cumulative number of credit hours for which the individual has received an exemption at the institution; and

(5) any other information required by the commission [board].

(c) Not later than January 1, 2014, the Texas Higher Education Coordinating Board, under an agreement with the commission, shall provide access to the system developed by the coordinating board that meets the requirements of this section. This subsection expires September 1, 2015.

SECTION 5. Chapter 434, Government Code, is amended by adding Subchapters F and G to read as follows:

SUBCHAPTER F. VETERAN EDUCATION EXCELLENCE RECOGNITION
AWARD NETWORK

Sec. 434.251. DEFINITIONS. In this subchapter:

(1) "Commission" means the Texas Veterans Commission.

(2) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

Sec. 434.252. VETERAN EDUCATION EXCELLENCE RECOGNITION AWARD NETWORK. (a) The commission by rule shall establish an award program under which institutions of higher education may receive recognition from the commission for excellence in providing education and related services to veterans.

(b) For purposes of receiving an award under Subsection (a), the commission shall evaluate an institution of higher education regarding, as applicable, the existence and quality at the institution of:

(1) a centralized place for students who are veterans to meet or find assistance and information;

(2) an institution employee who serves as a central point of contact for students who are veterans;

(3) a United States Department of Veterans Affairs work-study program;

(4) admissions and enrollment policies for veterans;

(5) new student orientation and courses for veterans;

(6) a student organization for veterans;

(7) academic support services for students who are veterans;

(8) mental health and disability services;

(9) a housing policy that applies to veterans;

(10) faculty and staff training on issues affecting students who are veterans;

(11) career services for students who are veterans; and

(12) any other criteria considered necessary or appropriate by the commission.

Sec. 434.253. RULEMAKING AUTHORITY. The commission may adopt rules as necessary to administer this subchapter. In developing rules under this section, the commission shall consult with the Texas Higher Education Coordinating Board and institutions of higher education.

SUBCHAPTER G. VETERANS EDUCATION COUNSELING

Sec. 434.301. DEFINITIONS. In this subchapter:

(1) "Commission" means the Texas Veterans Commission.

(2) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

Sec. 434.302. VETERANS EDUCATION COUNSELING; PROGRAM MANAGER. (a) The commission shall designate a commission employee as a program manager whose primary duty is to coordinate with institutions of higher education to ensure that veterans programs at institutions of higher education:

(1) create a hospitable and supportive environment for veterans;

(2) enhance awareness of and encourage participation in veterans educational programs and commission programs providing other services to veterans, including employment and claims assistance services;

(3) develop programs providing ancillary assistance to veterans based on the unique needs of veterans and their family members;

(4) assist veterans to successfully complete their education; and

(5) promote the establishment of a student veterans group on each campus.

(b) In addition to the primary duties under Subsection (a), the program manager may, in cooperation with institutions of higher education:

(1) work with local, state, and national veterans groups, including the Veterans of Foreign Wars and the American Legion, to promote educational opportunities and benefits to the veteran population;

(2) work with local workforce development boards to:

(A) ensure that persons providing educational counseling to veterans are aware of available nontraditional educational opportunities, including on-the-job training programs and apprenticeships; and

(B) advise employers of potential opportunities to create on-the-job training programs for veterans;

(3) work with education services officers at military installations to encourage active duty members of the armed forces of the United States and veterans to use federal and state educational benefits;

(4) create and manage publicity campaigns in concert with the commission and institutions of higher education to promote the use of education benefits under the federal Post-9/11 Veterans Educational Assistance Act of 2008 (38 U.S.C. Section 3301 et seq.), the tuition exemption program for veterans and their family members under Section 54.341, Education Code, and any other education benefit for veterans or their family members under federal or state law;

(5) support programs to assist students who are combat veterans in readjusting and reintegrating into a noncombat environment;

(6) maintain statistical information regarding demographics of veterans assisted, application success, program completion rates, dropout rates, and reasons for success or failure, as appropriate; and

(7) perform other activities, as assigned by the commission, to enhance the educational opportunities of veterans and their family members in the higher education region and throughout this state.

Sec. 434.303. SUPPORT FROM INSTITUTIONS OF HIGHER EDUCATION. Each institution of higher education shall cooperate with the commission to provide information, as permitted by law, related to student veterans at the institution, provide access to veterans resource centers or other student meeting areas, and otherwise support veterans education counseling.

Sec. 434.304. RULEMAKING AUTHORITY. The commission may adopt rules to implement this subchapter. In developing rules under this section, the commission shall consult with the Texas Higher Education Coordinating Board and institutions of higher education.

SECTION 6. Subdivision (4), Subsection (b), Section 9.01, Chapter 1049 (Senate Bill No. 5), Acts of the 82nd Legislature, Regular Session, 2011, which would repeal Subsection (h), Section 54.203, Education Code, effective September 1, 2013, is repealed and does not take effect, and Subsection (h), Section 54.341, Education Code, which was redesignated from Subsection (h), Section 54.203, Education Code, by Chapter 359 (Senate Bill No. 32), Acts of the 82nd Legislature, Regular Session, 2011, remains in effect as amended by this Act.

SECTION 7. The changes in law made by this Act to Sections 54.341(d), (h), (i), (k), and (n), Education Code, apply beginning with tuition and fees for the 2014 fall semester. Tuition and fees for a term or semester before the 2014 fall semester are covered 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 8. In adopting rules under this Act, including rules implementing authority transferred by this Act from the Texas Higher Education Coordinating Board, the Texas Veterans Commission shall engage institutions of higher education in a negotiated rulemaking process as described by Chapter 2008, Government Code.

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 on the 91st day after the last day of the legislative session.

Floor Amendment No. 1

Amend **CSSB 1158** (house committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. Section 54.341, Education Code, is amended by amending Subsections (a-2), (b), (d), (k), (k-1), (l), (m), and (n) and adding Subsection (a-4) to read as follows:

(a-2) The exemptions provided for in Subsection (a) also apply to the spouse of:

(1) a member of the armed forces of the United States:

(A) who was killed in action;

(B) who died while in service;

(C) who is missing in action;

(D) whose death is documented to be directly caused by illness or injury connected with service in the armed forces of the United States; or

(E) who became totally and permanently disabled or meets the eligibility requirements for individual unemployability [~~for purposes of employability~~] according to the disability ratings of the Department of Veterans Affairs as a result of a service-related injury; or

(2) a member of the Texas National Guard or the Texas Air National Guard who:

(A) was killed since January 1, 1946, while on active duty either in the service of this state or the United States; or

(B) is totally and permanently disabled or meets the eligibility requirements for individual unemployability [~~for purposes of employability~~] according to the disability ratings of the Department of Veterans Affairs, regardless of whether the member is eligible to receive disability benefits from the department, as a result of a service-related injury suffered since January 1, 1946, while on active duty either in the service of this state or the United States.

(a-4) A person who before the 2014-2015 academic year received an exemption under this section continues to be eligible for the exemption provided by this section as this section existed on January 1, 2013.

(b) The exemptions provided for in Subsection (a) also apply to:

(1) the children of members of the armed forces of the United States:

(A) who are or were killed in action;

(B) who die or died while in service;

(C) who are missing in action;

(D) whose death is documented to be directly caused by illness or injury connected with service in the armed forces of the United States; or

(E) who became totally and permanently disabled or meet the eligibility requirements for individual unemployability [~~for purposes of employability~~] according to the disability ratings of the Department of Veterans Affairs as a result of a service-related injury; and

(2) the children of members of the Texas National Guard and the Texas Air National Guard who:

(A) were killed since January 1, 1946, while on active duty either in the service of their state or the United States; or

(B) are totally and permanently disabled or meet the eligibility requirements for individual unemployability [~~for purposes of employability~~] according to the disability ratings of the Department of Veterans Affairs, regardless of whether the members are eligible to receive disability benefits from the department, as a result of a service-related injury suffered since January 1, 1946, while on active duty either in the service of this state or the United States.

(d) The governing board of each institution of higher education granting an exemption under this section shall require each applicant claiming the exemption to submit to the institution an application for the exemption and necessary [~~satisfactory~~] evidence that the applicant qualifies for the exemption not later than the end of the semester or term to which the exemption applies [~~one year after the earlier of the date the institution:~~

~~(1) provides written notice to the applicant of the applicant's eligibility for the exemption; or~~

~~(2) receives a written acknowledgement from the applicant evidencing the applicant's awareness of the applicant's eligibility for the exemption].~~

(k) The Texas Higher Education Coordinating Board by rule shall prescribe procedures to allow:

(1) a person who becomes eligible for an exemption provided by Subsection (a) to waive the person's right to any unused portion of the ~~[maximum]~~ number of cumulative credit hours for which the person could receive the exemption and assign the exemption for the unused portion of those credit hours to a child of the person; and

(2) following the death of a person who becomes eligible for an exemption provided by Subsection (a), the assignment of the exemption for the unused portion of the credit hours to a child of the person, to be made by the person's spouse or by the conservator, guardian, custodian, or other legally designated caretaker of the child, if the child does not otherwise qualify for an exemption under Subsection (b).

(k-1) The procedures under Subsection (k) must provide:

(1) the manner in which a person may waive the exemption;

(2) the manner in which a child may be designated to receive the exemption;

(3) a procedure permitting the designation of a different child to receive the exemption if the child previously designated to receive the exemption did not use the exemption under this section for all of the assigned portion of credit hours; ~~[and]~~

(4) a method of documentation to enable institutions of higher education to determine the eligibility of the designated child to receive the exemption; and

(5) a procedure permitting a person who waived the exemption and designated a child to receive the exemption to revoke that designation as to any unused portion of the assigned credit hours.

(l) To be eligible to receive an exemption under Subsection (k), the child must:

(1) be a student who is classified as a resident under Subchapter B when the child enrolls in an institution of higher education; ~~[and]~~

(2) make satisfactory academic progress in a degree, certificate, or continuing education program as determined by the institution at which the child is enrolled in accordance with the policy of the institution's financial aid department, except that the institution may not require the child to enroll in a minimum course load; and

(3) be 25 years of age or younger on the first day of the semester or other academic term for which the exemption is claimed.

(m) For purposes of this section, a person is the child of another person if ~~[the person is 25 years of age or younger on the first day of the semester or other academic term for which the exemption is claimed and]~~:

(1) the person is the stepchild or the biological (1) or adopted child of the other person; or

(2) the other person claimed the person as a dependent on a federal income tax return filed for the preceding year or will claim the person as a dependent on a federal income tax return for the current year.

(n) The Texas Higher Education Coordinating Board by rule shall prescribe procedures by which a child assigned an exemption under Subsection (k) who suffered from a severe illness or other debilitating condition that affected the child's ability to use the exemption before reaching the age described by Subsection (l)(3) ~~[(m)]~~ may be granted additional time to use the exemption corresponding to the time the child was unable to use the exemption because of the illness or condition.

SECTION 2. Subchapter D, Chapter 54, Education Code, is amended by adding Section 54.3411 to read as follows:

Sec. 54.3411. PERMANENT FUND SUPPORTING MILITARY AND VETERANS EXEMPTIONS. (a) In this section, "trust company" means the Texas Treasury Safekeeping Trust Company.

(b) The permanent fund supporting military and veterans exemptions is a special fund in the treasury outside the general revenue fund. The fund is composed of:

- (1) money transferred or appropriated to the fund by the legislature;
- (2) gifts and grants contributed to the fund; and
- (3) the returns received from investment of money in the fund.

(c) The trust company shall administer the fund. The trust company shall determine the amount available for distribution from the fund, determined in accordance with a distribution policy that is adopted by the comptroller and designed to preserve the purchasing power of the fund's assets and to provide a stable and predictable stream of annual distributions. Expenses of managing the fund's assets shall be paid from the fund. Except as provided by this section, money in the fund may not be used for any purpose. Sections 403.095 and 404.071, Government Code, do not apply to the fund.

(d) In managing the assets of the fund, through procedures and subject to restrictions the trust company considers appropriate, the trust company may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

(e) The amount available for distribution from the fund may be appropriated only to offset the cost to institutions of higher education of the exemptions required by Section 54.341. The amount appropriated shall be distributed to eligible institutions in proportion to each institution's respective share of the aggregate cost to all institutions of the exemptions required by Section 54.341, as determined by the Legislative Budget Board. The amount appropriated shall be distributed annually to each eligible institution of higher education.

(f) The governing board of an institution of higher education entitled to receive money under this section may solicit and accept gifts and grants to the fund. A gift or grant to the fund must be distributed and appropriated for the purposes of the fund, subject to any limitation or requirement placed on the gift or grant by the donor or granting entity.

SECTION 3. Subdivision (4), Subsection (b), Section 9.01, Chapter 1049 (Senate Bill No. 5), Acts of the 82nd Legislature, Regular Session, 2011, which would repeal Subsection (h), Section 54.203, Education Code, effective September 1, 2013, is repealed and does not take effect, and Subsection (h), Section 54.341, Education Code, which was redesignated from Subsection (h), Section 54.203, Education Code, by Chapter 359 (Senate Bill No. 32), Acts of the 82nd Legislature, Regular Session, 2011, remains in effect as amended by this Act.

SECTION 4. The changes in law made by this Act to Sections 54.341(d), (k), and (n), Education Code, apply beginning with tuition and fees for the 2014 fall semester. Tuition and fees for a term or semester before the 2014 fall semester are covered 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 5. In adopting rules under this Act, the Texas Higher Education Coordinating Board shall engage institutions of higher education in a negotiated rulemaking process as described by Chapter 2008, Government Code.

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 on the 91st day after the last day of the legislative session.

The amendments were read.

Senator Van de Putte 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 1158** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Van de Putte, Chair; Williams, Duncan, Rodríguez, and Seliger.

SENATE BILL 1747 WITH HOUSE AMENDMENTS
(Motion In Writing)

Senator Uresti submitted a Motion In Writing to call **SB 1747** 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 1747** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to funding and donations for county transportation projects, including projects of county energy transportation reinvestment zones.

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

SECTION 1. Chapter 256, Transportation Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. TRANSPORTATION INFRASTRUCTURE FUND FOR
COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONES

Sec. 256.101. DEFINITIONS. In this subchapter:

(1) "Fund" means the transportation infrastructure fund established under this subchapter.

(2) "Transportation infrastructure project" means the planning for, construction of, reconstruction of, or maintenance of transportation infrastructure, including roads, bridges, and culverts, intended to alleviate degradation caused by the exploration, development, or production of oil or gas. The term includes the acquisition of equipment used for road maintenance.

(3) "Weight tolerance permit" means a permit issued under Chapter 623 authorizing a vehicle to exceed maximum legal weight limitations.

(4) "Well completion" means the completion, reentry, or recompletion of an oil or gas well.

Sec. 256.102. TRANSPORTATION INFRASTRUCTURE FUND. (a) The transportation infrastructure fund is a dedicated fund in the state treasury outside the general revenue fund. The fund consists of:

(1) any federal funds received by the state deposited to the credit of the fund;

(2) matching state funds in an amount required by federal law;

(3) funds appropriated by the legislature to the credit of the fund;

(4) a gift or grant;

(5) any fees paid into the fund; and

(6) investment earnings on the money on deposit in the fund.

(b) Money in the fund may be appropriated only to the department for the purposes of this subchapter.

(c) Sections 403.095 and 404.071, Government Code, do not apply to the fund.

Sec. 256.103. GRANT PROGRAM. (a) The department shall administer a grant program under this subchapter to make grants for transportation infrastructure projects located in a county containing at least one county energy transportation reinvestment zone if the fund has a positive balance.

(b) The department shall develop criteria for the awarding of grants for transportation infrastructure projects on county roads. The criteria must include consideration of:

(1) the amount of oil and gas production in the county, including required maintenance performed on wells, the refracturing of wells, well completions, and the drilling of disposal wells;

(2) safety needs and projects in the county;

(3) county traffic levels;

(4) pavement and bridge conditions in the county;

(5) weight tolerance permits issued for the county; and

(6) geographic distribution of grant funds throughout oil and gas regions of the state.

Sec. 256.104. GRANT APPLICATION PROCESS. (a) In applying for a grant under this subchapter, the county shall:

(1) provide the road condition report described by Section 251.018 made by the county for the previous two years;

(2) submit to the department:

(A) a copy of the order or resolution establishing a county energy transportation reinvestment zone in the county; and

(B) a plan that:

(i) provides a list of transportation infrastructure projects to be funded by the grant;

(ii) describes the scope of the transportation infrastructure project or projects to be funded by the grant using best practices for prioritizing the projects;

(iii) provides for matching funds as required by Section 256.105; and

(iv) meets any other requirements imposed by the department; and

(3) certify that the county has not reduced county funding for transportation infrastructure projects by more than 25 percent from the average of the amounts that the county has spent for transportation infrastructure projects in the three years before the date of the certification.

(b) In reviewing grant applications under this subchapter, the department shall:

(1) seek other potential sources of funding to maximize resources available for the transportation infrastructure projects to be funded by grants under this subchapter; and

(2) consult related transportation planning documents to improve project efficiency and work effectively in partnership with counties.

(c) Except as otherwise provided by this subsection, the department shall review a grant application before the 31st day after the date the department receives the application. The department may act on an application not later than the 60th day after the date the department receives the application if the department provides notice of the extension to the county that submitted the application.

Sec. 256.105. MATCHING FUNDS. (a) Except as provided by Subsection (b), to be eligible to receive a grant under the program, matching funds must be provided, from any source, in an amount equal to at least 10 percent of the amount of the grant.

(b) A county that the department determines to be economically disadvantaged must provide matching funds in an amount equal to at least five percent of the amount of the grant.

Sec. 256.106. PROGRAM ADMINISTRATION. (a) A county that makes a second or subsequent application for a grant from the department under this subchapter must:

(1) provide the department with a copy of a report filed under Section 256.009;

(2) certify that all previous grants are being spent in accordance with the plan submitted under Section 256.104; and

(3) provide an accounting of how previous grants were spent, including any amounts spent on administrative costs.

(b) The department may use one-half of one percent of the amount deposited into the fund in the preceding fiscal year, not to exceed \$500,000 in a state fiscal biennium, to administer this subchapter.

SECTION 2. Subchapter E, Chapter 222, Transportation Code, is amended by adding Sections 222.1071 and 222.1072 to read as follows:

Sec. 222.1071. COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONES. (a) A county shall determine the amount of the tax increment for a county energy transportation reinvestment zone in the same manner the county would determine the tax increment as provided in Section 222.107(a) for a county transportation reinvestment zone.

(b) A county, after determining that an area is affected by oil and gas exploration and production activities and would benefit from funding under Chapter 256, by order or resolution of the commissioners court:

(1) may designate a contiguous geographic area in the jurisdiction of the county to be a county energy transportation reinvestment zone to promote one or more transportation infrastructure projects, as that term is defined by Section 256.101, located in the zone; and

(2) may jointly administer a county energy transportation reinvestment zone with a contiguous county energy transportation reinvestment zone formed by another county.

(c) A commissioners court must:

(1) dedicate or pledge all of the captured appraised value of real property located in the county energy transportation reinvestment zone to transportation infrastructure projects; and

(2) comply with all applicable laws in the application of this chapter.

(d) Not later than the 30th day before the date a commissioners court proposes to designate an area as a county energy transportation reinvestment zone under this section, the commissioners court must hold a public hearing on the creation of the zone and its benefits to the county and to property in the proposed zone. At the hearing an interested person may speak for or against the designation of the zone, its boundaries, the joint administration of a zone in another county, or the use of tax increment paid into the tax increment account.

(e) 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.

(f) The order or resolution designating an area as a county energy 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 designating an area and that the base year shall be the year of passage of the order or resolution designating an area or some year in the future;

(3) establish an ad valorem tax increment account for the zone or provide for the establishment of a joint ad valorem tax increment account, if applicable; and

(4) if two or more counties are designating a zone for the same transportation infrastructure project or projects, include a finding that:

(A) the project or projects will benefit the property and residents located in the zone;

(B) the creation of the zone will serve a public purpose of the county;
and

(C) details the transportation infrastructure projects for which each county is responsible.

(g) Compliance with the requirements of this section constitutes designation of an area as a county energy transportation reinvestment zone without further hearings or other procedural requirements.

(h) The county may, from taxes collected on property in a zone, pay into a tax increment account for the zone or zones an amount equal to the tax increment produced by the county less any amounts allocated under previous agreements, including agreements under Section 381.004, Local Government Code, or Chapter 312, Tax Code.

(i) The county may:

(1) use money in the tax increment account to provide:

(A) matching funds under Section 256.105; and

(B) funding for one or more transportation infrastructure projects

located in the zone;

(2) apply for grants under Subchapter C, Chapter 256, subject to Section 222.1072;

(3) use five percent of any grant distributed to the county under Subchapter C, Chapter 256, for the administration of a county energy transportation reinvestment zone, not to exceed \$500,000; and

(4) enter into an agreement to provide for the joint administration of county energy transportation reinvestment zones if the commissioners court of the county has designated a county energy transportation reinvestment zone under this section for the same transportation infrastructure project or projects as another county commissioners court.

(j) Tax increment paid into a tax increment account may not be pledged as security for bonded indebtedness.

(k) A county energy transportation reinvestment zone terminates on December 31 of the 10th year after the year the zone was designated unless extended by an act of the county commissioners court that designated the zone. The extension may not exceed five years. On termination of the zone, any money remaining in the tax increment account must be transferred to the road and bridge fund described by Chapter 256 for the county that deposited the money into the tax increment account.

(l) The captured appraised value of real property located in a county energy transportation reinvestment zone shall be treated as provided by Section 26.03, Tax Code.

(m) The commissioners court of a county may enter into an agreement with the department to designate a county energy transportation reinvestment zone under this section for a specified transportation project involving a state highway located in the proposed zone.

Sec. 222.1072. ADVISORY BOARD OF COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONE. (a) A county is eligible to apply for a grant under Subchapter C, Chapter 256, if the county creates an advisory board to advise the county on the establishment, administration, and expenditures of a county energy transportation reinvestment zone.

(b) Except as provided by Subsection (c), the advisory board of a county energy transportation reinvestment zone consists of the following members appointed by the county judge and approved by the county commissioners court:

(1) three oil and gas company representatives who perform company activities in the county and are local taxpayers; and

(2) two public members.

(c) County energy transportation reinvestment zones that are jointly administered are advised by a single joint advisory board for the zones. A joint advisory board under this subsection consists of members appointed under Subsection (b) for each zone to be jointly administered.

(d) An advisory board member may not receive compensation for service on the board or reimbursement for expenses incurred in performing services as a member.

SECTION 3. Section 222.110, Transportation Code, is amended by amending Subsections (a) and (h) and adding Subsection (i) to read as follows:

(a) In this section:

(1) "Sales~~[-,"sales]~~ tax base" for a transportation reinvestment zone means the amount of sales and use taxes imposed by a municipality under Section 321.101(a), Tax Code, or by a county under Chapter 323, Tax Code, as applicable, attributable to the zone for the year in which the zone was designated under this chapter.

(2) "Transportation reinvestment zone" includes a county energy transportation reinvestment zone.

(h) The hearing required under Subsection (g) may be held in conjunction with a hearing held under Section 222.106(e), ~~[or]~~ 222.107(e), or 222.1071(d) if the ordinance or order designating an area as a transportation reinvestment zone under Section 222.106, ~~[or]~~ 222.107, or 222.1071 also designates a sales tax increment under Subsection (b).

(i) Notwithstanding Subsection (e), the sales and use taxes to be deposited into the tax increment account established by a county energy transportation reinvestment zone or zones under this section may be disbursed from the account only to provide:

(1) matching funds under Section 256.105; and

(2) funding for one or more transportation infrastructure projects located in a zone.

SECTION 4. Subchapter A, Chapter 251, Transportation Code, is amended by adding Sections 251.018 and 251.019 to read as follows:

Sec. 251.018. ROAD REPORTS. A road condition report made by a county that is operating under a system of administering county roads under Chapter 252 or a special law, including a report made under Section 251.005, must include the primary cause of any road, culvert, or bridge degradation if reasonably ascertained.

Sec. 251.019. DONATIONS. (a) A commissioners court may accept donations of labor, money, or other property to aid in the building or maintaining of roads, culverts, or bridges in the county.

(b) A county operating under the county road department system on September 1, 2013, may use the authority granted under this section without holding a new election under Section 252.301.

(c) A county that accepts donations under this section must execute a release of liability in favor of the entity donating the labor, money, or other property.

SECTION 5. Subsection (a), Section 256.009, Transportation Code, is amended to read as follows:

(a) Not later than January 30 of each year, the county auditor or, if the county does not have a county auditor, the official having the duties of the county auditor shall file a report with the comptroller that includes:

(1) an account of how:

(A) the money allocated to a county under Section 256.002 during the preceding year was spent; and

(B) if the county designated a county energy transportation reinvestment zone, money paid into a tax increment account for the zone or from an award under Subchapter C was spent;

(2) a description, including location, of any new roads constructed in whole or in part with the money:

(A) allocated to a county under Section 256.002 during the preceding year; and

(B) paid into a tax increment account for the zone or from an award under Subchapter C if the county designated a county energy transportation reinvestment zone;

(3) any other information related to the administration of Sections 256.002 and 256.003 that the comptroller requires; and

(4) the total amount of expenditures for county road and bridge construction, maintenance, rehabilitation, right-of-way acquisition, and utility construction and other appropriate road expenditures of county funds in the preceding county fiscal year that are required by the constitution or other law to be spent on public roads or highways.

SECTION 6. The Texas Department of Transportation shall adopt rules implementing Subchapter C, Chapter 256, Transportation Code, as added by this Act, as soon as practicable after the effective date of this Act.

SECTION 7. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 1747** (house committee report) as follows:

(1) Strike page 2, lines 18-22 and substitute the following:

Sec. 256.103. GRANT PROGRAM. (a) The department shall establish and administer a transportation infrastructure grant program to make grants from the fund for transportation infrastructure projects on state or county roads located in areas of the state affected by increased energy production.

(b) At least 50 percent of grants from the fund must be awarded to counties containing at least one county energy transportation reinvestment zone if the fund has a positive balance.

(2) On page 2, line 23, strike "(b)" and substitute "(c)".

Floor Amendment No. 2

Amend **CSSB 1747** (house committee printing) on page 2, line 15, by inserting, between "subchapter" and the period, ", including providing to regional councils of government that include at least one oil and gas producing county matching funds to pay the costs associated with infrastructure assessments to determine the condition of roads in the counties for purposes of identifying and prioritizing transportation infrastructure projects for funding under this subchapter".

Floor Amendment No. 3

Amend **CSSB 1747** (house committee printing) as follows:

On page 3, line 3, insert a new subsection (2) to read as follows, and by renumbering subsequent subsections:

- (2) the volume of oil and gas waste injected in the county;

Floor Amendment No. 4

Amend **CSSB 1747** (house committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . STUDY AND REPORT. (a) In this section, "native plant" and "native seed" mean a plant or a seed from a plant that is found in, and naturally endemic to, ecosystems, sites, or regions in the present borders of this state, as to which the best available information indicates an indigenous nature precluding the plant's or seed's introduction or transport to this state from some other location by nonnatural conveyances. The terms include improved varieties of native seeds. Plants and seeds that do not meet the definition of "native plant" or "native seed" are designated as "nonnative."

(b) For the purpose of maximizing the use of native seed in land restoration and soil stabilization following transportation infrastructure projects, particularly in counties containing at least one county energy transportation reinvestment zone, the Texas Department of Transportation shall conduct a study based on a review of the use of native seed in projects related to land restoration and soil stabilization by the department and its contractors and assignees for the years 2008 through 2012, and shall report the department's historic use of native seed by geographic region or district.

(c) In conducting the study and preparing the report, the Texas Department of Transportation shall consider:

- (1) geographic, regional, or district use of specific varieties of native seed for restoration projects administered by the department and its contractors or assignees;

- (2) determinations of the percentage of the department's restoration projects using native seed versus nonnative seed, including blends of native and nonnative seed, by geographic region or district and projects performed by the department and its contractors or assignees; and

- (3) methodologies and procedures that the department and its contractors or assignees must use to forecast the future needs for native seed for restoration projects by geographic region.

(d) The Texas Department of Transportation shall develop methodologies and procedures for forecasting the departments's and its contractors' and assignees' future needs for native seeds for the years 2015 through 2020. The department shall continue to maintain a five-year forecast for native seed restoration project needs.

(e) Not later than December 1, 2014, the Texas Department of Transportation shall report the results of the study conducted under this Act to the legislature and post the forecast of future needs for native seeds on the department's Internet website.

The amendments were read.

Senator Uresti 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 1747** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Uresti, Chair; Williams, Hegar, Zaffirini, and Nichols.

SENATE BILL 1368 WITH HOUSE AMENDMENTS

Senator Davis called **SB 1368** 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 1368** (House committee printing) as follows:

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

SECTION _____. Section 552.002, Government Code, is amended to read as follows:

Sec. 552.002. DEFINITION OF PUBLIC INFORMATION; MEDIA CONTAINING PUBLIC INFORMATION. (a) In this chapter, "public information" means information that is written, produced, collected, assembled, or maintained under a law or ordinance or in connection with the transaction of official business:

(1) by a governmental body; [~~or~~]

(2) for a governmental body and the governmental body:

(A) owns the information; [~~or~~]

(B) has a right of access to the information; or

(C) spends or contributes public money for the purpose of writing, producing, collecting, assembling, or maintaining the information; or

(3) by an individual officer or employee of a governmental body in the officer's or employee's official capacity and the information pertains to official business of the governmental body [~~and~~].

(a-1) Information is in connection with the transaction of official business if the information is created by, transmitted to, received by, or maintained by an officer or employee of the governmental body in the officer's or employee's official capacity, or a person or entity performing official business or a governmental function on behalf of a governmental body, and pertains to official business of the governmental body.

(a-2) The definition of "public information" provided by Subsection (a) applies to and includes any electronic communication created, transmitted, received, or maintained on any device if the communication is in connection with the transaction of official business.

(b) The media on which public information is recorded include:

- (1) paper;
- (2) film;
- (3) a magnetic, optical, ~~[or]~~ solid state, or other device that can store an electronic signal;
- (4) tape;
- (5) Mylar; and
- (6) any physical material on which information may be recorded, including linen,^[;] ~~[(7)]~~ silk,^[;] and ~~[(8)]~~ vellum.

(c) The general forms in which the media containing public information exist include a book, paper, letter, document, e-mail, Internet posting, text message, instant message, other electronic communication, printout, photograph, film, tape, microfiche, microfilm, photostat, sound recording, map, and drawing and a voice, data, or video representation held in computer memory.

SECTION ____ . Section 552.003, Government Code, is amended by adding Subdivision (2-a) to read as follows:

(2-a) "Official business" means any matter over which a governmental body has or seeks to have any authority, administrative duties, or advisory duties.

(2) On page 2, line 4, strike "The change in law made by this Act" and substitute "Section 2252.907, Government Code, as added by this Act,".

Floor Amendment No. 1 on Third Reading

Amend **SB 1368** on third reading in Section 552.003(2-a), Government Code, as added on second reading by the Alvarado amendment to the bill by striking "or seeks to have".

The amendments were read.

Senator Davis moved to concur in the House amendments to **SB 1368**.

The motion prevailed by the following vote: Yeas 27, Nays 4.

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

Nays: Campbell, Hancock, Nichols, Schwertner.

CONFERENCE COMMITTEE ON HOUSE BILL 3361
(Motion In Writing)

Senator Birdwell 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 3361** 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 3361** 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 Birdwell, Chair; Nichols, Ellis, Patrick, and Hinojosa.

CONFERENCE COMMITTEE ON HOUSE BILL 1025
(Motion In Writing)

Senator Williams 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 1025** 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 1025** 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 Williams, Chair; Duncan, Nelson, Whitmire, and Hinojosa.

CONFERENCE COMMITTEE ON HOUSE BILL 2818

Senator Carona 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 2818** 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 2818** 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 Carona, Chair; Van de Putte, Eltife, Estes, and Hancock.

CONFERENCE COMMITTEE ON HOUSE BILL 3572
(Motion In Writing)

Senator Williams 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 3572** 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 3572** 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 Williams, Chair; Hinojosa, Hegar, Lucio, and Huffman.

SENATE BILL 1596 WITH HOUSE AMENDMENTS
(Motion In Writing)

Senator Zaffirini submitted a Motion In Writing to call **SB 1596** 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 1596** (house committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter C, Chapter 775, Health and Safety Code, is amended by adding Section 775.045 to read as follows:

Sec. 775.045. APPLICABILITY OF CERTAIN LAWS. Notwithstanding any other law:

(1) Section 1301.551(i), Occupations Code, applies to a district as if the district were a municipality; and

(2) Section 233.062, Local Government Code, applies to a district as if the district were in an unincorporated area of a county.

Floor Amendment No. 2

Amend **SB 1596** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 43, Local Government Code, is amended by adding Section 43.037 to read as follows:

Sec. 43.037. CONSENT REQUIRED FOR CERTAIN ANNEXATIONS. A municipality with a population of more than 300,000 may not annex territory located in the unincorporated area of a county with a population of more than 64,600 and less than 65,600 without the consent of the commissioners court of that county.

Floor Amendment No. 1 on Third Reading

Amend **SB 1596** on third reading by striking Sec. 43.037, Local Government Code, as added by House Floor Amendment No. 2 by Lozano, and renumbering subsequent SECTIONS of the bill accordingly.

Floor Amendment No. 2 on Third Reading

Amend **SB 1596** on third reading as follows:

(1) On page 2, line 10 (house committee printing), between "Subsections" and "(p)" add "(f-1),".

(2) On page 3, between lines 4 and 5 (house committee printing), insert:

(f-1) Subsections (f)(4), (f)(5), and (p) do not require a change in the type of fire department employees that provide services to an area that is part of a district that is annexed by a municipality. A municipality may determine the status of fire department employees that provide services in the area in its regular course of business.

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 Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1596** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Zaffirini, Chair; Hinojosa, Nichols, Fraser, and Watson.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Friday, May 24, 2013 - 6

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 742 (105 Yeas, 39 Nays, 2 Present, not voting)

HB 894 (145 Yeas, 0 Nays, 3 Present, not voting)

HB 950 (78 Yeas, 61 Nays, 2 Present, not voting)
HB 1125 (142 Yeas, 0 Nays, 2 Present, not voting)
HB 1127 (138 Yeas, 4 Nays, 2 Present, not voting)
HB 1479 (145 Yeas, 0 Nays, 2 Present, not voting)
HB 1632 (142 Yeas, 0 Nays, 2 Present, not voting)
HB 1659 (143 Yeas, 0 Nays, 3 Present, not voting)
HB 1790 (94 Yeas, 44 Nays, 3 Present, not voting)
HB 2062 (91 Yeas, 50 Nays, 2 Present, not voting)
HB 2204 (144 Yeas, 2 Nays, 2 Present, not voting)
HB 2388 (142 Yeas, 0 Nays, 2 Present, not voting)
HB 2550 (124 Yeas, 17 Nays, 2 Present, not voting)
HB 2620 (118 Yeas, 25 Nays, 2 Present, not voting)
HB 3511 (144 Yeas, 0 Nays, 2 Present, not voting)
HB 3578 (141 Yeas, 4 Nays, 2 Present, not voting)
HB 3593 (90 Yeas, 53 Nays, 2 Present, not voting)
HB 3871 (144 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 1926 (non-record vote)

House Conferees: King, Ken - Chair/Dutton/Huberty/Ratliff/Villarreal

HB 3169 (non-record vote)

House Conferees: Bohac - Chair/Larson/Otto/Sheets/Zerwas

HB 3520 (non-record vote)

House Conferees: Branch - Chair/Burkett/Button/Sheets/Villalba

HB 3793 (non-record vote)

House Conferees: Coleman - Chair/Davis, John/Farias/Kolkhorst/Zerwas

THE HOUSE HAS GRANTED THE REQUEST OF THE SENATE FOR THE APPOINTMENT OF A CONFERENCE COMMITTEE ON THE FOLLOWING MEASURES:

SB 219 (non-record vote)

House Conferees: Bonnen, Dennis - Chair/Anchia/Johnson/Keffer/Price

SB 1173 (non-record vote)

House Conferees: White - Chair/Hughes/Moody/Parker/Rose

SB 1379 (non-record vote)

House Conferees: Sheets - Chair/Bonnen, Greg/Menéndez/Miller, Doug/Smithee

SB 1915 (non-record vote)

House Conferees: Miller, Doug - Chair/Callegari/Kuempel/Larson/Ritter

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

SB 700 (143 Yeas, 2 Nays, 2 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

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 31, SB 34, SB 45, SB 49, SB 62, SB 112, SB 119, SB 122, SB 127, SB 138, SB 147, SB 171, SB 198, SB 232, SB 242, SB 273, SB 279, SB 284, SB 355, SB 381, SB 389, SB 391, SB 427, SB 462, SB 464, SB 474, SB 504, SB 515, SB 516, SB 517, SB 518, SB 533, SB 540, SB 673, SB 677, SB 679, SB 699, SB 702, SB 734, SB 742, SB 746, SB 747, SB 758, SB 804, SB 816, SB 817, SB 818, SB 833, SB 836, SB 856, SB 863, SB 875, SB 877, SB 895, SB 904, SB 978, SB 981, SB 1033, SB 1057, SB 1061, SB 1064, SB 1065, SB 1067, SB 1068, SB 1069, SB 1095, SB 1114, SB 1151, SB 1185, SB 1189, SB 1235, SB 1238, SB 1241, SB 1251, SB 1282, SB 1299, SB 1364, SB 1372, SB 1401, SB 1422, SB 1425, SB 1432, SB 1461, SB 1473, SB 1474, SB 1479, SB 1480, SB 1510, SB 1531, SB 1548, SB 1584, SB 1708, SB 1756, SB 1757, SB 1820, SB 1823, SB 1828, SB 1831, SB 1836, SB 1845, SB 1847, SB 1852, SB 1854, SB 1855, SB 1869, SB 1870, SB 1872, SB 1878, SB 1884, SB 1893, SB 1900, SB 1902, SCR 10, SCR 13.

CONFERENCE COMMITTEE ON HOUSE BILL 2741

(Motion In Writing)

Senator Nichols 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 2741** 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 2741** 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 Nichols, Chair; Williams, Hegar, Uresti, and Campbell.

CONFERENCE COMMITTEE ON HOUSE BILL 12
(Motion In Writing)

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 12** 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 12** 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; Seliger, Eltife, Garcia, and Schwertner.

CONFERENCE COMMITTEE ON HOUSE BILL 1926
(Motion In Writing)

Senator Hegar 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 1926** 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 1926** 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 Hegar, Chair; Patrick, Seliger, West, and Lucio.

CONFERENCE COMMITTEE ON HOUSE BILL 194
(Motion In Writing)

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 194** 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 194** 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; Zaffirini, Birdwell, West, and Taylor.

CONFERENCE COMMITTEE ON HOUSE BILL 3153
(Motion In Writing)

Senator West 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 3153** 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 3153** 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 West, Chair; Lucio, Duncan, Carona, and Hancock.

CONFERENCE COMMITTEE ON HOUSE BILL 3459
(Motion In Writing)

Senator Taylor 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 3459** 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 3459** 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 Taylor, Chair; Fraser, Hegar, Hinojosa, and Uresti.

CONFERENCE COMMITTEE ON HOUSE BILL 2305
(Motion In Writing)

Senator Watson 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 2305** 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 2305** 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 Watson, Chair; West, Nichols, Hancock, and Paxton.

CONFERENCE COMMITTEE ON HOUSE BILL 489
(Motion In Writing)

Senator Uresti 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 489** 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 489** 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 Uresti, Chair; Nelson, Van de Putte, Campbell, and Davis.

CONFERENCE COMMITTEE ON HOUSE BILL 29
(Motion In Writing)

Senator Seliger 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 29** 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 29** 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 Seliger, Chair; West, Watson, Eltife, and Duncan.

CONFERENCE COMMITTEE ON HOUSE BILL 3520
(Motion In Writing)

Senator Carona 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 3520** 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 3520** 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 Carona, Chair; Campbell, Patrick, Paxton, and Hancock.

CONFERENCE COMMITTEE ON HOUSE BILL 3169
(Motion In Writing)

Senator Lucio 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 3169** 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 3169** 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 Lucio, Chair; Seliger, Deuell, Hegar, and Carona.

CONFERENCE COMMITTEE ON HOUSE BILL 586
(Motion In Writing)

Senator Deuell 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 586** 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 586** 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 Deuell, Chair; Duncan, Van de Putte, Lucio, and Eltife.

SENATE JOINT RESOLUTION 1 WITH HOUSE AMENDMENTS
(Motion In Writing)

Senator Williams submitted a Motion In Writing to call **SJR 1** from the President's table for consideration of the House amendments to the resolution.

The Motion In Writing prevailed without objection.

The Presiding Officer laid the resolution and the House amendments before the Senate.

Amendment

Amend **SJR 1** by substituting in lieu thereof the following:

A JOINT RESOLUTION

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.

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

SECTION 1. Article III, Texas Constitution, is amended by adding Sections 49-d-12 and 49-d-13 to read as follows:

Sec. 49-d-12. (a) The State Water Implementation Fund for Texas is created as a special fund in the state treasury outside the general revenue fund. Money in the State Water Implementation Fund for Texas shall be administered, without further appropriation, by the Texas Water Development Board or that board's successor in function and shall be used for the purpose of implementing the state water plan that is adopted as required by general law by the Texas Water Development Board or that board's successor in function. Separate accounts may be established in the State Water Implementation Fund for Texas as necessary to administer the fund or authorized projects.

(b) The legislature by general law may authorize the Texas Water Development Board or that board's successor in function to enter into bond enhancement agreements to provide additional security for general obligation bonds or revenue bonds of the Texas Water Development Board or that board's successor in function, the proceeds of which are used to finance state water plan projects. Bond enhancement agreements must be payable solely from the State Water Implementation Fund for Texas; provided, however, the bond enhancement agreements may not exceed an amount that can be fully supported by the State Water Implementation Fund for Texas. Any amount paid under a bond enhancement agreement may be repaid as provided by general law; provided, however, any repayment may not cause general obligation bonds that are issued under Sections 49-d-9 and 49-d-11 of this article and that are payable from the fund or account receiving the bond enhancement payment to be no longer self-supporting for purposes of Section 49-j(b) of this article. Payments under a bond enhancement agreement entered into pursuant to this section may not be a constitutional state debt payable from general revenues of the state.

(c) The legislature by general law may authorize the Texas Water Development Board or that board's successor in function to use the State Water Implementation Fund for Texas to finance, including by direct loan, water projects included in the state water plan.

(d) The Texas Water Development Board or that board's successor in function shall provide written notice to the Legislative Budget Board or that board's successor in function before each bond enhancement agreement or loan agreement entered into pursuant to this section has been executed by the Texas Water Development Board or that board's successor in function and shall provide a copy of the proposed agreement to the Legislative Budget Board or that board's successor in function for approval. The proposed agreement shall be considered to be approved unless the Legislative Budget Board or that board's successor in function issues a written disapproval not later than the 21st day after the date on which the staff of that board receives the submission.

(e) The State Water Implementation Fund for Texas consists of:

(1) money transferred or deposited to the credit of the fund, including money from any source transferred or deposited to the credit of the fund at the discretion of the Texas Water Development Board or that board's successor in function as authorized by law;

(2) the proceeds of any fee or tax imposed by this state that by statute is dedicated for deposit to the credit of the fund;

(3) any other revenue that the legislature by statute dedicates for deposit to the credit of the fund;

(4) investment earnings and interest earned on amounts credited to the fund;
and

(5) money transferred to the fund under a bond enhancement agreement from another fund or account to which money from the fund was transferred under a bond enhancement agreement, as authorized by general law.

(f) The legislature by general law shall provide for the manner in which the assets of the State Water Implementation Fund for Texas may be used, subject to the limitations provided by this section. The legislature by general law may provide for costs of investment of the State Water Implementation Fund for Texas to be paid from that fund.

(g) As provided by general law, each fiscal year the Texas Water Development Board or that board's successor in function shall set aside from amounts on deposit in the State Water Implementation Fund for Texas an amount that is sufficient to make payments under bond enhancement agreements that become due during that fiscal year.

(h) Any dedication or appropriation of amounts on deposit in the State Water Implementation Fund for Texas may not be modified so as to impair any outstanding obligation under a bond enhancement agreement secured by a pledge of those amounts unless provisions have been made for a full discharge of the bond enhancement agreement.

(i) Money in the State Water Implementation Fund for Texas is dedicated by this constitution for purposes of Section 22, Article VIII, of this constitution and an appropriation from the economic stabilization fund to the credit of the State Water Implementation Fund for Texas is an appropriation of state tax revenues dedicated by this constitution for the purposes of Section 22, Article VIII, of this constitution.

Sec. 49-d-13. (a) The State Water Implementation Revenue Fund for Texas is created as a special fund in the state treasury outside the general revenue fund. Money in the State Water Implementation Revenue Fund shall be administered, without further appropriation, by the Texas Water Development Board or that board's successor in function and shall be used for the purpose of implementing the state water plan that is adopted as required by general law by the Texas Water Development Board or that board's successor in function. Separate accounts may be established in the State Water Implementation Revenue Fund for Texas as necessary to administer the fund or authorized projects.

(b) The legislature by general law may authorize the Texas Water Development Board or that board's successor in function to issue bonds and enter into related credit agreements that are payable from all revenues available to the State Water Implementation Revenue Fund for Texas.

(c) The Texas Water Development Board or that board's successor in function shall provide written notice to the Legislative Budget Board or that board's successor in function before issuing a bond pursuant to this section or entering into a related credit agreement that is payable from revenue deposited to the credit of the State

Water Implementation Revenue Fund for Texas and shall provide a copy of the proposed bond or agreement to the Legislative Budget Board or that board's successor in function for approval. The proposed bond or agreement shall be considered to be approved unless the Legislative Budget Board or that board's successor in function issues a written disapproval not later than the 21st day after the date on which the staff of that board receives the submission.

(d) The State Water Implementation Revenue Fund for Texas consists of:

(1) money transferred or deposited to the credit of the fund by law, including money from any source transferred or deposited to the credit of the fund at the discretion of the Texas Water Development Board or that board's successor in function as authorized by law;

(2) the proceeds of any fee or tax imposed by this state that by statute is dedicated for deposit to the credit of the fund;

(3) any other revenue that the legislature by statute dedicates for deposit to the credit of the fund;

(4) investment earnings and interest earned on amounts credited to the fund;

(5) the proceeds from the sale of bonds, including revenue bonds issued by the board under this subchapter, that are designated by the Texas Water Development Board or that board's successor in function for the purpose of providing money for the fund; and

(6) money disbursed to the fund from the State Water Implementation Fund for Texas as authorized by general law.

(e) The legislature by general law shall provide for the manner in which the assets of the State Water Implementation Revenue Fund for Texas may be used, subject to the limitations provided by this section. The legislature by general law may provide for costs of investment of the State Water Implementation Revenue Fund for Texas to be paid from that fund.

(f) In each fiscal year in which amounts become due under the bonds or agreements authorized by this section, the Texas Water Development Board or that board's successor in function shall transfer from revenue deposited to the credit of the State Water Implementation Revenue Fund for Texas in that fiscal year an amount that is sufficient to pay:

(1) the principal of and interest on the bonds that mature or become due during the fiscal year; and

(2) any cost related to the bonds, including payments under related credit agreements that become due during that fiscal year.

(g) Any obligations authorized by general law to be issued by the Texas Water Development Board or that board's successor in function pursuant to this section shall be special obligations payable solely from amounts in the State Water Implementation Revenue Fund for Texas. Obligations issued by the Texas Water Development Board or that board's successor in function pursuant to this section may not be a constitutional state debt payable from the general revenue of the state.

(h) Any dedication or appropriation of revenue to the credit of the State Water Implementation Revenue Fund for Texas may not be modified so as to impair any outstanding bonds secured by a pledge of that revenue unless provisions have been made for a full discharge of those bonds.

(i) Money in the State Water Implementation Revenue Fund for Texas is dedicated by this constitution for purposes of Section 22, Article VIII, of this constitution.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 5, 2013. The ballot shall be printed to permit voting for or against the proposition: "The 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 to ensure the availability of adequate water resources."

Floor Amendment No. 1

Amend **CSSJR 1** (house committee printing) as follows:

(1) On page 3, line 7, between "fund" and the comma, insert "by general law".

(2) On page 3, line 10, between "by" and "law", insert "general".

(3) On page 4, between lines 19 and 20, insert the following:

(j) This section being intended only to establish a basic framework and not to be a comprehensive treatment of the State Water Implementation Fund for Texas, there is hereby reposed in the legislature full power to implement and effectuate the design and objects of this section, including the power to delegate such duties, responsibilities, functions, and authority to the Texas Water Development Board or that board's successor in function as the legislature believes necessary.

(4) On page 4, line 23, between "Fund" and "shall", insert "for Texas".

(5) On page 5, line 25, between "by" and "law", insert "general".

(6) On page 6, line 1, between "by" and "law", insert "general".

(7) On page 7, between lines 21 and 22, insert the following:

(j) This section being intended only to establish a basic framework and not to be a comprehensive treatment of the State Water Implementation Revenue Fund for Texas, there is hereby reposed in the legislature full power to implement and effectuate the design and objects of this section, including the power to delegate such duties, responsibilities, functions, and authority to the Texas Water Development Board or that board's successor in function as the legislature believes necessary.

The amendments were read.

Senator Williams 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 resolution.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SJR 1** 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; Duncan, Nelson, Whitmire, and Hinojosa.

CONFERENCE COMMITTEE ON HOUSE BILL 2012
(Motion In Writing)

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 2012** 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 2012** 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; Seliger, West, Taylor, and Lucio.

CONFERENCE COMMITTEE ON HOUSE BILL 680

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 680** 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 680** 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; Paxton, Taylor, Hinojosa, and Campbell.

CONFERENCE COMMITTEE ON HOUSE BILL 3648
(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 3648** 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 3648** 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; Taylor, Campbell, Davis, and Schwertner.

CONFERENCE COMMITTEE ON HOUSE BILL 3793

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 3793** and moved that the request be granted.

The motion prevailed without objection.

The President asked if there were any motions to instruct the conference committee on **HB 3793** before appointment.

There were no motions offered.

Accordingly, the President announced the appointment of the following conferees on the part of the Senate: Senators Hinojosa, Chair; Nelson, Schwertner, Garcia, and Taylor.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1106**

Senator Schwertner submitted the following Conference Committee Report:

Austin, Texas
May 23, 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 1106** 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.

SCHWERTNER
HUFFMAN
NELSON
TAYLOR
URESTI

On the part of the Senate

DAVIS, JOHN
DAVIS, YVONNE
ALVARADO
ZERWAS
HUBERTY

On the part of the House

**A BILL TO BE ENTITLED
AN ACT**

relating to the use of maximum allowable cost lists under a Medicaid managed care pharmacy benefit plan.

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

SECTION 1. Section 533.005, Government Code, is amended by amending Subsection (a) and adding Subsection (a-2) 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 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 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

(K) under which the managed care organization or pharmacy benefit manager, as applicable:

(i) to place a drug on a maximum allowable cost list, must ensure that:

(a) the drug is listed as "A" or "B" rated in the most recent version of the United States Food and Drug Administration's Approved Drug Products with Therapeutic Equivalence Evaluations, also known as the Orange Book, has an "NR" or "NA" rating or a similar rating by a nationally recognized reference; and

(b) the drug is generally available for purchase by pharmacies in the state from national or regional wholesalers and is not obsolete;

(ii) must provide to a network pharmacy provider, at the time a contract is entered into or renewed with the network pharmacy provider, the sources used to determine the maximum allowable cost pricing for the maximum allowable cost list specific to that provider;

(iii) must review and update maximum allowable cost price information at least once every seven days to reflect any modification of maximum allowable cost pricing;

(iv) must, in formulating the maximum allowable cost price for a drug, use only the price of the drug and drugs listed as therapeutically equivalent in the most recent version of the United States Food and Drug Administration's Approved Drug Products with Therapeutic Equivalence Evaluations, also known as the Orange Book;

(v) must establish a process for eliminating products from the maximum allowable cost list or modifying maximum allowable cost prices in a timely manner to remain consistent with pricing changes and product availability in the marketplace;

(vi) must:

(a) provide a procedure under which a network pharmacy provider may challenge a listed maximum allowable cost price for a drug;

(b) respond to a challenge not later than the 15th day after the date the challenge is made;

(c) if the challenge is successful, make an adjustment in the drug price effective on the date the challenge is resolved, and make the adjustment applicable to all similarly situated network pharmacy providers, as determined by the managed care organization or pharmacy benefit manager, as appropriate;

(d) if the challenge is denied, provide the reason for the denial;
and

(e) report to the commission every 90 days the total number of challenges that were made and denied in the preceding 90-day period for each maximum allowable cost list drug for which a challenge was denied during the period;

(vii) must notify the commission not later than the 21st day after implementing a practice of using a maximum allowable cost list for drugs dispensed at retail but not by mail; and

(viii) must provide a process for each of its network pharmacy providers to readily access the maximum allowable cost list specific to that provider;
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.

(a-2) Except as provided by Subsection (a)(23)(K)(viii), a maximum allowable cost list specific to a provider and maintained by a managed care organization or pharmacy benefit manager is confidential.

SECTION 2. (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 Subsection (a), Section 533.005, Government Code, as amended by this Act.

(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 Subsection (a), Section 533.005, Government Code, as amended by this Act. To the extent of a conflict between 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 3. 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 4. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2013.

(b) Subparagraph (viii), Paragraph (K), Subdivision (23), Subsection (a), Section 533.005, Government Code, as added by this Act, takes effect March 1, 2014.

The Conference Committee Report on **SB 1106** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1534**

Senator Paxton submitted the following Conference Committee Report:

Austin, Texas
May 23, 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 1534** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

PAXTON
DEUELL
ESTES
HANCOCK
NELSON

LEACH
SANFORD
TAYLOR

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 1534** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1768**

Senator Hinojosa submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 1768** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

HINOJOSA
 DEUELL
 SELIGER
 URESTI
 WHITMIRE

On the part of the Senate

CANALES
 NEVÁREZ
 LUCIO III
 RODRIGUEZ, JUSTIN

On the part of the House

The Conference Committee Report on **HB 1768** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
 SENATE BILL 578**

Senator Duncan submitted the following Conference Committee Report:

Austin, Texas
 May 24, 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 578** 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.

DUNCAN
 FRASER
 LUCIO
 PAXTON
 VAN DE PUTTE
 On the part of the Senate

SHEFFIELD, J. D.
 SIMMONS
 MILLER, RICK
 JOHNSON
 MORRISON
 On the part of the House

A BILL TO BE ENTITLED
 AN ACT

relating to use of countywide polling places for certain elections.

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

SECTION 1. Section 43.004, Election Code, is amended by adding Subsection (c) to read as follows:

(c) If a political subdivision holds an election jointly with an election described by Section 43.007(a)(1), (2), (3), or (4) and is required to use countywide polling places under Section 43.007, the governing body of the political subdivision may designate as the polling places for any required runoff election only the polling places located in the territory or in and near the territory of the political subdivision where eligible voters reside.

SECTION 2. Subsection (a), Section 43.007, Election Code, is amended to read as follows:

(a) The secretary of state shall implement a program to allow each commissioner's court participating in the program to eliminate county election precinct polling places and establish countywide polling places for:

- (1) each general election for state and county officers;
- (2) each election held on the uniform election date in May;
- (3) each election on a proposed constitutional amendment; ~~and~~
- (4) each primary election and runoff primary election if:

(A) the county chair or county executive committee of each political party participating in a joint primary election under Section 172.126 agrees to the use of countywide polling places; or

(B) the county chair or county executive committee of each political party required to nominate candidates by primary election agrees to use the same countywide polling places; and

(5) each election of a political subdivision located in the county that is held jointly with an election described by Subdivision (1), (2), (3), or (4) [~~3~~].

SECTION 3. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 578** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 1458

Senator Duncan submitted the following Conference Committee Report:

Austin, Texas
May 23, 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 1458** 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.

DUNCAN
DAVIS
SELIGER
WATSON
WILLIAMS
On the part of the Senate

CALLEGARI
ALLEN
ALONZO
BRANCH
STEPHENSON
On the part of the House

A BILL TO BE ENTITLED AN ACT

relating to contributions to, benefits from, and the administration of systems and programs administered by the Teacher Retirement System of Texas.

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

(b-1) This subsection applies only to a person who becomes a member of the retirement system on or after September 1, 2007, and who is not subject to Subsection (b-2). If a member subject to this subsection is at least 55 years old and has at least five years of service credit in the retirement system, but does not meet the requirements under Subsection (d-1), the member is eligible to retire and receive a service retirement annuity reduced from the standard service retirement annuity available under Subsection (a-1)(1), to a percentage derived from the following table:

Age at date of retirement	55	56	57	58	59	60	61	62	63	64	65
Percentage of standard annuity receivable	47%	51%	55%	59%	63%	67%	73%	80%	87%	93%	100%

(b-2) This subsection applies only to a person who does not have at least five years of service credit in the retirement system on or before August 31, 2014, or who becomes a member of the retirement system on or after September 1, 2014. If a member subject to this subsection is at least 55 years old and has at least five years of service credit in the retirement system, but does not meet the requirements under Subsection (d-2), the member is eligible to retire and receive a service retirement annuity reduced from the standard service retirement annuity available under Subsection (a-2)(1), to a percentage derived from the following table:

Age at date of retirement	55	56	57	58	59	60	61	62	63	64	65
Percentage of standard annuity receivable	47%	51%	55%	59%	63%	67%	73%	80%	87%	93%	100%

(d) This subsection applies only to a person who is not subject to Subsection (d-1) or (d-2). If a member subject to this subsection has at least 30 years of service credit in the retirement system, the member is eligible to retire regardless of age and receive a service retirement annuity consisting of the standard service retirement annuity available under Subsection (a) decreased by two percent for each year of age under 50 years.

(d-1) This subsection applies only to a person who becomes a member of the retirement system on or after September 1, 2007, and who is not subject to Subsection (d-2). If the sum of the member's age and amount of service credit in the retirement system equals the number 80, with at least five years of service credit, or if the member has at least 30 years of service credit in the retirement system, the member is eligible to retire regardless of age and receive a service retirement annuity consisting of ~~reduced from~~ the standard service retirement annuity available under Subsection (a-1)(2) decreased by five percent for each year of age under 60 years ~~(a)(2), to a percentage derived from the following table:~~

Age at date of retirement	50	51	52	53	54	55	56	57	58	59	60
Minimum years of service credit required	30	29	28	27	26	25	24	23	22	21	20
Percentage of standard	50%	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%

annuity receivable

[For each year of age under 50 years with 30 years of service credit, the standard service retirement annuity shall be five percent less than the percentage for age 50 with 30 years of service credit].

(d-2) This subsection applies only to a person who does not have at least five years of service credit in the retirement system on or before August 31, 2014, or who becomes a member of the retirement system on or after September 1, 2014. If the sum of the member's age and amount of service credit in the retirement system equals the number 80, with at least five years of service credit, or if the member has at least 30 years of service credit in the retirement system, the member is eligible to retire regardless of age and receive a service retirement annuity consisting of the standard service retirement annuity available under Subsection (a-2)(2) decreased by five percent for each year of age under 62 years.

SECTION 2. Subchapter H, Chapter 824, Government Code, is amended by adding Section 824.702 to read as follows:

Sec. 824.702. COST-OF-LIVING ADJUSTMENT. (a) The retirement system shall make a one-time cost-of-living adjustment payable to annuitants receiving a monthly death or retirement benefit annuity, as provided by this section.

(b) Subject to Subsections (c) and (d), to be eligible for the adjustment, a person must be, on the effective date of the adjustment and disregarding any forfeiture of benefits under Section 824.601, an annuitant eligible to receive:

(1) a standard service or disability retirement annuity payment;

(2) an optional service or disability retirement annuity payment as either a retiree or beneficiary;

(3) an annuity payment under Section 824.402(a)(3) or (4);

(4) an annuity payment under Section 824.502; or

(5) an alternate payee annuity payment under Section 804.005.

(c) If the annuitant:

(1) is a retiree, or is a beneficiary under an optional retirement payment plan, to be eligible for the adjustment under this section:

(A) the annuitant must be living on the effective date of the adjustment;

and

(B) the effective date of the retirement of the member of the Teacher Retirement System of Texas must have been on or before August 31, 2004;

(2) is a beneficiary under Section 824.402(a)(3) or (4) or 824.502, to be eligible for the adjustment:

(A) the annuitant must be living on the effective date of the adjustment;

and

(B) the date of death of the member of the retirement system must have been on or before August 31, 2004; or

(3) is an alternate payee under Section 804.005, the annuitant is eligible for the adjustment only if the effective date of the election to receive the annuity payment was on or before August 31, 2004.

(d) An adjustment made under this section does not apply to payments under:

(1) Section 824.203(d), relating to retirees who receive a standard service retirement annuity in an amount fixed by statute;

(2) Section 824.304(a), relating to disability retirees with less than 10 years of service credit;

(3) Section 824.304(b)(2), relating to disability retirees who receive a disability annuity in an amount fixed by statute;

(4) Section 824.404(a), relating to active member survivor beneficiaries who receive a survivor annuity in an amount fixed by statute;

(5) Section 824.501(a), relating to retiree survivor beneficiaries who receive a survivor annuity in an amount fixed by statute; or

(6) Section 824.804(b), relating to participants in the deferred retirement option plan with regard to payments from their deferred retirement option plan accounts.

(e) An adjustment under this section:

(1) must be made beginning with an annuity payable for the month of September 2013; and

(2) is limited to the lesser of:

(A) an amount equal to three percent of the monthly benefit subject to the increase; or

(B) \$100 a month.

(f) The board of trustees shall determine the eligibility for and the amount of any adjustment in monthly annuities in accordance with this section.

SECTION 3. Section 824.807, Government Code, is amended to read as follows:

Sec. 824.807. INTEREST. Interest is creditable to a member's account in the deferred retirement option account at an annual, prorated rate equal to two [~~five~~] percent during the period of participation in the plan and until all benefits are distributed.

SECTION 4. Subsection (b), Section 825.307, Government Code, is amended to read as follows:

(b) Interest on a member's contribution is earned monthly and computed at the rate of two [~~five~~] percent a year. Except as provided by Subsection (c), interest is computed based on the mean balance in the member's account during that fiscal year and shall be credited on August 31 of each year.

SECTION 5. Section 825.402, Government Code, is amended to read as follows:

Sec. 825.402. RATE OF MEMBER CONTRIBUTIONS. [~~(a)~~] The rate of contributions for each member of the retirement system is:

(1) five percent of the member's annual compensation or \$180, whichever is less, for service rendered after August 31, 1937, and before September 1, 1957;

(2) six percent of the first \$8,400 of the member's annual compensation for service rendered after August 31, 1957, and before September 1, 1969;

(3) six percent of the member's annual compensation for service rendered after August 31, 1969, and before the first day of the 1977-78 school year;

(4) 6.65 percent of the member's annual compensation for service rendered after the last day of the period described by Subdivision (3) and before September 1, 1985; [~~and~~]

(5) 6.4 percent of the member's annual compensation for service rendered after August 31, 1985, and before September 1, 2014;

(6) 6.7 percent of the member's annual compensation for service rendered after August 31, 2014, and before September 1, 2015;

(7) 7.2 percent of the member's annual compensation for service rendered after August 31, 2015, and before September 1, 2016;

(8) 7.7 percent of the member's annual compensation for service rendered after August 31, 2016, and before September 1, 2017; and

(9) for service rendered on or after September 1, 2017, the lesser of:

(A) 7.7 percent of the member's annual compensation; or

(B) a percentage of the member's annual compensation equal to 7.7 percent reduced by one-tenth of one percent for each one-tenth of one percent that the state contribution rate for the fiscal year to which the service relates is less than the state contribution rate established for the 2015 fiscal year [subject to Subsection (b)].

~~[(b) Subject to Subsection (c), the board of trustees may by order require that the rate of contributions for each member of the retirement system under Subsection (a) is increased to not more than 6.58 percent of the member's annual compensation for service rendered after the date of the order if:~~

~~[(1) the legislature by law requires or authorizes the board of trustees to pay a supplemental payment to specified annuitants; and~~

~~[(2) the board of trustees finds, as of the time the payment is to be made, that after the payment is made the amortization period for the unfunded actuarial liabilities of the retirement system would exceed 30 years by one or more years.~~

~~[(e) Notwithstanding any other law, the board of trustees may not make a supplemental payment required or authorized by the legislature by law, and may not impose an increase in the rate of contributions under Subsection (b), if the board of trustees finds that after making the payment and imposing the increase the amortization period for the unfunded actuarial liabilities of the retirement system would exceed 30 years by one or more years.~~

~~[(d) Notwithstanding any other law, the board of trustees may delay making a supplemental payment required or authorized by the legislature by law as necessary to make the determinations required under Subsections (b) and (e).]~~

SECTION 6. Subsection (a), Section 825.403, Government Code, is amended to read as follows:

(a) Each payroll period, each employer shall deduct from the compensation of each member employed by the employer the [an] amount required by Section 825.402 [equal to 6.4 percent of the member's compensation for that period].

SECTION 7. Subchapter E, Chapter 825, Government Code, is amended by adding Section 825.4035 to read as follows:

Sec. 825.4035. EMPLOYER CONTRIBUTIONS FOR CERTAIN EMPLOYED MEMBERS FOR WHOM THE EMPLOYER IS NOT MAKING CONTRIBUTIONS TO THE FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM. (a) This section:

(1) applies to an employer who reports to the retirement system under Section 825.403 the employment of a member for whom the employer is not making contributions to the federal Old-Age, Survivors, and Disability Insurance program; and

(2) does not apply to an employer that is an institution of higher education.

(b) Except as provided in Subsection (c), for each member the employer reports to the retirement system and for whom the employer is not making contributions to the federal Old-Age, Survivors, and Disability Insurance program, the employer shall contribute monthly to the retirement system for each such member:

(1) for the period beginning with the report month of September 2014 and ending with the report month of August 2015, an amount equal to 1.5 percent of the member's compensation; and

(2) beginning with the report month for September 2015, an amount equal to the lesser of:

(A) 1.5 percent of the member's compensation; or

(B) a percentage of the member's compensation equal to 1.5 percent reduced by one-tenth of one percent for each one-tenth of one percent that the state contribution rate for the fiscal year to which the report month relates is less than the state contribution rate established for the 2015 fiscal year.

(c) If a member is entitled to the minimum salary for certain school personnel under Section 21.402, Education Code, or if a member would have been entitled to the minimum salary for certain school personnel under former Section 16.056, Education Code, as that section existed on January 1, 1995, the employer shall, in addition to any contributions required under Section 825.405, contribute monthly to the retirement system for each such member:

(1) for the period beginning with the report month of September 2014 and ending with the report month of August 2015, an amount equal to 1.5 percent of the statutory minimum salary determined under Section 825.405(b); and

(2) beginning with the report month for September 2015, an amount equal to the lesser of:

(A) 1.5 percent of the statutory minimum salary determined under Section 825.405(b); or

(B) a percentage of the statutory minimum salary determined under Section 825.405(b) equal to 1.5 percent reduced by one-tenth of one percent for each one-tenth of one percent that the state contribution rate for the fiscal year to which the report month relates is less than the state contribution rate established for the 2015 fiscal year.

(d) Contributions under this section:

(1) are subject to the requirements of Section 825.408; and

(2) must be used to fund the normal cost of the retirement system.

SECTION 8. Subsection (a), Section 825.404, Government Code, is amended to read as follows:

(a) During each fiscal year, the state shall contribute to the retirement system an amount equal to at least six and not more than 10 percent of the aggregate annual compensation of all members of the retirement system during that fiscal year. [The

~~amount of the state contribution made under this section may not be less than the amount contributed by members during that fiscal year in accordance with Section 825.402.]~~

SECTION 9. Subsection (a), Section 1575.158, Insurance Code, is amended to read as follows:

(a) Subject to Section 1575.1581, the ~~[The]~~ trustee may, in addition to providing a basic plan, contract for and make available an optional group health benefit plan for retirees, dependents, surviving spouses, or surviving dependent children.

SECTION 10. Subchapter D, Chapter 1575, Insurance Code, is amended by adding Section 1575.1581 to read as follows:

Sec. 1575.1581. LIMITATION ON ENROLLMENT IN OPTIONAL GROUP HEALTH BENEFIT PLAN. (a) A service retiree and any dependent of a service retiree are not eligible to participate in an optional group health benefit plan made available under Section 1575.158, unless the retiree:

(1) is at least 62 years of age or older; and

(2) meets the definition of retiree under Section 1575.004(a)(1).

(b) A retiree subject to Subsection (a) may, on the date the retiree reaches 62 years of age, under rules adopted by the trustee:

(1) enroll in any coverage tier under the group program; and

(2) enroll, in the same coverage tier, the retiree's dependents who are enrolled in the group program as of the date the retiree reaches 62 years of age.

SECTION 11. Section 1579.103, Insurance Code, is repealed.

SECTION 12. For purposes of determining whether a member has at least five years of service on or before August 31, 2014, under Subsection (a-2), (b-2), or (d-2), Section 824.202, Government Code, as added by this Act, only service actually credited in the Teacher Retirement System of Texas, the Employees Retirement System of Texas, or a retirement system participating in the proportionate retirement program under Chapter 803, Government Code, on or before August 31, 2014, may be counted. Purchased service credit in the retirement system is:

(1) not considered actually credited in the retirement system if the service credit is established only after completion of an installment payment plan under which any installment payment is made after August 31, 2014; and

(2) considered actually credited in the retirement system if:

(A) payment in full for the purchase of service credit is made by a direct rollover or otherwise on or before August 31, 2014; or

(B) payment in full by direct rollover or otherwise is made after August 31, 2014, if:

(i) the member's request to purchase service credit occurred on or before August 31, 2014; and

(ii) payment to purchase the service credit is made in accordance with uniform administrative requirements, including payment deadlines, established by the retirement system.

SECTION 13. Section 824.807 and Subsection (b), Section 825.307, Government Code, as amended by this Act, apply only to interest accrued on or after the effective date of this Act. Interest accrued before the effective date of this Act is governed by the law in effect on the date the interest accrued, and that law is continued in effect for that purpose.

SECTION 14. (a) The change in law made by this Act to Chapter 1575, Insurance Code, does not apply to, and the former law is continued in effect for, a person who takes a service retirement under the Teacher Retirement System of Texas on or after September 1, 2014, and who meets one or more of the following requirements on or before August 31, 2014:

(1) the sum of the person's age and amount of service credit in the retirement system equals 70 or greater; or

(2) the person has at least 25 years of service credit in the retirement system.

(b) Only service actually credited in the Teacher Retirement System of Texas or the Employees Retirement System of Texas on or before August 31, 2014, may be used to determine eligibility under this section. Purchased service credit in the retirement system is:

(1) not considered actually credited in the retirement system for purposes of this section if the service credit is established only after completion of an installment payment plan under which any installment payment is required to be made after August 31, 2014; and

(2) considered actually credited in the retirement system for purposes of this section if:

(A) payment in full for the purchase of service credit is made by a direct rollover or otherwise on or before August 31, 2014; or

(B) payment in full by direct rollover or otherwise is made after August 31, 2014, if:

(i) the member's request to purchase service credit occurred on or before August 31, 2014; and

(ii) payment to purchase the service credit is made in accordance with uniform administrative requirements, including payment deadlines, established by the retirement system.

SECTION 15. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2014.

(b) Section 824.702, Government Code, as added by this Act, Section 825.402, Government Code, as amended by this Act, and the repeal by this Act of Section 1579.103, Insurance Code, take effect September 1, 2013.

The Conference Committee Report on **SB 1458** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 213

Senator Whitmire submitted the following Conference Committee Report:

Austin, Texas
May 23, 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 213** 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.

WHITMIRE

DUNCAN

HINOJOSA

HUFFMAN

NICHOLS

On the part of the Senate

PRICE

ANCHIA

BONNEN, DENNIS

LARSON

PARKER

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to the continuation and functions of the Texas Board of Criminal Justice, the Texas Department of Criminal Justice, and the Windham School District and to the functions of the Board of Pardons and Paroles and the Correctional Managed Health Care Committee.

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

SECTION 1. Section 492.012, Government Code, is amended to read as follows:

Sec. 492.012. SUNSET PROVISION. The Texas Board of Criminal Justice and the Texas Department of Criminal Justice are subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board and the department are abolished September 1, 2021 [~~2013~~].

SECTION 2. Chapter 493, Government Code, is amended by adding Section 493.031 to read as follows:

Sec. 493.031. CASE MANAGEMENT COMMITTEES. (a) Each facility under the oversight of the correctional institutions division shall establish a case management committee to assess each inmate in the facility and ensure the inmate is receiving appropriate services or participating in appropriate programs. The case management committee shall:

(1) review each individualized treatment plan adopted under Section 508.152 for an inmate in the facility and, as applicable, discuss with the inmate a possible treatment plan, including participation in any program or service that may be available through the department, the Windham School District, or any volunteer organization; and

(2) meet with each inmate in the facility at the time of the inmate's initial placement in the facility and at any time in which the committee seeks to reclassify the inmate based on the inmate's refusal to participate in a program or service recommended by the committee.

(b) A case management committee must include the members of the unit classification committee. In addition to those members, a case management committee may include any of the following members, based on availability and inmate needs:

(1) an employee whose primary duty involves providing rehabilitation and reintegration programs or services;

(2) an employee whose primary duty involves providing vocational training or educational services to inmates;

(3) an employee whose primary duty involves providing medical care or mental health care treatment to inmates; or

(4) a representative of a faith-based or volunteer organization.

SECTION 3. Section 501.092, Government Code, as added by Chapter 643 (H.B. 1711), Acts of the 81st Legislature, Regular Session, 2009, is reenacted and amended to read as follows:

Sec. 501.092. COMPREHENSIVE REENTRY AND REINTEGRATION PLAN FOR OFFENDERS. (a) The department shall develop and adopt a comprehensive plan to reduce recidivism and ensure the successful reentry and reintegration of offenders into the community following an offender's release or discharge from a correctional facility.

(b) The reentry and reintegration plan adopted [~~developed~~] under this section must [~~provide for~~]:

(1) incorporate the use of the risk and needs assessment instrument adopted under Section 501.0921 [~~an assessment of offenders entering a correctional facility to determine which skills the offender needs to develop to be successful in the community following release or discharge~~];

(2) provide for programs that address the assessed needs of offenders;

(3) provide for a comprehensive network of transition programs to address the needs of offenders released or discharged from a correctional facility;

(4) identify and define the transition services that are to be provided by the department and which offenders are eligible for those services;

(5) coordinate the provision of reentry and reintegration services provided to offenders through state-funded and volunteer programs across divisions of the department to:

(A) target eligible offenders efficiently; and

(B) ensure maximum use of existing facilities, personnel, equipment, supplies, and other resources;

(6) provide for collecting and maintaining data regarding the number of offenders who received reentry and reintegration services and the number of offenders who were eligible for but did not receive those services, including offenders who did not participate in those services;

(7) provide for evaluating the effectiveness of the reentry and reintegration services provided to offenders by collecting, maintaining, and reporting outcome information, including recidivism data as applicable;

(8) identify [~~(4) the identification of~~] providers of existing local programs and transitional services with whom the department may contract under Section 495.028 to implement the reentry and reintegration plan; and

(9) [(5)] subject to Subsection (f) [(e)], provide for the sharing of information between local coordinators, persons with whom the department contracts under Section 495.028, and other providers of services as necessary to adequately assess and address the needs of each offender.

(c) The department, in consultation with the Board of Pardons and Paroles and the Windham School District, shall establish the role of each entity in providing reentry and reintegration services. The reentry and reintegration plan adopted under this section must include, with respect to the department, the Board of Pardons and Paroles, and the Windham School District:

(1) the reentry and reintegration responsibilities and goals of each entity, including the duties of each entity to administer the risk and needs assessment instrument adopted under Section 501.0921;

(2) the strategies for achieving the goals identified by each entity; and

(3) specific timelines for each entity to implement the components of the reentry and reintegration plan for which the entity is responsible.

(d) The department shall regularly evaluate the reentry and reintegration plan adopted under this section. Not less than once in each three-year period following the adoption of the plan, the department shall update the plan.

(e) The department shall provide a copy of the initial reentry and reintegration plan adopted under this section and each evaluation and revision of the plan to the board, the Windham School District, and the Board of Pardons and Paroles.

(f) An offender's personal health information may be disclosed under Subsection (b)(9) [(b)(5)] only if:

(1) the offender consents to the disclosure; and

(2) the disclosure does not violate the Health Insurance Portability and Accountability Act of 1996 (Pub. L. No. 104-191) or other state or federal law.

(g) [(d)] The programs provided under Subsections (b)(2) and (3) must:

(1) be implemented by highly skilled staff who are experienced in working with inmate reentry and reintegration programs;

(2) provide offenders with:

(A) individualized case management and a full continuum of care;

(B) life-skills training, including information about budgeting, money management, nutrition, and exercise;

(C) education and, if an offender has a learning disability, special education;

(D) employment training;

(E) appropriate treatment programs, including substance abuse and mental health treatment programs; and

(F) parenting and relationship building classes; and

(3) be designed to build for former offenders post-release and post-discharge support from the community into which an offender is released or discharged, including support from agencies and organizations within that community.

(h) [(e)] In developing the reentry and reintegration plan adopted under this section, the department shall ensure that the reentry program for long-term inmates under Section 501.096 and the reintegration services provided under Section 501.097 are incorporated into the plan.

(i) Not later than September 1 of each even-numbered year, the department shall deliver a report of the results of evaluations conducted under Subsection (b)(7) to the lieutenant governor, the speaker of the house of representatives, and each standing committee of the senate and house of representatives having primary jurisdiction over the department.

SECTION 4. Subchapter C, Chapter 501, Government Code, is amended by adding Section 501.0921 to read as follows:

Sec. 501.0921. RISK AND NEEDS ASSESSMENT INSTRUMENT. (a) The department shall adopt a standardized instrument to assess, based on criminogenic factors, the risks and needs of each offender within the adult criminal justice system.

(b) The department shall make the risk and needs assessment instrument available for use by each community supervision and corrections department established under Chapter 76.

(c) The department and the Windham School District shall jointly determine the duties of each entity with respect to implementing the risk and needs assessment instrument in order to efficiently use existing assessment processes.

(d) The department shall specify a timeline for the testing, adoption, and implementation of the risk and needs assessment instrument. The department's timeline must provide for the use of the instrument to be fully implemented not later than January 1, 2015. This subsection expires January 1, 2016.

SECTION 5. Section 501.098, Government Code, as added by Chapter 643 (H.B. 1711), Acts of the 81st Legislature, Regular Session, 2009, is reenacted and amended to read as follows:

Sec. 501.098. REENTRY TASK FORCE. (a) The department shall establish a reentry task force and shall coordinate the work of the task force with the Office of Court Administration. The executive director shall ensure that the task force includes representatives of, ~~and by rule shall enter into a memorandum of understanding with~~ the following entities [to establish a reentry task force]:

- (1) the Texas Juvenile Justice Department [Youth Commission];
- (2) the Texas Workforce Commission;
- (3) the Department of Public Safety;
- (4) the Texas Department of Housing and Community Affairs;
- (5) the Texas Correctional Office on Offenders with Medical or Mental Impairments;
- (6) the Health and Human Services Commission;
- (7) the Texas Judicial Council; [and]
- (8) the Board of Pardons and Paroles;
- (9) the Windham School District;
- (10) the Texas Commission on Jail Standards;
- (11) the Department of State Health Services;
- (12) the Texas Court of Criminal Appeals;
- (13) the County Judges and Commissioners Association of Texas;
- (14) the Sheriffs' Association of Texas;
- (15) the Texas District and County Attorneys Association; and
- (16) the Texas Conference of Urban Counties.

(b) The executive director shall appoint a representative from each of the following entities to serve on the reentry task force:

(1) a community supervision and corrections department established under Chapter 76;

(2) an organization that advocates on behalf of offenders;

(3) a local reentry planning entity; and

(4) a statewide [an] organization [selected by the department] that advocates for or provides reentry or reintegration services to offenders following their release or discharge from a correctional facility.

(c) To the extent feasible, the executive director shall ensure that the membership of the reentry task force reflects the geographic diversity of this state and includes members of both rural and urban communities.

(d) The executive director may appoint additional members as the executive director determines necessary.

(e) [b] The reentry task force shall [established under Subsection (a) may]:

(1) identify gaps in services for offenders following their release or discharge to rural or urban communities in the areas of employment, housing, substance abuse treatment, medical care, and any other areas in which the offenders need special services; and

(2) coordinate with providers of existing local reentry and reintegration programs, including programs operated by a municipality or county, to make recommendations regarding the provision of comprehensive services to offenders following their release or discharge to rural or urban communities.

(f) In performing its duties under Subsection (e), the reentry task force shall:

(1) identify:

(A) specific goals of the task force;

(B) specific deliverables of the task force, including the method or format in which recommendations under Subsection (e)(2) will be made available; and

(C) the intended audience or recipients of the items described by Paragraph (B);

(2) specify the responsibilities of each entity represented on the task force regarding the goals of the task force; and

(3) specify a timeline for achieving the task force's goals and producing the items described by Subdivision (1)(B).

SECTION 6. Section 501.131, Government Code, is amended to read as follows:

Sec. 501.131. DEFINITIONS [DEFINITION]. In this subchapter:

(1) "Committee" [, "committee"] means the Correctional Managed Health Care Committee.

(2) "Contracting entity" means an entity that contracts with the department to provide health care services under this chapter.

(3) "Medical school" means the medical school at The University of Texas Health Science Center at Houston, the medical school at The University of Texas Health Science Center at Dallas, the medical school at The University of Texas Health Science Center at San Antonio, The University of Texas Medical Branch at

Galveston, the Texas Tech University Health Sciences Center, the Baylor College of Medicine, the college of osteopathic medicine at the University of North Texas Health Science Center at Fort Worth, or The Texas A&M University System Health Science Center.

SECTION 7. Section 501.133, Government Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) The committee consists of nine [~~five~~] voting members and one nonvoting member as follows:

(1) one member employed full-time by the department, appointed by the executive director;

(2) one member who is a physician and employed full-time by The University of Texas Medical Branch at Galveston, appointed by the president of the medical branch;

(3) one member who is a physician and employed full-time by the Texas Tech University Health Sciences Center, appointed by the president of the university;

(4) two members who are physicians, each of whom is employed full-time by a medical school other than The University of Texas Medical Branch at Galveston or the Texas Tech University Health Sciences Center, appointed by the governor;

(5) two members appointed by the governor who are licensed mental health professionals;

(6) two public members appointed by the governor who are not affiliated with the department or with any contracting entity [~~with which the committee has contracted to provide health care services under this chapter~~], at least one of whom is licensed to practice medicine in this state; and

(7) [~~(5)~~] the state Medicaid director or a person employed full-time by the Health and Human Services Commission and appointed by the Medicaid director, to serve ex officio as a nonvoting member.

(c) A committee member appointed under Subsection (a)(7) shall assist the department with developing the expertise needed to accurately assess health care costs and determine appropriate rates.

SECTION 8. Section 501.136, Government Code, is amended to read as follows:

Sec. 501.136. APPOINTMENT; TERMS OF OFFICE; VACANCY [~~FOR PUBLIC MEMBERS~~]. (a) The two committee members appointed under Section 501.133(a)(4) serve concurrent four-year terms expiring on February 1 following the fourth anniversary of the date of appointment. On the expiration of the terms, the governor shall appoint one member from each of the next two medical schools that, based on an alphabetical listing of the names of the medical schools, follow the medical schools that employ the vacating members. A medical school may not be represented at any given time by more than one member appointed under Section 501.133(a)(4).

(b) The two committee members appointed under Section 501.133(a)(5) serve concurrent four-year terms expiring on February 1 following the fourth anniversary of the date of appointment.

(c) Public ~~[Committee]~~ members appointed under Section 501.133(a)(6) ~~[by the governor]~~ serve staggered four-year terms, with the term of one of those members expiring on February 1 of each odd-numbered year.

(d) Other committee members serve at the will of the appointing official or until termination of the member's employment with the entity the member represents.

(e) If a vacancy occurs, the appropriate appointing authority shall appoint a person, in the same manner as the original appointment, to serve for the remainder of the unexpired term. If a vacancy occurs in a position appointed under Section 501.133(a)(4), the governor shall appoint a physician employed by the same medical school as that of the vacating member.

SECTION 9. Section 501.146, Government Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) The committee shall develop and approve a managed health care plan for all persons confined by the department that ~~[includes]~~:

(1) ~~specifies the types and general level of care to be provided to [the establishment of a managed health care provider network of physicians and hospitals that will serve the department as the exclusive health care provider for] persons confined [in institutions operated] by the department; and~~

(2) ~~ensures continued access to needed care in the correctional health care system [cost containment studies;~~

~~[(3) care case management and utilization management studies performed for the department; and~~

~~[(4) concerning the establishment of criteria for hospitals, home health providers, or hospice providers, a provision requiring the managed health care plan to accept certification by the Medicare program under Title XVIII, Social Security Act (42 U.S.C. Section 1395 et seq.), and its subsequent amendments, as an alternative to accreditation by the Joint Commission on Accreditation of Healthcare Organizations].~~

(c) The committee shall provide expertise to the department, and may appoint subcommittees to assist the department, in developing policies and procedures for implementation of the managed health care plan.

SECTION 10. Section 501.147, Government Code, is amended to read as follows:

Sec. 501.147. POWERS AND DUTIES OF DEPARTMENT; AUTHORITY TO CONTRACT. (a) The department, in cooperation with the contracting entities, shall:

(1) establish a managed health care provider network of physicians and hospitals to provide health care to persons confined by the department; and

(2) evaluate and recommend to the board sites for new medical facilities that appropriately support the managed health care provider network.

(b) The department may:

(1) communicate with the legislature regarding the financial needs of the correctional health care system;

(2) monitor the expenditures of a contracting entity to ensure that those expenditures comply with applicable statutory and contractual requirements;

(3) address problems found through monitoring activities, including requiring corrective action if care does not meet expectations as determined by those monitoring activities;

(4) identify and address long-term needs of the correctional health care system;

(5) ~~enter into a~~ contract with any entity to fully implement the managed health care plan under this subchapter, including contracting for health care services and the integration of those services into the managed health care provider network;

(6) contract with an individual for financial consulting services and make use of financial monitoring of the managed health care plan to assist the department in determining an accurate capitation rate; and

(7) contract with an individual for actuarial consulting services to assist the department in determining trends in the health of the inmate population and the impact of those trends on future financial needs.

(c) In contracting for the implementation of the managed health care plan, the department shall:

(1) ~~[A contract entered into under this subsection must]~~ include provisions necessary to ensure that the contracting entity ~~[The University of Texas Medical Branch at Galveston]~~ is eligible for and makes reasonable efforts to participate in the purchase of prescription drugs under Section 340B, Public Health Service Act (42 U.S.C. Section 256b); and~~[-]~~

(2) ~~[(b) The department may contract with other governmental entities for similar health care services and integrate those services into the managed health care provider network.~~

~~[(c) In contracting for implementation of the managed health care plan, the department,] to the extent possible, ~~[shall]~~ integrate the managed health care provider network with the ~~[public]~~ medical schools ~~[of this state]~~ and the component and affiliated hospitals of those medical schools. ~~[The contract must authorize The University of Texas Medical Branch at Galveston to contract directly with the Texas Tech University Health Sciences Center for the provision of health care services. The Texas Tech University Health Sciences Center shall cooperate with The University of Texas Medical Branch at Galveston in its efforts to participate in the purchase of prescription drugs under Section 340B, Public Health Service Act (42 U.S.C. Section 256b).]~~~~

(d) For services that a governmental entity ~~[the public medical schools and their components and affiliates]~~ cannot provide, the department shall initiate a competitive bidding process for contracts with other providers for medical care to persons confined by the department.

~~[(e) The department, in cooperation with the committee, may contract with an individual or firm for a biennial review of, and report concerning, expenditures under the managed health care plan. The review must be conducted by an individual or firm experienced in auditing the state's Medicaid expenditures and other medical expenditures. Not later than September 1 of each even numbered year, the department shall submit a copy of a report under this section to the health care~~

~~providers that are part of the managed health care provider network established under this subchapter, the Legislative Budget Board, the governor, the lieutenant governor, and the speaker of the house of representatives.]~~

SECTION 11. Subchapter E, Chapter 501, Government Code, is amended by adding Section 501.1471 to read as follows:

Sec. 501.1471. REPORT. (a) Not later than the 30th day after the end of each fiscal quarter, the department shall submit to the Legislative Budget Board and the governor a report that contains, for the preceding quarter:

(1) the actual and projected expenditures for the correctional health care system, including expenditures for unit and psychiatric care, hospital and clinical care, and pharmacy services;

(2) health care utilization and acuity data;

(3) other health care information as determined by the governor and the Legislative Budget Board; and

(4) the amount of cost savings realized as a result of contracting for health care services under this subchapter with a provider other than the Texas Tech University Health Sciences Center and The University of Texas Medical Branch.

(b) A contract entered into by the department for the provision of health care services must require the contracting entity to provide the department with necessary documentation to fulfill the requirements of this section.

SECTION 12. Subsections (a) and (b), Section 501.148, Government Code, are amended to read as follows:

(a) The committee may:

(1) develop statewide policies for the delivery of correctional health care;

~~(2) [communicate with the department and the legislature regarding the financial needs of the correctional health care system;~~

~~[(3) in conjunction with the department, monitor the expenditures of The University of Texas Medical Branch at Galveston and the Texas Tech University Health Sciences Center to ensure that those expenditures comply with applicable statutory and contractual requirements;~~

~~[(4) serve as a dispute resolution forum in the event of a disagreement relating to inmate health care services between:~~

~~(A) the department and the health care providers; or~~

~~(B) contracting entities [The University of Texas Medical Branch at Galveston and the Texas Tech University Health Sciences Center;~~

~~[(5) address problems found through monitoring activities by the department and health care providers, including requiring corrective action if care does not meet expectations as determined by those monitoring activities;~~

~~[(6) identify and address long term needs of the correctional health care system]; and~~

~~(3) [(7) report to the board [Texas Board of Criminal Justice] at the board's regularly scheduled meeting each quarter on the committee's policy recommendations[, the financial status of the correctional health care system, and corrective actions taken by or required of the department or the health care providers].~~

(b) The committee shall advise the department and the board as necessary, including providing medical expertise and assisting the department and the board in identifying system needs and resolving contract disputes ~~[evaluate and recommend to the board sites for new medical facilities that appropriately support the managed health care provider network].~~

SECTION 13. Subsections (a) and (b), Section 501.1485, Government Code, are amended to read as follows:

(a) The department, in cooperation with any contracting entity that is a medical school ~~[The University of Texas Medical Branch at Galveston and the Texas Tech University Health Sciences Center]~~, shall develop and implement a training program for corrections medication aides that uses a curriculum specific to administering medication in a correctional setting.

(b) In developing the curriculum for the training program, the department and the medical school ~~[- The University of Texas Medical Branch at Galveston, and the Texas Tech University Health Sciences Center]~~ shall:

(1) consider the content of the curriculum developed by the American Correctional Association for certified corrections nurses; and

(2) modify as appropriate the content of the curriculum developed under Chapter 242, Health and Safety Code, for medication aides administering medication in convalescent and nursing homes and related institutions to produce content suitable for administering medication in a correctional setting.

SECTION 14. Subchapter E, Chapter 508, Government Code, is amended by adding Section 508.1411 to read as follows:

Sec. 508.1411. NOTIFICATION OF PAROLE PANEL DECISION. (a) For each decision of a parole panel granting or denying the release of an inmate on parole, or denying the release of an inmate on mandatory supervision, the parole panel shall:

(1) produce a written statement, in clear and understandable language, that explains:

(A) the decision; and

(B) the reasons for the decision only to the extent those reasons relate specifically to the inmate;

(2) provide a copy of the statement to the inmate; and

(3) place a copy of the statement in the inmate's file.

(b) In a written statement produced under Subsection (a), the parole panel may withhold information that:

(1) is confidential and not subject to public disclosure under Chapter 552; or

(2) the parole panel considers to possibly jeopardize the health or safety of any individual.

(c) The board shall keep a copy of each statement produced under Subsection (a) in a central location.

SECTION 15. Section 508.144, Government Code, is amended to read as follows:

Sec. 508.144. PAROLE GUIDELINES AND RANGE OF RECOMMENDED PAROLE APPROVAL RATES. (a) The board shall:

(1) develop according to an acceptable research method the parole guidelines that are the basic criteria on which a parole decision is made;

(2) base the guidelines on the seriousness of the offense and the likelihood of a favorable parole outcome;

(3) ensure that the guidelines require consideration of an inmate's progress in any programs in which the inmate participated during the inmate's term of confinement; ~~and~~

(4) establish and maintain a range of recommended parole approval rates for each category or score within the guidelines; and

(5) implement the guidelines.

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

~~[(1) produce a written statement describing in detail the specific circumstances regarding the departure from the guidelines;~~

~~[(2) place a copy of the statement in the file of the inmate for whom the parole decision was made; and~~

~~[(3) provide a copy of the statement to the inmate.~~

~~[(c) The board shall keep a copy of a statement made under Subsection (b) in a central location.~~

~~[(d)]~~ The board shall meet annually to review and discuss the parole guidelines and range of recommended parole approval rates ~~[developed under Subsection (a)].~~ The board may consult outside experts to assist with the review. The board shall prioritize the use of outside experts, technical assistance, and training in taking any action under Subsection (c). The board must consider:

(1) how the parole guidelines and range of recommended parole approval rates serve the needs of parole decision-making; and

(2) the extent to which ~~how well~~ the parole guidelines and range of recommended parole approval rates reflect parole panel decisions[;] and

~~[(3) how well parole guidelines]~~ predict successful parole outcomes.

(c) ~~[(e)]~~ Based on the board's review ~~[of the parole guidelines]~~ under Subsection (b) ~~[(d)]~~, the board may:

(1) update the guidelines by:

(A) including new risk factors; or

(B) changing the values of offense severity or risk factor scores; or

(2) modify the range of recommended parole approval rates under the guidelines, if parole approval rates differ significantly from the range of recommended parole approval rates.

(d) ~~[(f)]~~ The board is not required to hold an open meeting to review the parole guidelines and range of recommended parole approval rates as required by Subsection (b) ~~[(d)]~~, but any modifications or updates to the guidelines or range of recommended parole approval rates made by the board under Subsection (c) ~~[(e)]~~ must occur in an open meeting.

SECTION 16. Subsection (b), Section 508.1445, Government Code, is amended to read as follows:

(b) The report must include:

(1) a brief explanation of the parole guidelines, including how the board:

(A) defines the risk factors and offense severity levels; and

(B) determines the range of recommended parole approval rates for each guideline score;

(2) a comparison of the range of recommended parole approval rates under the parole guidelines to the actual approval rates for individual parole panel members, regional offices, and the state as a whole; and

(3) a description of instances in which the actual parole approval rates do not meet the range of recommended parole approval rates under the parole guidelines, an explanation of the variations, and a list of actions that the board has taken or will take to meet the guidelines.

SECTION 17. The heading to Section 508.152, Government Code, is amended to read as follows:

Sec. 508.152. INDIVIDUAL TREATMENT PLAN [~~PROPOSED PROGRAM OF INSTITUTIONAL PROGRESS~~].

SECTION 18. Section 508.152, Government Code, is amended by amending Subsections (b) and (d) and adding Subsections (b-1) and (b-2) to read as follows:

(b) The department shall:

(1) establish for the inmate an individual treatment plan [~~a proposed program of measurable institutional progress~~]; and

(2) submit the plan [~~proposed program~~] to the board at the time of the board's consideration of the inmate's case for release.

(b-1) The department shall include in an inmate's individual treatment plan:

(1) a record of the inmate's institutional progress that includes the inmate's participation in any program, including an intensive volunteer program as defined by the department;

(2) the results of any assessment of the inmate, including any assessment made using the risk and needs assessment instrument adopted under Section 501.0921 and any vocational, educational, or substance abuse assessment;

(3) the dates on which the inmate must participate in any subsequent assessment; and

(4) all of the treatment and programming needs of the inmate, prioritized based on the inmate's assessed needs.

(b-2) At least once in every 12-month period, the department shall review each inmate's individual treatment plan to assess the inmate's institutional progress and revise or update the plan as necessary.

(d) Before the inmate is approved for release on parole, the inmate must agree to participate in the programs and activities described by the individual treatment plan [~~proposed program of measurable institutional progress~~].

SECTION 19. Section 508.281, Government Code, is amended by adding Subsection (e) to read as follows:

(e) Any hearing required to be conducted by a parole panel under this chapter may be conducted by a designated agent of the board. The designated agent may make recommendations to a parole panel that has responsibility for making a final determination.

SECTION 20. Chapter 509, Government Code, is amended by adding Section 509.0041 to read as follows:

Sec. 509.0041. USE OF RISK AND NEEDS ASSESSMENT INSTRUMENT. The division shall require each department to use the risk and needs assessment instrument adopted by the Texas Department of Criminal Justice under Section 501.0921 to assess each defendant at the time of the defendant's initial placement on community supervision and at other times as required by the comprehensive reentry and reintegration plan adopted under Section 501.092.

SECTION 21. Subsection (b), Section 509.010, Government Code, is amended to read as follows:

(b) Before the 30th day before the date of the meeting, the division, the department that the facility is to serve, or a vendor proposing to operate the facility shall:

(1) publish by advertisement that is not less than 3-1/2 inches by 5 inches notice of the date, hour, place, and subject of the hearing required by Subsection (a) in three consecutive issues of a newspaper of, or in newspapers that collectively have, general circulation in the county in which the proposed facility is to be located; and

(2) mail a copy of the notice to each police chief, sheriff, city council member, mayor, county commissioner, county judge, school board member, state representative, and state senator who serves or represents the area in which the proposed facility is to be located, unless the proposed facility has been previously authorized to operate at a particular location as part of a community justice plan submitted by a community justice council under Section 509.007 [76.003].

SECTION 22. Subsection (a), Section 509.011, Government Code, is amended to read as follows:

(a) If the division determines that a department complies with division standards and if the community justice council has submitted a community justice plan under Section 509.007 [76.003] and the supporting information required by the division and the division determines the plan and supporting information are acceptable, the division shall prepare and submit to the comptroller vouchers for payment to the department as follows:

(1) for per capita funding, a per diem amount for each felony defendant directly supervised by the department pursuant to lawful authority;

(2) for per capita funding, a per diem amount for a period not to exceed 182 days for each defendant supervised by the department pursuant to lawful authority, other than a felony defendant; and

(3) for formula funding, an annual amount as computed by multiplying a percentage determined by the allocation formula established under Subsection (f) times the total amount provided in the General Appropriations Act for payments under this subdivision.

SECTION 23. Chapter 509, Government Code, is amended by adding Sections 509.013 and 509.014 to read as follows:

Sec. 509.013. GRANT PROGRAM ADMINISTRATION. (a) In this section, "grant program" means a grant program administered by the division through which the division awards grants to departments through an application process.

(b) The division shall:

(1) establish goals for each grant program that are consistent with the purposes described by Section 509.002 and the mission of the division;

- (2) establish grant application, review, award, and evaluation processes;
- (3) establish the process by which and grounds on which an applicant may appeal a decision of the division regarding a grant application;
- (4) establish and maintain a system to routinely monitor grant performance;
- (5) establish and make available to the public:
 - (A) all criteria used in evaluating grant applications; and
 - (B) all factors used to measure grant program performance;
- (6) publish on the division's Internet website for each grant awarded:
 - (A) the amount awarded;
 - (B) the method used in scoring the grant applications and the results of that scoring; and
 - (C) additional information describing the methods used to make the funding determination; and
- (7) require each department to submit program-specific outcome data for the division's use in making grant awards and funding decisions.

Sec. 509.014. STUDY REGARDING PERFORMANCE-BASED FUNDING.

(a) The division shall:

(1) review the funding formulas specified under Section 509.011 and study the feasibility of adopting performance-based funding formulas, including whether the formulas should take into consideration an offender's risk level or other appropriate factors in allocating funding; and

(2) make recommendations for modifying the current funding formulas.

(b) In conducting the study and making recommendations under Subsection (a), the division shall:

(1) seek input from departments, the judicial advisory council established under Section 493.003(b), and other relevant interest groups; and

(2) in consultation with the Legislative Budget Board, determine the impact of any recommendations on the allocation of the division's funds as projected by the Legislative Budget Board.

(c) The division shall include in the reports prepared under Sections 509.004(c) and 509.016(c):

(1) the findings of the study;

(2) any recommendations regarding modifying the funding formulas; and

(3) the projected impact of the recommendations on the allocation of the division's funds.

SECTION 24. Article 42.01, Code of Criminal Procedure, is amended by adding Section 11 to read as follows:

Sec. 11. In addition to the information described by Section 1, the judgment should reflect whether a victim impact statement was returned to the attorney representing the state pursuant to Article 56.03(e).

SECTION 25. Subsection (e), Article 56.03, Code of Criminal Procedure, is amended to read as follows:

(e) Prior to the imposition of a sentence by the court in a criminal case, the court[~~, if it has received a victim impact statement,~~] shall, as applicable in the case, inquire as to whether a victim impact statement has been returned to the attorney representing the state and, if a victim impact statement has been returned to the

attorney representing the state, consider the information provided in the statement. Before sentencing the defendant, the court shall permit the defendant or the defendant's ~~his~~ counsel a reasonable time to read the statement, excluding the victim's name, address, and telephone number, comment on the statement, and, with the approval of the court, introduce testimony or other information alleging a factual inaccuracy in the statement. If the court sentences the defendant to a term of community supervision, the attorney representing the state ~~court~~ shall forward any victim's impact statement received in the case to the community supervision and corrections department supervising the defendant, ~~along with the papers in the case~~.

SECTION 26. Article 56.04, Code of Criminal Procedure, is amended by adding Subsection (d-1) and amending Subsection (e) to read as follows:

(d-1) The victim services division of the Texas Department of Criminal Justice, in consultation with the Board of Pardons and Paroles, law enforcement agencies, prosecutors' offices, and other participants in the criminal justice system, shall develop recommendations to ensure that completed victim impact statements are submitted to the Texas Department of Criminal Justice as provided by this chapter.

(e) On inquiry by the court, the attorney representing the state ~~The victim assistance coordinator~~ shall make available ~~send~~ a copy of a victim impact statement for consideration by ~~to~~ the court sentencing the defendant. If the court sentences the defendant to imprisonment in the Texas Department of Criminal Justice, the court ~~it~~ shall attach the copy of the victim impact statement to the commitment papers.

SECTION 27. Chapter 19, Education Code, is amended by adding Section 19.0022 to read as follows:

Sec. 19.0022. SUNSET PROVISION. The Windham School District is subject to review under Chapter 325, Government Code (Texas Sunset Act). The district shall be reviewed during the period in which the Texas Department of Criminal Justice is reviewed.

SECTION 28. Section 19.0041, Education Code, is amended to read as follows:

Sec. 19.0041. PROGRAM DATA COLLECTION AND BIENNIAL EVALUATION AND REPORT ~~OF TRAINING SERVICES~~. (a) To evaluate the effectiveness of its programs ~~training services provided to persons confined or imprisoned in the department~~, the Windham School District shall ~~consult with the Legislative Budget Board to~~ compile and analyze information for each of its programs, including performance-based information and data related to academic, vocational training, and life skills programs ~~person who receives the training services~~. This information shall include for each person who participates in district programs an evaluation of:

- (1) institutional disciplinary violations;
- (2) subsequent arrests;
- (3) subsequent convictions or confinements;
- (4) the cost of confinement;
- (5) educational achievement;
- (6) high school equivalency examination passage;
- (7) the kind of training services provided;
- (8) ~~(2)~~ the kind of employment the person obtains on release;

(9) ~~(3)~~ whether the employment was related to training;

(10) ~~(4)~~ the difference between the amount of the person's earnings on the date employment is obtained following release and the amount of those earnings on the first anniversary of that date; and

(11) ~~(5)~~ the retention factors associated with the employment.

(b) The Windham School District shall use the information compiled and analyzed under Subsection (a) to biennially:

(1) evaluate whether its programs meet the goals under Section 19.003 and make changes to the programs as necessary; and

(2) ~~Legislative Budget Board shall~~ submit a ~~an annual~~ report to the board, the legislature, and the governor's office ~~based on data compiled and analyzed under Subsection (a)~~.

(c) The Windham School District may enter into a memorandum of understanding with the department, the Department of Public Safety, and the Texas Workforce Commission to obtain and share data necessary to evaluate district programs.

SECTION 29. The following provisions of the Government Code are repealed:

- (1) Subsection (i), Section 493.009;
- (2) Section 501.100; and
- (3) Subsections (c) and (d), Section 501.148.

SECTION 30. Not later than October 1, 2013, each facility under the oversight of the correctional institutions division of the Texas Department of Criminal Justice shall establish a case management committee as required by Section 493.031, Government Code, as added by this Act.

SECTION 31. Not later than January 1, 2014:

(1) the Texas Department of Criminal Justice shall adopt the comprehensive reentry and reintegration plan required by Section 501.092, Government Code, as amended by this Act; and

(2) the executive director of the Texas Department of Criminal Justice shall appoint representatives to serve on the reentry task force as required by Section 501.098, Government Code, as amended by this Act.

SECTION 32. Not later than September 1, 2016, the Texas Department of Criminal Justice shall submit the first report required by Subsection (i), Section 501.092, Government Code, as added by this Act.

SECTION 33. (a) Not later than January 31, 2014, the governor shall appoint to the Correctional Managed Health Care Committee one member from each of the first two medical schools, so as to comply with the membership requirements of Subdivision (4), Subsection (a), Section 501.133, Government Code, as amended by this Act, based on an alphabetical listing of the names of the medical schools.

(b) Not later than January 31, 2014, the governor shall appoint to the Correctional Managed Health Care Committee two members who are licensed mental health professionals, so as to comply with the membership requirements of Subdivision (5), Subsection (a), Section 501.133, Government Code, as added by this Act.

(c) Notwithstanding the terms of the members as provided by Subsections (a) and (b), Section 501.136, Government Code, as added by this Act, the terms of the members appointed under this section expire February 1, 2017.

SECTION 34. Not later than the 30th day after the end of the first quarter of fiscal year 2014, the Texas Department of Criminal Justice shall submit the first report required by Section 501.1471, Government Code, as added by this Act.

SECTION 35. Section 508.1411, Government Code, as added by this Act, applies only to a decision of a parole panel made on or after November 1, 2013. A decision of a parole panel made before November 1, 2013, 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 36. Not later than January 1, 2014, the Board of Pardons and Paroles shall establish the range of recommended parole approval rates required by Subsection (a), Section 508.144, Government Code, as amended by this Act.

SECTION 37. Not later than January 1, 2014, the community justice assistance division of the Texas Department of Criminal Justice shall adopt forms, establish procedures, and take other actions necessary to comply with the requirements of Section 509.013, Government Code, as added by this Act.

SECTION 38. Not later than January 1, 2017, the community justice assistance division of the Texas Department of Criminal Justice shall include in the reports submitted under Subsection (c), Section 509.004 and Subsection (c), Section 509.016, Government Code, the findings, recommendations, and projected impact of recommendations from the first study conducted under Section 509.014, Government Code, as added by this Act.

SECTION 39. Before January 1, 2014, the victim services division of the Texas Department of Criminal Justice shall develop the recommendations required by Subsection (d-1), Article 56.04, Code of Criminal Procedure, as added by this Act.

SECTION 40. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 213** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 215**

Senator Birdwell submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 215** 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.

BIRDWELL

SELIGER

NICHOLS

DUNCAN

WATSON

On the part of the Senate

ANCHIA

BRANCH

BONNEN, DENNIS

DARBY

CLARDY

On the part of the House

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. 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 shall be instituted by the attorney general, ~~[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. Venue for a suit arising under this section is exclusively conferred on a court of competent jurisdiction in Travis County.

SECTION 4. 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 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 colleges or universities 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.

SECTION 5. Subdivisions (2) and (3), Section 56.301, 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 6. Subsection (b), Section 56.302, 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 7. Subsections (d-1), (e), and (f), Section 56.303, 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 8. Subsections (a) and (e-1), Section 56.304, 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 9. 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 10. Subsections (b) and (d), Section 56.3042, 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 11. Subsection (a), Section 56.305, 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 12. 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 13. Subsections (a), (d-1), (i-1), and (j), Section 56.307, Education Code, are amended to read as follows:

(a) 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 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.

(d-1) The coordinating board shall determine the average statewide tuition and fee amounts 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-1) A public institution of higher education may elect to award a TEXAS grant to any student in an amount that is less than the applicable amount established under Subsection (a)~~[, (e), (d),]~~ or (e).

(j) A public institution of higher education shall use other available sources of financial aid, other than a loan, to cover any difference in the amount of a TEXAS grant awarded to the student and the actual amount of tuition and required fees at the institution if the difference results from:

(1) a reduction in the amount of a TEXAS grant under Subsection (i-1); or

(2) a deficiency in the amount of the grant as established under Subsection (a)~~[, (e), (d),]~~ or (e), as applicable, to cover the full amount of tuition and required fees charged to the student by the institution.

SECTION 14. 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 15. 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 16. Section 56.453, Education Code, is amended by adding Subsections (d), (e), and (f) 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.

(e) The coordinating board, in collaboration with eligible institutions and appropriate nonprofit or college access organizations, shall:

(1) educate students regarding the eligibility requirements for forgiveness of Texas B-On-time loans;

(2) ensure that students applying for or receiving a Texas B-On-time loan understand their responsibility to repay any portion of the loan that is not forgiven;

(3) ensure that students who are required to repay Texas B-On-time loans receive and understand information regarding loan default prevention strategies; and

(4) through an in-person or online loan counseling module, provide loan repayment and default prevention counseling to students receiving Texas B-On-time loans.

(f) Notwithstanding Subsection (e)(4), the following eligible institutions shall provide the loan repayment and default prevention counseling described by that subdivision to all Texas B-On-time loan recipients enrolled at those institutions:

(1) each institution with a Texas B-On-time loan default rate that exceeds the statewide average default rate for such loans; and

(2) each institution with a Texas B-On-time loan forgiveness rate that is less than 50 percent of the statewide average forgiveness rate for such loans.

SECTION 17. 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:

(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 18. 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 19. Subsections (a), (b), and (f), 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.

(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 amount determined under Subsection (a) 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, and each of those institutions shall determine the amount of each loan awarded at that institution, not to exceed the amount determined under Subsection (a). 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.

SECTION 20. Subsection (a), Section 56.460, 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 21. 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]~~ [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 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 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 22. 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 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, August 27, 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 23. 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 24. Subsection (a), Section 58.002, 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 or by the Baylor College of Medicine [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 an approved school of medicine [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.

SECTION 25. Section 61.002, Education Code, is amended by adding Subsection (d) to read as follows:

(d) The Texas Higher Education Coordinating Board has only the powers expressly provided by law or necessarily implied from an express grant of power. Any function or power not expressly granted to the board by this code or other law in regard to the administration, organization, control, management, jurisdiction, or governance of an institution of higher education is reserved to and shall be performed by the governing board of the institution, the applicable system administration, or the institution of higher education.

SECTION 26. 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 27. 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 28. 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 29. Subchapter B, Chapter 61, Education Code, is amended by adding Section 61.0331 to read as follows:

Sec. 61.0331. NEGOTIATED RULEMAKING REQUIRED. The board shall engage institutions of higher education in a negotiated rulemaking process as described by Chapter 2008, Government Code, when adopting a policy, procedure, or rule relating to:

- (1) an admission policy regarding the common admission application under Section 51.762, a uniform admission policy under Section 51.807, graduate and professional admissions under Section 51.843, or the transfer of credit under Section 61.827;
- (2) the allocation or distribution of funds, including financial aid or other trusteed funds under Section 61.07761;
- (3) the reevaluation of data requests under Section 51.406; or
- (4) compliance monitoring under Section 61.035.

SECTION 30. 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. 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.

(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 31. 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 32. 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.

(h) In approving a degree or certificate program under this section, the board:

(1) for a doctoral program, may not consider undergraduate graduation or persistence rates; and

(2) for a baccalaureate degree program proposed to be offered by a public junior college previously authorized by the board to offer baccalaureate degree programs under Section 130.0012:

(A) shall approve the degree program within 60 days after the date the board receives notice of the degree program if the degree program:

(i) is approved by the governing board of the junior college district; and

(ii) is not an engineering program; and

(B) is considered to have approved the degree program after the date described by Paragraph (A) if the conditions of that paragraph are satisfied.

SECTION 33. 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 Southern Association of Colleges and Schools or its successor unless the institution determines that there is a compelling academic reason for requiring 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. This subsection does not prohibit the institution from reducing the number of semester credit hours the student must complete to receive the degree.

SECTION 34. 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 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 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 35. 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 36. 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 37. 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) [(h)] The board shall advise and offer technical assistance on the request of any institution of higher education or system administration.

SECTION 38. 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) [(m)] The board shall develop guidelines for institutional reporting of student performance.

SECTION 39. 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) [(4)] 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(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, 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, space need, and space use, but the purchase of the improved real property is not contingent on board review. Standards must be adopted by the board using the negotiated rulemaking procedures under Chapter 2008, Government Code. 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 40. 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, space need, and space use, but the construction, rehabilitation, or repair is not contingent on board review. Standards must be adopted by the board using the negotiated rulemaking procedures under Chapter 2008, Government Code. 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.

SECTION 41. 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.

SECTION 42. 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 43. 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 44. 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 45. 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 46. 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 trustee 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 47. 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 toward 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 subsection, "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.).

SECTION 48. The heading to Section 61.822, Education Code, is amended to read as follows:

Sec. 61.822. TRANSFER OF CREDITS; CORE CURRICULUM.

SECTION 49. 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 50. 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 \$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. RULES. 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.]~~

SECTION 51. The heading to Chapter 142, Education Code, is amended to read as follows:

CHAPTER 142. NORMAN HACKERMAN ADVANCED RESEARCH PROGRAM; ADVANCED TECHNOLOGY PROGRAM

SECTION 52. 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 53. The heading to Section 142.002, Education Code, is amended to read as follows:

Sec. 142.002. NORMAN HACKERMAN ADVANCED RESEARCH PROGRAM; PURPOSE.

SECTION 54. 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 55. 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 56. 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 57. 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 58. 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 59. 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 60. 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 61. 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 62. 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; Subsections (c) and (d), Section 56.307; Subsection (d), Section 56.456; Subsections (c) and (d), Section 56.459; Subsection (e), Section 56.407; Subsections (b), (c), (d), and (e), Section 58.002; Section 61.0573; and Subsection (c), Section 61.058;

(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, 57.50, 58.001, 58.003, 58.004, and 58.005;

(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 63. 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.

SECTION 64. (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.

SECTION 65. (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 66. 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 67. 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 68. 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 69. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 215** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 270**

Senator Seliger submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 270** 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.

SELIGER
HUFFMAN
HINOJOSA
DUNCAN
SCHWERTNER
On the part of the Senate

HERRERO
GONZÁLEZ, MARY
PRICE
CANALES
CARTER
On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to a limited exception to the prohibition on releasing personal information about a juror collected during the jury selection process in certain cases.

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

SECTION 1. Article 35.29, Code of Criminal Procedure, is amended to read as follows:

Art. 35.29. PERSONAL INFORMATION ABOUT JURORS. (a) Except as provided by Subsections (b) and (c), information [Information] collected by the court or by a prosecuting attorney during the jury selection process about a person who serves as a juror, including the juror's home address, home telephone number, social security number, driver's license number, and other personal information, is confidential and may not be disclosed by the court, the prosecuting attorney, the defense counsel, or any court personnel.

(b) On [except on] application by a party in the trial, or on application by a bona fide member of the news media acting in such capacity, to the court for the disclosure of information described by Subsection (a), the court shall, on [in which the person is serving or did serve as a juror. On] a showing of good cause, [the court shall] permit disclosure of the information sought.

(c) The defense counsel may disclose information described by Subsection (a) to successor counsel representing the same defendant in a proceeding under Article 11.071 without application to the court or a showing of good cause.

SECTION 2. The change in law made by this Act applies to an application for a writ of habeas corpus under Article 11.071, Code of Criminal Procedure, that is pending on the effective date of this Act or filed on or after that date.

SECTION 3. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 270** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 58**

Senator Nelson submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 58** 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.

NELSON
HUFFMAN
NICHOLS
TAYLOR
URESTI
On the part of the Senate

ZERWAS
DAVIS, JOHN
NAISHTAT
PRICE
ROSE
On the part of the House

**A BILL TO BE ENTITLED
AN ACT**

relating to delivery of and reporting on mental health, behavioral health, substance abuse, and certain other services.

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;

(C) public and private providers of behavioral health services; and

(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

(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. Subtitle I, Title 4, Government Code, is amended by adding Chapter 539 to read as follows:

CHAPTER 539. COMMUNITY COLLABORATIVES

Sec. 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 persons experiencing homelessness and mental illness. The department may make a maximum of five grants, which must be made in the most populous municipalities in this state that are located in counties with a population of more than one million. In awarding grants, the department shall give special consideration to entities establishing a new collaborative.

(b) The department shall require each entity awarded a grant under this section to:

(1) leverage additional funding from private sources in an amount that is at least equal to the amount of the grant awarded under this section; and

(2) provide evidence of significant coordination and collaboration between the entity, local mental health authorities, municipalities, and other community stakeholders in establishing or expanding a community collaborative funded by a grant awarded under this section.

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 may incorporate into the community collaborative operated by the entity the use of the Homeless Management Information System, transportation plans, and case managers. An entity may 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.

SECTION 3. 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 4. 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 5. 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 6. 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 7. 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.

SECTION 8. 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 9. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 58** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 3142

Senator Estes submitted the following Conference Committee Report:

Austin, Texas
May 23, 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 3142** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

ESTES
SCHWERTNER
URESTI
HINOJOSA
HEGAR

On the part of the Senate

BELL
FLYNN
NEVÁREZ
PICKETT
SHEETS

On the part of the House

The Conference Committee Report on **HB 3142** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 773**

Senator Schwertner submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 773** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

SCHWERTNER
CAMPBELL
LUCIO
PATRICK

FARNEY
AYCOCK
BRANCH

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 773** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 910**

Senator Duncan submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 910** 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.

DUNCAN
DEUELL
HUFFMAN
LUCIO
VAN DE PUTTE

MORRISON
MILES
SIMMONS
JOHNSON

On the part of the Senate

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to certain election practices and procedures.

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

SECTION 1. Subsection (c), Section 1.007, Election Code, is amended to read as follows:

(c) A delivery, submission, or filing of a document or paper under this code may be made by personal delivery, mail, telephonic facsimile machine, or any other method of transmission.

SECTION 2. Subsection (a), Section 13.002, Election Code, is amended to read as follows:

(a) A person desiring to register to vote must submit an application to the registrar of the county in which the person resides. Except as provided by Subsection (e), an application must be submitted by personal delivery, ~~[or]~~ by mail, or by telephonic facsimile machine in accordance with Sections 13.143(d) and (d-2).

SECTION 3. Section 13.143, Election Code, is amended by amending Subsection (d) and adding Subsections (d-1) and (d-2) to read as follows:

(d) For purposes of determining the effective date of a registration, an application submitted by:

(1) mail is considered to be submitted to the registrar on the date it is placed with postage prepaid and properly addressed in the United States mail; or

(2) telephonic facsimile machine is considered to be submitted to the registrar on the date the transmission is received by the registrar, subject to Subsection (d-2).

(d-1) The date indicated by the post office cancellation mark is considered to be the date the application was placed in the mail unless proven otherwise.

(d-2) For a registration application submitted by telephonic facsimile machine to be effective, a copy of the registration application must be submitted by mail and be received by the registrar not later than the fourth business day after the transmission by telephonic facsimile machine is received.

SECTION 4. Section 16.001, Election Code, is amended by adding Subsection (e) to read as follows:

(e) The information required to be filed with the secretary of state under this section must be filed electronically. The secretary of state may waive this requirement on application for a waiver submitted by the appropriate entity.

SECTION 5. Subsection (b), Section 31.006, Election Code, is amended to read as follows:

(b) The documents submitted ~~[to the attorney general]~~ under Subsection (a) are not considered public information until:

(1) the secretary of state makes a determination that the complaint received does not warrant an investigation; or

(2) if referred to the attorney general, the attorney general has completed the investigation or has made a determination that the complaint referred does not warrant an investigation.

SECTION 6. Section 32.054, Election Code, is amended by adding Subsection (d) to read as follows:

(d) Notwithstanding Subsection (b), a person employed by a county solely as an early voting clerk appointed under Chapter 83 is not employed by a candidate for purposes of this section.

SECTION 7. Subchapter C, Chapter 52, Election Code, is amended by adding Section 52.075 to read as follows:

Sec. 52.075. MODIFICATION OF BALLOT FORM FOR CERTAIN VOTING SYSTEMS. The secretary of state may prescribe the form and content of a ballot for an election using a voting system, including an electronic voting system or a voting system that uses direct recording electronic voting machines, to conform to the formatting requirements of the system.

SECTION 8. Section 63.0011, Election Code, is amended by adding Subsection (f) to read as follows:

(f) Information included on a statement of residence under Subsection (c)(2) is subject to Section 13.004(c).

SECTION 9. Subsection (c), Section 84.007, Election Code, is amended to read as follows:

(c) An application must be submitted on or after the 60th day before election day and before the close of regular business in the early voting clerk's office or 12 noon, whichever is later, on the ~~ninth~~ ~~seventh~~ day before election day unless that day is a Saturday, Sunday, or legal state or national holiday, in which case the last day is the first preceding regular business day.

SECTION 10. Section 85.034, Election Code, is amended to read as follows:

Sec. 85.034. VOTER UNABLE TO ENTER POLLING PLACE. ~~[(a)]~~ Early voting by personal appearance by a voter who is voting outside the early voting polling place ~~[under Section 64.009]~~ shall be conducted pursuant to Section 64.009 ~~[in accordance with this section if voting at the early voting polling place is by voting machine].~~

~~[(b) The early voting clerk shall furnish each accepted voter with the early voting ballot used for voting by mail and the official ballot envelope.~~

~~[(c) The voter must mark the ballot and seal it in the envelope.~~

~~[(d) Immediately after sealing the ballot envelope, the voter must give it to the clerk. Before depositing the envelope in the ballot box, the clerk shall indicate on the envelope that the ballot was voted outside the polling place under this section.~~

~~[(e) The secretary of state may provide for the use of envelopes or other containers instead of ballot boxes in which to deposit ballots voted under this section.]~~

SECTION 11. Subsection (a), Section 86.014, Election Code, is amended to read as follows:

(a) A copy of an application for a ballot to be voted by mail is not available for public inspection, except to the voter seeking to verify that the information pertaining to the voter is accurate, until the first business day after the election day of the latest occurring election for which the application is submitted.

SECTION 12. Section 141.031, Election Code, is amended by adding Subsection (d) to read as follows:

(d) The secretary of state may prescribe a different form for an application for a place on the ballot for each of the following:

(1) an office of the federal government;

- (2) an office of the state government; or
- (3) an office of a political party.

SECTION 13. Subsection (a), Section 144.005, Election Code, is amended to read as follows:

(a) Except as provided by Subsection (d), an application for a place on the ballot must be filed not later than 5 p.m. of the 62nd day before election day. Notwithstanding any other law outside this code, an application may not be filed earlier than the 30th day before the date of the filing deadline.

SECTION 14. Subsection (a), Section 145.096, Election Code, is amended 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 third [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 Section 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).

SECTION 15. Subsections (a) and (b), Section 172.054, Election Code, are amended to read as follows:

(a) The deadline for filing an application for a place on the general primary election ballot is extended as provided by this section if a candidate who has made an application that complies with the applicable requirements:

(1) dies on or after the fifth day before the date of the regular filing deadline and on or before the first [79th] day after the date of the regular filing deadline [before general primary election day];

(2) holds the office for which the application was made and withdraws or is declared ineligible on [or after] the date of the regular filing deadline [and on] or [before] the first [79th] day after the date of the regular filing deadline [before general primary election day]; or

(3) withdraws or is declared ineligible during the period prescribed by Subdivision (2), and at the time of the withdrawal or declaration of ineligibility no other candidate has made an application that complies with the applicable requirements for the office sought by the withdrawn or ineligible candidate.

(b) An application for an office sought by a withdrawn, deceased, or ineligible candidate must be filed not later than 6 p.m. of the fifth day after the date of the regular filing deadline [81st day before general primary election day]. An application filed by mail with the state chair is not timely if received later than 5 p.m. of the fifth day after the date of the regular filing deadline [81st day before general primary election day].

SECTION 16. Section 172.057, Election Code, is amended to read as follows:

Sec. 172.057. WITHDRAWN, DECEASED, OR INELIGIBLE CANDIDATE'S NAME OMITTED FROM GENERAL PRIMARY BALLOT. A candidate's name shall be omitted from the general primary election ballot if the candidate withdraws, dies, or is declared ineligible on or before the first [79th] day after the date of the regular filing deadline [~~before general primary election day~~].

SECTION 17. Subsection (a), Section 172.058, Election Code, is amended to read as follows:

(a) If a candidate who has made an application for a place on the general primary election ballot that complies with the applicable requirements dies or is declared ineligible after the first [79th] day after the date of the regular filing deadline [~~before general primary election day~~], the candidate's name shall be placed on the ballot and the votes cast for the candidate shall be counted and entered on the official election returns in the same manner as for the other candidates.

SECTION 18. Section 201.052, Election Code, is amended to read as follows:

Sec. 201.052. DATE OF ELECTION. (a) Except as otherwise provided by this code, a special election to fill a vacancy shall be held on the first authorized uniform election date occurring on or after the 45th [30th] day after the date the election is ordered.

(b) If a law outside this code authorizes the holding of the election on a date earlier than the 45th [30th] day after the date of the order, the election shall be held on the first authorized uniform election date occurring on or after the earliest date that the election could be held under that law.

SECTION 19. Subsection (a), Section 201.054, Election Code, is amended to read as follows:

(a) Except as provided by Subsection (f), a candidate's application for a place on a special election ballot must be filed not later than:

(1) 5 p.m. of the 62nd day before election day, if election day is on or after the 70th day after the date the election is ordered; or

(2) 5 p.m. of the 45th [31st] day before election day, if election day is on or after the 57th [36th] day and before the 70th day after the date the election is ordered[; ~~or~~

~~[(3) 5 p.m. of a day fixed by the authority ordering the election, which day must be not earlier than the fifth day after the date the election is ordered and not later than the 20th day before election day, if election day is before the 36th day after the date the election is ordered].~~

SECTION 20. Subsections (a) and (c), Section 202.004, Election Code, are amended to read as follows:

(a) A political party's nominee for an unexpired term must be nominated by primary election if:

(1) the political party is making nominations by primary election for the general election in which the vacancy is to be filled; and

(2) the vacancy occurs on or before the fifth [62nd] day before the date of

the regular deadline for candidates to file applications for a place on the general primary ballot [~~general primary election day~~].

(c) If the vacancy occurs after the 10th day before the date of the regular filing deadline, an application for the unexpired term must be filed not later than 6 [~~5~~] p.m. of the fifth day after the date of the regular filing deadline [~~15th day after the date the vacancy occurs or 5 p.m. of the 60th day before general primary election day, whichever is earlier~~].

SECTION 21. Section 215.002, Election Code, is amended to read as follows:

Sec. 215.002. ASSESSABLE COSTS. Only the following costs of a recount are assessable against a person:

(1) compensation of members of a recount committee as provided by Section 213.004;

(2) charges for use of automatic tabulating equipment as provided by Section 214.044;

(3) a service charge of \$15 for each recount supervisor involved in the recount as a reimbursement to the fund from which the telephone, postage, and other office expenses of the recount supervisor are paid; [~~and~~]

(4) in a recount of an election for which the final canvass is at the state level, a service charge of \$15 for each recount supervisor involved in the recount plus an additional \$50 as a reimbursement to the fund from which the telephone, postage, and other office expenses of the recount coordinator are paid; and

(5) the actual expense incurred in producing a printed ballot image from an electronic voting system record.

SECTION 22. Section 62.113, Government Code, is amended by adding Subsection (e) to read as follows:

(e) The information required to be filed with the secretary of state under this section must be filed electronically. The secretary of state may waive this requirement on application for a waiver submitted by the clerk.

SECTION 23. Subsection (f), Section 86.001, Election Code, is repealed.

SECTION 24. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 910** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 281

Senator Estes submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 281** 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.

ESTES
ELTIFE
HEGAR
FRASER
URESTI

On the part of the Senate

FRANK
KING, TRACY O.
LARSON
LAVENDER
SPRINGER

On the part of the House

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:

(1) there is a groundwater conservation district that has jurisdiction over water wells located in the county; or

(2) in the case where a county is not in the jurisdiction of a groundwater conservation district, 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 Conference Committee Report on **SB 281** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 1897

Senator Carona submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 1897** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

CARONA
WEST
DEUELL
TAYLOR

EILAND
ANCHIA
HARLESS
HUBERTY
KACAL

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 1897** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 217

Senator Patrick submitted the following Conference Committee Report:

Austin, Texas
May 23, 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 217** 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
BIRDWELL
GARCIA
HUFFMAN
WHITMIRE

On the part of the Senate

ANCHIA
SIMMONS
BONNEN, DENNIS
ORR
STRAMA

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to the continuation and functions of the state employee charitable campaign.

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

SECTION 1. Subdivision (11), Section 659.131, Government Code, is amended to read as follows:

(11) "Local campaign area" means an area established by the state policy committee under Section 659.140(e)(1)(A) [the county or counties] in which a local campaign is conducted as part of the [manager conducts a] state employee charitable campaign.

SECTION 2. Subsection (g), Section 659.132, Government Code, is amended to read as follows:

(g) An authorization must direct the comptroller to distribute the deducted funds to a participating federation or fund or a local charitable organization selected by the state policy committee [and a local campaign manager] as prescribed by rule.

SECTION 3. Subsection (a), Section 659.133, Government Code, is amended to read as follows:

(a) Participation by a state employee in a state employee charitable campaign is voluntary. The state [Each] campaign manager, any local employee committee or local campaign manager appointed by the state policy committee, each charitable organization, each state employee, and each state agency shall inform state employees that deductions are voluntary.

SECTION 4. Section 659.140, Government Code, is amended by amending Subsections (a), (b), (e), and (i) and adding Subsections (c-1) and (e-1) to read as follows:

(a) The state employee charitable campaign policy committee shall consist of nine [13] members.

(b) The governor with the advice and consent of the senate shall appoint two [four] members who are state employees at the time of their appointment and one member [three members] who is a [are] retired state employee [employees] receiving

benefits under Chapter 814. The lieutenant governor and the comptroller shall may appoint ~~not more than~~ three members each. An appointment to the committee shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointee. The state policy committee shall elect a chair ~~chairman~~ biennially from its own membership.

(c-1) The governor, lieutenant governor, and comptroller shall attempt to appoint members to the state policy committee from institutions of higher education and a range of small, medium, and large state agencies.

(e) The state policy committee shall:

(1) establish the organization and structure of the state employee charitable campaign at the state and local levels, including:

(A) establishing local campaign areas ~~[based on recommendations by the state advisory committee];~~

(B) appointing any local employee committees the state policy committee considers necessary to assist the state policy committee with evaluating applications from organizations that seek to participate in the state employee charitable campaign only in a local campaign area; and

(C) appointing any local campaign managers the state policy committee considers necessary to administer the state employee charitable campaign in a local campaign area;

(2) develop a strategic plan for the state employee charitable campaign and make changes to improve the campaign as necessary;

(3) in coordination with the state campaign manager, post on the state employee charitable campaign Internet website annual summary information regarding the state employee charitable campaign's performance, including information about:

(A) state employee participation;

(B) the amount of donations pledged and collected;

(C) the amount of donations pledged to and received by each charitable organization;

and

(E) the balance of any surplus account maintained by the state policy committee;

(4) ~~(2)~~ select as the state campaign manager:

(A) a federated community campaign organization; or

(B) a charitable organization determined by the state policy committee to have demonstrated the capacity to conduct a state campaign;

(5) enter into a contract with the state campaign manager selected under Subdivision (4) for the administration of the state employee charitable campaign;

(6) ~~(3)~~ determine the eligibility of:

(A) a federation or fund and its affiliated agencies for statewide participation in the state employee charitable campaign; and

(B) if the state policy committee does not appoint a local employee committee, a charitable organization for participation in the state employee charitable campaign in a local campaign area;

(7) develop in coordination with the state campaign manager, review, and approve:

(A) an annual [~~(4) approve the recommended~~] campaign plan;

(B) an annual[~~]~~ budget, including:

(i) costs related to contracting for the administration of the state employee charitable campaign at the state and local levels;

(ii) costs related to changes or improvements to the state employee charitable campaign; and

(iii) other costs determined and prioritized by the state policy committee; and

(C) generic materials to be used for the [by] campaign [~~managers~~];

(8) [~~5~~] oversee the state employee charitable campaign to ensure that all:

(A) campaign activities are conducted fairly and equitably to promote unified solicitation on behalf of all participants; and

(B) donations are appropriately distributed by a federation or fund or a charitable organization that receives money from the state employee charitable campaign; and

(9) [~~6~~] perform other duties prescribed by the comptroller's rules.

(e-1) The comptroller shall provide administrative support to the state policy committee, including assistance in:

(1) developing and overseeing contracts; and

(2) developing the budget of the state employee charitable campaign.

(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, 2017 [2013].

SECTION 5. Subsection (c), Section 659.140, Government Code, as amended by Chapters 280 (H.B. 1608), 1249 (S.B. 1664), and 1015 (H.B. 2549), Acts of the 82nd Legislature, Regular Session, 2011, is reenacted and amended to read as follows:

(c) [~~A member of the state policy committee may not receive compensation for serving on the committee and is not entitled to reimbursement from state funds for expenses incurred in performing functions as a member of the committee.~~] The state policy committee must:

(1) be composed of employees and retired state employees receiving benefits under Chapter 814; and

(2) in its membership, represent employees at different levels of employee classification.

SECTION 6. Subchapter I, Chapter 659, Government Code, is amended by adding Sections 659.1401 and 659.1402 to read as follows:

Sec. 659.1401. GROUND FOR REMOVAL FROM STATE POLICY COMMITTEE. (a) It is a ground for removal from the state policy committee that a member:

(1) does not have at the time of taking office the qualifications required by Section 659.140;

(2) does not maintain during service on the state policy committee the qualifications required by Section 659.140;

(3) is ineligible for membership under Section 659.140;

(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 state policy committee meetings that the member is eligible to attend during a calendar year without an excuse approved by a majority vote of the state policy committee.

(b) The validity of an action of the state policy committee is not affected by the fact that it is taken when a ground for removal of a state policy committee member exists.

(c) If the chair of the state policy committee has knowledge that a potential ground for removal exists, the chair shall notify the governor and the attorney general that a potential ground for removal exists. If the potential ground for removal involves the chair, another member of the state policy committee shall notify the governor and the attorney general that a potential ground for removal exists.

Sec. 659.1402. TRAINING FOR STATE POLICY COMMITTEE MEMBERS.

(a) A person who is appointed to and qualifies for office as a member of the state policy committee may not vote, deliberate, or be counted as a member in attendance at a meeting of the state policy committee until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the legislation that created the state employee charitable campaign;

(2) the programs, functions, rules, and budget of the state employee charitable campaign;

(3) the results of the most recent formal audit of the state employee charitable campaign;

(4) the requirements of laws relating to open meetings, public information, administrative procedure, and conflicts of interest; and

(5) any applicable ethics policies adopted by the Texas Ethics Commission or adopted for the state employee charitable campaign by the state policy committee.

SECTION 7. Section 659.141, Government Code, is amended to read as follows:

Sec. 659.141. STATE CAMPAIGN MANAGER. The state campaign manager shall:

(1) assist the state policy committee to:

(A) develop a campaign plan;

(B) develop ~~[(2) prepare]~~ a ~~[statewide]~~ campaign budget ~~[in cooperation with local campaign managers]; and~~

(C) ~~[(3)]~~ prepare generic materials to be used ~~for the campaign [by campaign managers];~~

(2) ~~[(4)]~~ coordinate and facilitate campaign services to state employees throughout the state;

(3) ~~[(5)]~~ ensure that all state employee charitable campaign activities are conducted fairly and equitably to promote unified solicitation on behalf of all participants; ~~[and]~~

(4) ~~[(6)]~~ perform other duties prescribed by the comptroller's rules; and

(5) perform other duties required by the contract with the state policy committee.

SECTION 8. Subsections (b) and (e), Section 659.142, Government Code, are amended to read as follows:

(b) ~~[Four members must represent campaign managers.]~~ Four members must represent statewide or local federations or funds ~~[that are not campaign managers].~~ Four members must represent other charitable organizations participating in the state employee charitable campaign.

(e) The state advisory committee shall:

(1) advise the comptroller and state policy committee in adopting rules and establishing procedures for the operation and management of the state employee charitable campaign; and

(2) provide input from charitable organizations participating in the state employee charitable campaign to the state policy committee ~~[recommend the number, not to exceed 50, and geographic scope of local campaign areas to the state policy committee; and~~

~~[(3) review and submit the recommended campaign plan, budget, and generic materials to be used by campaign managers].~~

SECTION 9. Section 659.145, Government Code, is amended to read as follows:

Sec. 659.145. TERMS OF COMMITTEE MEMBERS; COMPENSATION.

(a) A member of the state advisory committee~~[, the state policy committee, or a local employee committee]~~ serves a two-year term.

(a-1) Members of the state policy committee serve staggered terms of two years, with the terms of four or five members expiring September 1 of each year.

(b) A member of the state advisory committee, the state policy committee, or a local employee committee appointed by the state policy committee may not receive compensation for serving on the committee and is not entitled to reimbursement from state funds for expenses incurred in performing functions as a member of the committee.

SECTION 10. Section 659.146, Government Code, is amended by amending Subsection (e) and adding Subsections (f) and (g) to read as follows:

(e) An appeal from a decision of the state policy committee shall be conducted in the manner prescribed by the committee. The appeals process must permit a charitable organization that is not approved for statewide participation to apply for participation in the ~~[a local]~~ state employee charitable campaign only in a local campaign area.

(f) The state policy committee shall develop guidelines for evaluation of applications based on eligibility criteria under this section and Section 659.150. The state policy committee shall make the guidelines publicly available.

(g) A federation or organization that participated in the state employee charitable campaign before June 20, 2003, is not barred from participation in the program, both in terms of actual participation and the purposes for which the contributions are used, solely as a result of changes made by Sections 35, 36, 37, and 121(9) and (11),

Chapter 1310 (H.B. 2425), Acts of the 78th Legislature, Regular Session, 2003. This subsection does not excuse a federation or organization from compliance with any other law, rule, or state policy.

SECTION 11. Section 659.147, Government Code, is amended to read as follows:

Sec. 659.147. ELIGIBILITY OF CHARITABLE ORGANIZATIONS FOR LOCAL PARTICIPATION. (a) A charitable organization that seeks to participate ~~[local participation]~~ in the ~~[a]~~ state employee charitable campaign only in a local campaign area must apply to the state policy committee ~~[appropriate local employee committee]~~ during the annual eligibility determination period specified by the state policy committee.

(b) The state policy committee, with assistance of any applicable local employee committee appointed by the state policy committee, shall review each application and may approve a charitable organization for ~~[local]~~ participation only in a local campaign area only if the organization qualifies as a local charitable organization and is:

(1) an unaffiliated local organization; or

(2) a federation or fund or an affiliate of a federation or fund that is not approved for statewide participation.

(c) An affiliated organization of an eligible federation or fund that does not qualify as a statewide charitable organization under Section 659.146 because it does not provide services in two or more noncontiguous standard metropolitan statistical areas may apply to the state policy committee ~~[a local employee committee]~~ for participation in the ~~[a local]~~ state employee charitable campaign only in a local campaign area.

(d) An appeal from a decision of the state policy committee regarding the eligibility of an organization to participate in the state employee charitable campaign only in a local campaign area ~~[a local employee committee]~~ shall be conducted in the manner prescribed by the state policy committee.

(e) The state policy committee shall develop guidelines for evaluation of applications based on eligibility criteria under this section and Section 659.150. The state policy committee shall make the guidelines publicly available.

SECTION 12. Section 659.148, Government Code, is amended by amending Subsections (a), (b), and (c) and adding Subsection (b-1) to read as follows:

(a) The state ~~[A]~~ campaign manager or any local campaign manager appointed by the state policy committee may not charge a fee to the comptroller, a state agency, or a state employee for the services the state campaign manager or local campaign manager provides in connection with a state employee charitable campaign.

(b) The state ~~[A]~~ campaign manager may charge a reasonable and necessary fee for actual campaign expenses in an amount authorized by the state policy committee to the participating charitable organizations in the same proportion that the contributions to that charitable organization bear to the total of contributions in the state employee charitable campaign.

(b-1) If the state policy committee appoints a local campaign manager to administer the state employee charitable campaign in a local campaign area, the state policy committee may authorize the local campaign manager to charge a reasonable and necessary fee in an amount authorized by the state policy committee in the same manner provided for the state campaign manager under Subsection (b).

(c) Fees [A fee] under Subsections [Subsection] (b) and (b-1) must be based on the combined expenses of the state campaign manager and any [each] local campaign managers appointed by the state policy committee [manager] and may not exceed 10 percent of the total amount collected in the state employee charitable campaign [unless the state policy committee approves a higher amount to accommodate reasonable documented costs].

SECTION 13. Subsections (a), (b), and (c), Section 659.151, Government Code, are amended to read as follows:

(a) The state policy committee may request the comptroller or state auditor to audit a participating charitable organization, the state [a] campaign manager, or a local employee committee or local campaign manager appointed by the state policy committee that the state policy committee reasonably believes has misapplied contributions under this subchapter.

(b) If an audit under this section reveals gross negligence or intentional misconduct on the part of the state [a] campaign manager or a local employee committee or local campaign manager appointed by the state policy committee, the state policy committee shall remove the campaign manager or local employee committee. A person removed under this subsection is not eligible to serve in the capacity from which the person was removed before the fifth anniversary of the date the person was removed.

(c) If an audit under this section reveals intentional misconduct on the part of the state [a] campaign manager, [or] a local employee committee or local campaign manager appointed by the state policy committee, or a participating charitable organization that has distributed money received from the state employee charitable campaign, the state policy committee shall forward its findings to the appropriate law enforcement agency.

SECTION 14. Section 659.153, Government Code, is amended to read as follows:

Sec. 659.153. LEGAL REPRESENTATION. The attorney general shall represent the state policy committee and any [each] local employee committee appointed by the state policy committee in all legal matters.

SECTION 15. Subdivisions (1), (12), and (14), Section 659.131, and Sections 659.143 and 659.144, Government Code, are repealed.

SECTION 16. (a) Section 18.01, Chapter 3 (House Bill No. 7), Acts of the 78th Legislature, 3rd Called Session, 2003, is repealed.

(b) Each federation or charitable organization is subject to Subdivision (3), Subsection (a), Section 659.146, Government Code.

(c) Subsections (a) and (b) of this section and Subsection (g), Section 659.146, Government Code, as added by this Act, apply only to the eligibility of a charitable organization to participate in, and the use of contributions from, a state employee charitable campaign conducted on or after January 1, 2014.

(d) This section and Subsection (g), Section 659.146, Government Code, as added by this Act, take effect January 1, 2014.

SECTION 17. (a) The term of each member of the state employee charitable campaign policy committee expires September 1, 2013.

(b) Not later than September 2, 2013:

(1) the governor shall appoint one member who is a state employee and one member who is a retired state employee receiving benefits under Chapter 814, Government Code, the lieutenant governor shall appoint one member, and the comptroller of public accounts shall appoint one member to the state employee charitable campaign policy committee for terms expiring September 1, 2014; and

(2) the governor shall appoint one member who is a state employee, the lieutenant governor shall appoint two members, and the comptroller of public accounts shall appoint two members to the state employee charitable campaign policy committee for terms expiring September 1, 2015.

SECTION 18. Not later than December 31, 2013, the comptroller of public accounts shall adopt rules necessary to implement the changes in law made by this Act.

SECTION 19. Any changes made by the state employee charitable campaign policy committee to the operation of the state employee charitable campaign under Subsection (e), Section 659.140, Government Code, as amended by this Act, apply only to a state employee charitable campaign conducted on or after January 1, 2014.

SECTION 20. Except as otherwise provided by this Act, this Act takes effect September 1, 2013.

The Conference Committee Report on **SB 217** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 630

Senator Huffman submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 630** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

HUFFMAN
DEUELL
VAN DE PUTTE
WHITMIRE

On the part of the Senate

LARSON
MILLER, RICK
KLICK
PADDIE
SPRINGER

On the part of the House

The Conference Committee Report on **HB 630** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 2982**

Senator Duncan submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 2982** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

DUNCAN
DAVIS
SELIGER
URESTI

KEFFER
WU
LOZANO
KING, TRACY O.
RITTER

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 2982** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 8**

Senator Nelson submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 8** 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.

NELSON
DEUELL
HUFFMAN
SCHWERTNER
On the part of the Senate

KOLKHORST
BONNEN, GREG
DAVIS, SARAH
ZEDLER
On the part of the House

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:

(i) is conducted at a community-sponsored educational event, health fair, outreach activity, or other similar community or nonprofit event in which the provider participates and does not involve unsolicited personal contact or promotion of the provider's practice; or

(ii) 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^[5] 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. Subchapter C, Chapter 531, Government Code, is amended by adding Section 531.1022 to read as follows:

Sec. 531.1022. PEACE OFFICERS. (a) The commission's office of inspector general shall employ and commission not more than five peace officers at any given time 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 the Medicaid program.

(b) Peace officers employed under this section are administratively attached to the Department of Public Safety. The commission shall provide administrative support to the department necessary to support the assignment of peace officers employed under this section.

(c) A peace officer employed and commissioned by the office under this section is a peace officer for purposes of Article 2.12, Code of Criminal Procedure.

SECTION 7. (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 or political subdivision of this state that provides demand response, curb-to-curb, nonemergency transportation under the medical transportation program.

(b) Subject to Subsection (i), 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 for each managed transportation region as determined by the commission.

(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. The commission shall seek appropriate federal waivers or other authorizations to implement this subsection as necessary.

(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 organizations and providers participating in the medical transportation program meet minimum quality and efficiency measures as determined by the commission.

(h) The commission may contract with transportation service area providers providing services under the medical transportation program on September 1, 2013, in not more than three contiguous rural or small urban transit districts located within a managed transportation region to execute appropriate interlocal agreements to consolidate and coordinate medical transportation program service delivery activities within the area served by the providers for the evaluation of:

(1) cost-savings measures;

(2) efficiencies;

(3) best practices; and

(4) available 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) Notwithstanding Subsection (i), 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.

(k) Subsection (h) and this subsection expire August 31, 2015.

(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 (i), Section 533.00257, Government Code, as added by this section.

SECTION 8. Subsection (a-1), Section 533.005, 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].

SECTION 9. (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;

(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.

(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;

(2) if the applicant participates in the medical assistance program operated under Chapter 32, Human Resources Code, the Medicaid managed care program operated under Chapter 533, Government Code, or the child health plan program operated under Chapter 62 of this code, provide the Health and Human Services Commission with a surety bond in the amount of \$50,000; 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) 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.

(f) 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. (a) 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.

(b) An emergency medical services provider that is directly operated by a governmental entity is exempt from this section.

(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 August 31, 2014. 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 10. 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 11. 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 12. 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 13. (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 14. (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 15. (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 16. (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.

SECTION 17. (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.

SECTION 18. (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 legislature finds that:

(1) in amending Subsection (s), Section 32.024, Human Resources Code, in 1999, the legislature did not intend to:

(A) create a hardship for families whose circumstances prevent a parent or guardian from accompanying the parent's or guardian's child to each visit or screening under the early and periodic screening, diagnosis, and treatment program; and

(B) compromise a child's access to medically necessary services or to require a parent or guardian to jeopardize his or her employment or the health and safety of other children in the household;

(2) in enacting and enforcing administrative rules and policies to implement the parental accompaniment requirement of Subsection (s), Section 32.024, Human Resources Code, the Health and Human Services Commission should give special consideration and should reasonably accommodate the circumstances of a child who lives in a single parent or guardian family and whose parent or guardian:

(A) has a full-time job that does not allow the parent or guardian to take time off during a provider's regular business hours;

(B) attends school or participates in a job training program that requires the parent's or guardian's full-time attendance and does not allow absences for medical or personal needs;

(C) is the caretaker of two or more children and does not have access to child care;

(D) has a disability or illness that prevents the parent or guardian from safely accompanying the child to a visit or screening; or

(E) is the primary caregiver of a person who has a disability or illness and for whom no alternate caregiver is available; and

(3) in developing reasonable accommodations described by this subsection, the Health and Human Services Commission should not allow the provider of a service or an affiliate of the provider to accompany the child as an authorized adult for purposes of Paragraph (B), Subdivision (2), Subsection (s), Section 32.024, Human Resources Code.

(f) 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.

(g) 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.

(h)(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 I 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 19. 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 20. 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 21. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 8** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 2818

Senator Carona submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 2818** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

CARONA
VAN DE PUTTE
HANCOCK

SHEFFIELD, RALPH
THOMPSON, SENFRONIA
GEREN
KUEMPEL
JOHNSON

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 2818** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 508

Senator Patrick submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 508** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

PATRICK
CARONA
DEUELL
PAXTON

GUILLEN
FLYNN
FLETCHER

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 508** was filed with the Secretary of the Senate.

MOTION TO ADJOURN

On motion of Senator Whitmire and by unanimous consent, the Senate at 7:47 p.m. agreed to adjourn, in memory of Yancie Tolbert, upon conclusion of the Joint Session, until 1:30 p.m. tomorrow.

RESOLUTIONS OF RECOGNITION

The following resolutions were adopted by the Senate:

Memorial Resolutions

HCR 205 (Van de Putte), In memory of U.S. Marine Corporal Michael Arthur Preuss of Houston.

HCR 206 (Van de Putte), In memory of U.S. Army Specialist James Jesse Delacruz of Spring.

HCR 207 (Van de Putte), In memory of U.S. Marine Sergeant Lorenzo Aranda, Jr., of Baytown.

Congratulatory Resolutions

SR 1057 by Garcia, Recognizing Father Benito Retortillo for his service in South Texas.

SR 1058 by Garcia, Recognizing Father Epifanio Rodriguez for his service in South Texas.

SR 1062 by Ellis, Congratulating Angela and Dallas Jones on the occasion of the birth of their daughter, Zoë Victoria Jones.

RECESS

On motion of Senator Whitmire, the Senate at 7:47 p.m. recessed until 10:00 a.m. tomorrow for the Joint Session.

APPENDIX

BILLS AND RESOLUTIONS ENROLLED

May 23, 2013

SB 24, SB 718, SB 763, SB 869, SB 1074, SB 1771, SB 1838, SR 534, SR 1017, SR 1029, SR 1030, SR 1044, SR 1045, SR 1046, SR 1047, SR 1048, SR 1050, SR 1051, SR 1052, SR 1053, SR 1054

SIGNED BY GOVERNOR

May 24, 2013

SB 181, SB 233, SB 245, SB 274, SB 350, SB 376, SB 487, SB 610, SB 620, SB 651, SB 654, SB 661, SB 670, SB 696, SB 727, SB 748, SB 821, SB 860, SB 864, SB 878, SB 887, SB 984, SB 1004, SB 1093, SB 1133, SB 1191, SB 1212, SB 1300, SB 1360, SB 1427, SB 1538, SB 1589, SB 1889

SENATE JOURNAL

EIGHTY-THIRD LEGISLATURE — REGULAR SESSION

AUSTIN, TEXAS

PROCEEDINGS

SIXTY-FIFTH DAY

(Continued)

(Saturday, May 25, 2013)

AFTER RECESS

JOINT SESSION

(To pay tribute to those who have died in the service of the United States)

The Senate met at 10:10 a.m. in Joint Session in the Hall of the House of Representatives for the purpose of a joint memorial session honoring the fallen heroes of Texas, pursuant to the provisions of **HCR 209**.

The Honorable David Dewhurst, President of the Senate, called the Senate to order and announced a quorum of the Senate present.

The Honorable Joe Straus, Speaker of the House of Representatives, called the House to order, announced a quorum of the House present, and stated the purpose of the Joint Session.

Representative José Menéndez, Chair of the House Committee on Defense and Veterans' Affairs, welcomed and thanked the family members of the fallen heroes being honored and thanked the Texas Army National Guard for the presentation of colors, Robin Farland for singing the national anthem, Senator Juan Hinojosa and Representative Ralph Sheffield for leading the pledges of allegiance to the United States and Texas flags, and Senator Eddie Lucio, Jr., for the invocation.

Lieutenant Governor Dewhurst briefly addressed the Joint Session assemblage and acknowledged the presence of Governor Rick Perry; John Steen, Secretary of State; and John Nichols, Texas Adjutant General.

Lieutenant Governor Dewhurst then introduced the Honorable Rick Perry, who addressed the Joint Session as follows:

Thank you Governor Dewhurst for your words this morning, on the first day of a weekend dedicated to remembering those who gave their lives for their country. It's a privilege to gather with all of you in this historic Chamber today. While we may have disagreements about policies and bills in the last days of the 83rd legislative session, there is absolutely no disagreement about the importance of honoring America's fallen heroes. Today, we honor America's fallen heroes. This event is a strong reminder of the simple fact that, as free Americans, we have an obligation larger than

politics to honor those who have given the ultimate sacrifice in service to our country. We have a responsibility to those who have fallen in the War on Terror and in defense of our nation in conflicts across the decades. Over the next few days, Americans will gather in town centers at civic memorials and in parks and schools across our country. They'll gather in recognition of those who have fallen in action, from our earliest days as a colony, seeking independence, through world-changing wars in Europe and the Pacific and in smaller, but still horrific, conflicts in Southeast Asia and the Middle East. Far too many of us will speak from a position of personal loss. On every level, war touches communities, large and small. States send large numbers of their sons and daughters to places half-way around the world. Towns carve onto monuments the names of those who never returned home. And families deal with the space left in their lives once filled by loved ones empty chairs at holiday dinners, weddings and graduations. For them, the effects of losing a hero are felt every day, for entire lifetimes. As we remember those who gave all in defense of their countries, let's not forget those they left behind at home. They, too, have lost. Sons and daughters, husbands and wives, fathers and mothers. While the pain of such a loss does endure, so does pride and pride in what their loved ones stood for. They stood for things like dedication and freedom, liberty and love, both for their country and for those they fought alongside. That was what inspired them to risk everything in the first place, as they rushed across the beaches at Normandy, skirmished in the skies over Mig Alley and moved from house to house in the streets of Fallujah. The writer Joseph Campbell once defined a hero as "someone who has given his or her life to something bigger than oneself." It's hard to argue against that description, which certainly fits those who die fighting for the nation they loved so dearly. Though they were defined by their sacrifice, we should also remember them as individuals, often painfully young, and all with great potential for success. More than just great patriots and fighters, they were talented artists, teachers, engineers, doctors and leaders. More than just brave, they were smart, caring, inventive and sometimes funny. More than names, more than numbers - they were people we all knew. They were people who gave their all in dedication to the principles that continue to make this the greatest country in the world. A sacrifice of that magnitude demands that we respect it. A sacrifice of that magnitude demands that we remember them. But what does it mean to remember them, exactly? I believe it means a lot more than cookouts, speeches and swimming. Those things are fine. We are meant to enjoy the freedoms these brave individuals fought and died for. But it also means living our lives in a fashion that honors their sacrifice. It means serving your community, helping those in need and making sure your voice is heard in important discussions. It means working to make our nation, and this world, a better place than we found it. And it means caring for the families of those who've recently lost a service member and doing everything we can to support our wounded warriors returning home. Sadly, our mission in the current Global War on Terror is not over. The same

principles that have made our nation great have continued to make us a target for those who hate, and who use fear and death to spread their own twisted view of the world. As we've seen in faraway places like London and Afghanistan, and in places closer to home, like Boston and Fort Hood, the forces of terror continue to try to intimidate and kill Americans, our allies, and anyone who loves freedom. As long as evil continues to target the innocent, our Soldiers, Sailors, Airmen and Marines will continue to hunt them down. Today, and throughout this weekend, let's pray for those still in harm's way. Let's pray for the healing of the injured, and the comfort of those left behind by a fallen hero. Let's never forget the debt we owe all of those who served, not just on Memorial Day, but every day of the year. May God bless you and, through you, may He continue to bless the great State of Texas.

(Note: Prepared text)

Senator Van de Putte introduced Senator Brian Birdwell and Representative Ralph Sheffield for the reading of the names of fallen Texans. Senator Wendy Davis and Representative Joe Farias were introduced and joined by Governor Perry and Members from the House and Senate to make the presentation of flags to families of the fallen soldiers.

Speaker Straus requested a moment of silence. "Amazing Grace" was sung by Stephanie Urbira Jones.

A 19-gun salute was conducted by the Texas Military Forces Salute Battery. "Silver Taps" was conducted by Kevin Lawson. Captain Eric Gerber offered the benediction.

CONCLUSION OF JOINT SESSION

Speaker Straus at 11:37 a.m. announced that the purpose for which the Joint Session was called having been completed, the House would stand At Ease pending the departure of its guests.

ADJOURNMENT

Lieutenant Governor Dewhurst at 11:37 a.m. stated the purpose for which the Joint Session was called having been completed, the Senate, pursuant to a previously adopted motion, would stand adjourned, in memory of Yancie Tolbert, until 1:30 p.m. today.

SENATE JOURNAL

EIGHTY-THIRD LEGISLATURE — REGULAR SESSION

AUSTIN, TEXAS

PROCEEDINGS

SIXTY-SIXTH DAY
(Saturday, May 25, 2013)

The Senate met at 1:53 p.m. pursuant to adjournment and was called to order by Senator Eltife.

The roll was called and the following Senators were present: Birdwell, Campbell, 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, Zaffrini.

Absent-excused: Carona.

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

Pastor A. W. Anthony Mays, Mount Sinai Missionary Baptist Church, Austin, offered the invocation as follows:

Dear Lord, our God, supreme ruler over all Your creation, we humble ourselves in Your very presence. I ask You to hear this prayer, as You have heard our prayers before. I ask You to hear this prayer which I pray in the name of Jesus the Christ, who is lord. Please look down upon this gathering of public servants for the State of Texas and grant us Your heavenly wisdom. For our sins, which are many, please do not turn us away. We pause a few moments to ask Your gracious blessings upon all those who have suffered recently in this state and in this country through the impact of the fierce storms and the tragic explosions in West. Dear Lord, give consolation to their hearts and strengthen their wills. We thank You, dear Lord, for all You do, and we thank You simply for who You are. You have caused Your blessings in great abundance to fall upon the State of Texas in so many and varied ways. This state is blessed with natural resources and with a great heritage. Now, for all these things we offer You both thanksgiving and praise. Dear Lord, bless this gathering of elected servants and all these persons who give them support and assistance to perform their sworn tasks of representing all the citizens of this great state. Bless each Member, male and female, collectively and individually, with Your divine wisdom. Grant them Your benevolent spirit along with a sense of humble stewardship of all this state's resources, knowing that all stewards must one day give an account of their stewardship. Help them to both speak and listen with Your heart of love. I ask You to protect each one and their

family members from danger from all who would seek to do them harm. Please grant them Your favor for righteous judgments and that their work will result in what is right and good for all the citizens of this State of Texas. Fortify them with strong courage and guiding convictions of truth and justice for all. I ask these things for them and for all of us in Jesus' name. 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.

LEAVE OF ABSENCE

On motion of Senator Whitmire, Senator Carona was granted leave of absence for today on account of important business.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER
Austin, Texas
Saturday, May 25, 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 CONCURRED IN THE SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

HB 2590 (145 Yeas, 0 Nays, 2 Present, not voting)

HB 3860 (144 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 870 (non-record vote)

House Conferees: Bell - Chair/Allen/Alonzo/Giddings/White

HB 3447 (non-record vote)

House Conferees: Gutierrez - Chair/Farias/Larson/Rodriguez, Justin/Villarreal

THE HOUSE HAS GRANTED THE REQUEST OF THE SENATE FOR THE APPOINTMENT OF A CONFERENCE COMMITTEE ON THE FOLLOWING MEASURES:

SB 401 (non-record vote)

House Conferees: Allen - Chair/Deshotel/Farney/Miles/Patrick, Diane

SB 460 (non-record vote)

House Conferees: Coleman - Chair/Aycock/Davis, John/Huberty/White

SB 484 (non-record vote)

House Conferees: Turner, Sylvester - Chair/Allen/Carter/Giddings/Moody

SB 949 (non-record vote)

House Conferees: Sheffield, J. D. - Chair/Davis, Sarah/Johnson/Lewis/Zerwas

SB 1158 (non-record vote)

House Conferees: Menéndez - Chair/Cortez/Darby/Otto/Pickett

SB 1373 (non-record vote)

House Conferees: Miller, Rick - Chair/Menéndez/Sheets/Thompson, Senfronia/Zedler

SB 1596 (non-record vote)

House Conferees: Rodriguez, Eddie - Chair/Howard/Otto/Perez/Workman

SB 1681 (non-record vote)

House Conferees: Harper-Brown - Chair/Burkett/Perry/Turner, Scott/Vo

SB 1747 (non-record vote)

House Conferees: Keffer - Chair/Darby/Guillen/King, Phil/Phillips

SB 1907 (non-record vote)

House Conferees: Kleinschmidt - Chair/Guillen/Miller, Rick/Raymond/Springer

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

CONFERENCE COMMITTEE ON HOUSE BILL 2836
(Motion In Writing)

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 2836** 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 2836** 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; Duncan, Williams, Van de Putte, and Seliger.

CONFERENCE COMMITTEE ON HOUSE BILL 3660
(Motion In Writing)

Senator Hegar 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 3660** 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 3660** 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 Hegar, Chair; Estes, Schwertner, Uresti, and Watson.

CONFERENCE COMMITTEE ON HOUSE BILL 1675
(Motion In Writing)

Senator Nichols 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 1675** 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 1675** 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 Nichols, Chair; Birdwell, Patrick, Whitmire, and Huffman.

SENATE RESOLUTION 1060

Senator Rodríguez offered the following resolution:

SR 1060, In memory of Victor Apodaca, Jr.

On motion of Senator Rodríguez, the resolution was read and was adopted by a rising vote of the Senate.

In honor of the memory of Victor Apodaca, Jr., the text of the resolution is printed at the end of today's *Senate Journal*.

SENATE BILL 1398 WITH HOUSE AMENDMENT

Senator Estes called **SB 1398** 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 1398** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to rules governing the allocation of delegates to a political party's national presidential nominating convention.

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

SECTION 1. Section 191.007, Election Code, is amended to read as follows:

Sec. 191.007. ALLOCATION OF DELEGATES. (a) Each political party holding a presidential primary election shall adopt a rule for allocating delegates ~~[based on the results of the presidential primary election].~~

(b) A rule adopted under this section may utilize either a proportional or winner-take-all method, based on the results of the presidential primary election, which may be based on:

(1) a direct tie to statewide popular vote totals;

(2) a direct tie to congressional or state senatorial district popular vote totals; or

(3) an alternative disproportionate method that is based on statewide, congressional district, or state senatorial district popular vote totals.

(c) Subsection (b) does not apply to delegates allocated:

(1) among party and elected officials; or

(2) through an allocation based on participants registering for or attending a caucus or similar process, provided that at ~~[At]~~ least 75 percent of the total number of delegates who are to represent this state at the party's national presidential nominating convention, excluding delegates allocated among party and elected officials, shall be allocated in accordance with the rule adopted under this section based on the results of the presidential primary election ~~[among one or more of the candidates whose names appear on the presidential primary election ballot and, if applicable, the uncommitted status].~~

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 Estes moved to concur in the House amendment to **SB 1398**.

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

Absent-excused: Carona.

SENATE BILL 1610 WITH HOUSE AMENDMENT

Senator Schwertner called **SB 1610** 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 1610** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the notification of individuals following a breach of security of computerized data.

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

SECTION 1. Sections 521.053(b-1) and (e), Business & Commerce Code, are amended to read as follows:

(b-1) ~~If [Notwithstanding Subsection (b), the requirements of Subsection (b) apply only if] the individual whose sensitive personal information was or is reasonably believed to have been acquired by an unauthorized person is a resident [of this state or another state that does not require a person described by Subsection (b) to notify the individual of a breach of system security. If the individual is a resident] of a state that requires a person described by Subsection (b) to provide notice of a breach of system security, the notice of the breach of system security required under Subsection (b) may be provided under that state's law or under [satisfies the requirements of] Subsection (b).~~

(e) A person may give notice as required by Subsection (b) or (c) by providing:

(1) written notice at the last known address of the individual;

(2) electronic notice, if the notice is provided in accordance with 15 U.S.C. Section 7001; or

(3) notice as provided by Subsection (f).

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 Schwertner moved to concur in the House amendment to **SB 1610**.

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

Absent-excused: Carona.

SENATE BILL 872 WITH HOUSE AMENDMENT

Senator Deuell called **SB 872** 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 872** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to county expenditures for certain health care services.

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

SECTION 1. 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 2. 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 this Act on services rendered to eligible residents under Chapter 61, Health and Safety Code.

SECTION 3. (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.

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 Deuell moved to concur in the House amendment to **SB 872**.

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

Absent-excused: Carona.

SENATE BILL 993 WITH HOUSE AMENDMENT

Senator Deuell called **SB 993** 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 993** (house committee printing) on page 3 by striking lines 9 through 13 and substituting the following:

(f) The Texas Nonprofit 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 section expires September 1, 2019. [This section expires September 1, 2013.]

The amendment was read.

Senator Deuell moved to concur in the House amendment to **SB 993**.

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

Absent-excused: Carona.

SENATE BILL 1411 WITH HOUSE AMENDMENT

Senator Deuell called **SB 1411** 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 1411** (house committee report) as follows:

(1) On page 1, line 7, strike "CERTAIN" and substitute "SPECIAL".

(2) On page 1, lines 9-11, strike "conservation and reclamation district organized or operating under Section 52, Article III, or Section 59, Article XVI, Texas Constitution," and substitute "special district".

(3) On page 1, line 24, strike "conservation and".

(4) On page 2, lines 1-2, strike "reclamation district organized or operating under Section 52, Article III, or Section 59, Article XVI, Texas Constitution," and substitute "special district".

The amendment was read.

Senator Deuell moved to concur in the House amendment to **SB 1411**.

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

Yeas: Birdwell, Campbell, 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: Hancock, Williams.

Absent-excused: Carona.

SENATE BILL 429 WITH HOUSE AMENDMENT

Senator Nelson called **SB 429** 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 429** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the dismissal or nonsuit of a suit to terminate the parent-child relationship filed by the Department of Family and Protective Services.

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

SECTION 1. The heading to Chapter 263, Family Code, is amended to read as follows:

CHAPTER 263. REVIEW OF PLACEMENT OF CHILDREN UNDER CARE OF
DEPARTMENT OF FAMILY AND PROTECTIVE [AND REGULATORY]
SERVICES

SECTION 2. Subchapter E, Chapter 263, Family Code, is amended by adding Section 263.408 to read as follows:

Sec. 263.408. REQUIREMENTS BEFORE DISMISSAL OR NONSUIT. (a) Before approving a dismissal or nonsuit of a suit to terminate the parent-child relationship filed by the department, the court shall consider:

(1) whether the dismissal or nonsuit is in the best interest of each child affected by the suit; and

(2) whether any orders for the conservatorship, possession of or access to, or support of each child affected by the suit continue in effect after the dismissal or nonsuit.

(b) Before approving a dismissal or nonsuit of a suit to terminate the parent-child relationship filed by the department, the court may render an order for the conservatorship, possession of or access to, or support of each child affected by the suit that will continue in effect after the dismissal or nonsuit of the suit to terminate the parent-child relationship.

SECTION 3. Section 263.408, Family Code, as added by this Act, applies only to a motion for the dismissal or nonsuit of a suit to terminate the parent-child relationship that is made on or after the effective date of this Act.

SECTION 4. This Act takes effect September 1, 2013.

The amendment was read.

Senator Nelson moved to concur in the House amendment to **SB 429**.

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

Absent-excused: Carona.

SENATE BILL 1058 WITH HOUSE AMENDMENTS

Senator Nelson called **SB 1058** 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 1058** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the regulation of the practice of nursing.

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

SECTION 1. Subsection (a), Section 301.004, Occupations Code, is amended to read as follows:

(a) This chapter does not apply to:

(1) gratuitous nursing care of the sick that is provided by a friend;
(2) nursing care provided during a disaster under the state emergency management plan adopted under Section 418.042, Government Code, if the person providing the care does not hold the person out as a nurse unless the person is licensed in another state;

(3) nursing care in which treatment is solely by prayer or spiritual means;

(4) an act performed by a person under the delegated authority of a person licensed by the Texas Medical Board;

(5) an act performed by a person licensed by another state agency if the act is authorized by the statute under which the person is licensed except that if the person also holds a license under this chapter and the act is within the practice of nursing, the board may take action against that license based on that act;

(6) the practice of nursing that is incidental to a program of study by a student enrolled in a nursing education program approved under Section 301.157(d) leading to an initial license as a nurse; or

(7) the practice of nursing by a person licensed in another state who is in this state on a nonroutine basis for a period not to exceed 72 hours to:

(A) provide care to a patient being transported into, out of, or through this state;

(B) provide nursing consulting services; or

(C) attend or present a continuing nursing education program.

SECTION 2. Subchapter D, Chapter 301, Occupations Code, is amended by adding Section 301.1546 to read as follows:

Sec. 301.1546. RULES REGARDING PAIN MANAGEMENT. The board shall adopt rules regarding the provision of pain management services by advanced practice nurses.

SECTION 3. Subsection (c), Section 301.2511, Occupations Code, is amended to read as follows:

(c) The board by rule shall ~~may~~ develop a system for ~~initiating the process of~~ obtaining criminal history record information for a person accepted for enrollment in a nursing ~~applicants for a license under this chapter by requiring persons who enroll or plan to enroll in an~~ educational program that prepares the ~~a~~ person for initial licensure ~~a license~~ as a registered or vocational nurse by requiring the person to submit to the board a set of fingerprints that meets the requirements of Subsection (a). The board may develop a similar system for an applicant for enrollment in a nursing educational program. The board may require payment of a fee by a person who is required to submit a set of fingerprints under this subsection.

SECTION 4. Section 301.257, Occupations Code, is amended by adding Subsections (j) and (k) to read as follows:

(j) The board may file a petition under this section based on the results of a criminal history record information check conducted under Section 301.2511. The board by rule shall adopt requirements for the petition and determination under this subsection. The rules must:

(1) identify the criminal offenses that constitute grounds for the board to file the petition; and

(2) describe the documents required by the board to make a determination of license eligibility.

(k) The board shall make a determination of license eligibility under Subsection (j) not later than the 120th day after the date the person submits the required documents to the board under that subsection.

SECTION 5. Subchapter G, Chapter 301, Occupations Code, is amended by adding Sections 301.305 and 301.307 to read as follows:

Sec. 301.305. CONTINUING EDUCATION IN NURSING JURISPRUDENCE AND NURSING ETHICS. (a) As part of a continuing competency program under Section 301.303, a license holder shall complete at least two hours of continuing education relating to nursing jurisprudence and nursing ethics before the end of every third two-year licensing period.

(b) The board shall adopt rules implementing the requirement under Subsection (a) in accordance with the guidelines for targeted continuing education under Section 301.303(g).

(c) The board may not require a license holder to complete more than four hours of continuing education under this section.

Sec. 301.307. CONTINUING EDUCATION IN OLDER ADULT OR GERIATRIC CARE. (a) As part of a continuing competency program under Section 301.303, a license holder whose practice includes older adult or geriatric populations shall complete at least two hours of continuing education relating to older adult or geriatric populations or maintain certification in an area of practice relating to older adult or geriatric populations.

(b) The board shall adopt rules implementing the requirement under Subsection (a) in accordance with the guidelines for targeted continuing education under Section 301.303(g).

(c) The board may not require a license holder to complete more than six hours of continuing education under this section.

SECTION 6. Subsection (b), Section 301.452, Occupations Code, is amended to read as follows:

(b) A person is subject to denial of a license or to disciplinary action under this subchapter for:

(1) a violation of this chapter, a rule or regulation not inconsistent with this chapter, or an order issued under this chapter;

(2) fraud or deceit in procuring or attempting to procure a license to practice professional nursing or vocational nursing;

(3) a conviction for, or placement on deferred adjudication community supervision or deferred disposition for, a felony or for a misdemeanor involving moral turpitude;

(4) conduct that results in the revocation of probation imposed because of conviction for a felony or for a misdemeanor involving moral turpitude;

(5) use of a nursing license, diploma, or permit, or the transcript of such a document, that has been fraudulently purchased, issued, counterfeited, or materially altered;

(6) impersonating or acting as a proxy for another person in the licensing examination required under Section 301.253 or 301.255;

(7) directly or indirectly aiding or abetting an unlicensed person in connection with the unauthorized practice of nursing;

(8) revocation, suspension, or denial of, or any other action relating to, the person's license or privilege to practice nursing in another jurisdiction or under federal law;

(9) intemperate use of alcohol or drugs that the board determines endangers or could endanger a patient;

(10) unprofessional or dishonorable conduct that, in the board's opinion, is likely to deceive, defraud, or injure a patient or the public;

(11) adjudication of mental incompetency;

(12) lack of fitness to practice because of a mental or physical health condition that could result in injury to a patient or the public; or

(13) failure to care adequately for a patient or to conform to the minimum standards of acceptable nursing practice in a manner that, in the board's opinion, exposes a patient or other person unnecessarily to risk of harm.

SECTION 7. Subsection (b), Section 301.453, Occupations Code, is amended to read as follows:

(b) In addition to or instead of an action under Subsection (a), the board, by order, may require the person to:

(1) submit to care, counseling, or treatment by a health provider designated by the board as a condition for the issuance or renewal of a license;

(2) participate in a program of education or counseling prescribed by the board, including a program of remedial education;

(3) practice for a specified period under the direction of a registered nurse or vocational nurse designated by the board; ~~or~~

(4) perform public service the board considers appropriate; or

(5) abstain from the consumption of alcohol or the use of drugs and submit to random periodic screening for alcohol or drug use.

SECTION 8. Subsection (a), Section 301.454, Occupations Code, is amended to read as follows:

(a) Except in the case of a temporary suspension authorized under Section 301.455 or 301.4551 or an action taken in accordance with an agreement between the board and a license holder, the board may not take any ~~initiate a~~ disciplinary action relating to a license unless:

(1) the board has served notice to the license holder of the facts or conduct alleged to warrant the intended action; and

(2) the license holder has been given an opportunity, in writing or through an informal meeting, to show compliance with all requirements of law for the retention of the license.

SECTION 9. Subsection (a), Section 301.458, Occupations Code, is amended to read as follows:

(a) Unless there is an agreed disposition of the complaint under Section 301.463, ~~[and]~~ if probable cause is found under Section 301.457(e)(2), the board or the board's authorized representative shall file ~~[initiate proceedings by filing]~~ formal charges against the nurse.

SECTION 10. Subsection (a), Section 301.465, Occupations Code, is amended to read as follows:

(a) Notwithstanding Section 2001.089, Government Code, the ~~[The]~~ board may request issuance of a subpoena to be served in any manner authorized by law, including personal service by a board investigator or ~~[and service]~~ by certified mail.

SECTION 11. Section 301.466, Occupations Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) A complaint and investigation concerning a nurse under this subchapter, ~~[and]~~ all information and material compiled by the board in connection with the complaint and investigation, and the information described by Subsection (d) are:

(1) confidential and not subject to disclosure under Chapter 552, Government Code; and

(2) not subject to disclosure, discovery, subpoena, or other means of legal compulsion for release to anyone other than the board or a board employee or agent involved in license holder discipline.

(d) Notwithstanding Subsection (c), if the board orders a nurse to participate in a peer assistance program approved by the board under Section 467.003, Health and Safety Code, the complaint, filing of formal charges, nature of those charges, final board order, and disciplinary proceedings are subject to disclosure:

(1) only to the same extent as information regarding a complaint is subject to disclosure under Subsection (b); or

(2) in a subsequent matter relating to the board order or a subsequent violation of this chapter or a board rule.

SECTION 12. The heading to Subchapter N, Chapter 301, Occupations Code, is amended to read as follows:

SUBCHAPTER N. CORRECTIVE ACTION PROCEEDING AND DEFERRED ACTION

SECTION 13. Section 301.651, Occupations Code, is amended to read as follows:

Sec. 301.651. DEFINITIONS ~~[DEFINITION]~~. In this subchapter:

(1) "Corrective[,"corrective] action" means a fine or remedial education imposed under Section 301.652.

(2) "Deferred action" means an action against a person licensed or regulated under this chapter that is deferred by the board as provided by this subchapter.

SECTION 14. Subsection (b), Section 301.655, Occupations Code, is amended to read as follows:

(b) If the person does not accept the executive director's determination and recommended corrective action as originally proposed or as modified by the board or fails to respond in a timely manner to the executive director's notice as provided by Section 301.654, the executive director shall:

- (1) terminate corrective action proceedings [~~under this subchapter~~]; and
- (2) dispose of the matter as a complaint under Subchapter J.

SECTION 15. Subchapter N, Chapter 301, Occupations Code, is amended by adding Section 301.6555 to read as follows:

Sec. 301.6555. DEFERRED ACTION. (a) For any action or complaint for which the board proposes to impose on a person a sanction other than a reprimand or a denial, suspension, or revocation of a license, the board may:

(1) defer the final action the board has proposed if the person conforms to conditions imposed by the board, including any condition the board could impose as a condition of probation under Section 301.468; and

(2) if the person successfully meets the imposed conditions, dismiss the complaint.

(b) Except as provided by this subsection, a deferred action by the board is not confidential and is subject to disclosure in accordance with Chapter 552, Government Code. If the person successfully meets the conditions imposed by the board in deferring final action and the board dismisses the action or complaint, the deferred action of the board is confidential to the same extent as a complaint is confidential under Section 301.466.

SECTION 16. Section 301.656, Occupations Code, is amended to read as follows:

Sec. 301.656. REPORT TO BOARD. The executive director shall report periodically to the board on the corrective or deferred actions imposed under this subchapter, including:

- (1) the number of [~~corrective~~] actions imposed; and
- (2) the types of violations for which [~~corrective~~] actions were imposed[~~;- and~~ [~~(3) whether affected nurses accepted the corrective actions~~].

SECTION 17. Section 301.657, Occupations Code, is amended to read as follows:

Sec. 301.657. EFFECT ON ACCEPTANCE OF CORRECTIVE OR DEFERRED ACTION. (a) Except to the extent provided by this section, a person's acceptance of a corrective or deferred action under this subchapter does not constitute an admission of a violation but does constitute a plea of nolo contendere.

(b) The board may treat a person's acceptance of corrective or deferred action as an admission of a violation if the board imposes a sanction on the person for a subsequent violation of this chapter or a rule or order adopted under this chapter.

(c) The board may consider a corrective or deferred action taken against a person to be a prior disciplinary action under this chapter when imposing a sanction on the person for a subsequent violation of this chapter or a rule or order adopted under this chapter.

SECTION 18. Section 301.1607, Occupations Code, is repealed.

SECTION 19. (a) Except as provided by Subsection (b) of this section, the changes in law made by this Act to Chapter 301, Occupations Code, apply only to a violation that occurs on or after the effective date of this Act. A violation that occurs before that date is governed by the law in effect on the date the violation occurred, and the former law is continued in effect for that purpose.

(b) The changes in law made by this Act to Subchapter N, Chapter 301, Occupations Code, apply to a violation that occurs before, on, or after the effective date of this Act.

(c) Sections 301.305 and 301.307, Occupations Code, as added by this Act, apply only to a licensing period that begins on or after January 1, 2014.

SECTION 20. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 1058** (house committee printing) by striking SECTION 2 of the bill (page 2, lines 11-15) and renumbering subsequent SECTIONS of the bill accordingly.

The amendments were read.

Senator Nelson moved to concur in the House amendments to **SB 1058**.

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

Absent-excused: Carona.

SENATE BILL 392 WITH HOUSE AMENDMENT

Senator West called **SB 392** 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 392** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to notice to the attorney general of challenges to the constitutionality of Texas statutes.

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

SECTION 1. Section 402.010, Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) In an action in which a party to the litigation files a petition, motion, or other pleading challenging the constitutionality of a statute of this state, the party shall file the form required by Subsection (a-1). The court shall, if the attorney general is not a party to or counsel involved in the litigation, serve notice of the constitutional challenge ~~[question]~~ and a copy of the petition, motion, or other pleading that raises the challenge on the attorney general either by certified or registered mail or electronically to an e-mail address designated by the attorney general for the purposes of this section ~~[Notice under this section must identify the statute in question, state the basis for the challenge, and specify the petition, motion, or other pleading that raises the challenge].~~

(a-1) The Office of Court Administration of the Texas Judicial System shall adopt the form that a party challenging the constitutionality of a statute of this state must file with the court in which the action is pending indicating which pleading should be served on the attorney general in accordance with this section.

SECTION 2. Section 402.010, Government Code, as amended by this Act, applies only to a petition, motion, or other pleading filed in litigation on or after the effective date of this Act. A pleading filed in litigation before the effective date of this Act is governed by the law applicable to the pleading 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 West moved to concur in the House amendment to **SB 392**.

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

Absent-excused: Carona.

SENATE BILL 1419 WITH HOUSE AMENDMENT

Senator West called **SB 1419** 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 1419** (house committee printing) as follows:

(1) On page 1, line 19, strike "or" and substitute "[~~or~~]"

(2) On page 1, line 20, between "(2)" and "agree", insert the following:
employ one or more juvenile case managers who:

(A) shall assist the court in administering the court's juvenile docket and in supervising the court's orders in juvenile cases; and

(B) may provide:

(i) prevention services to a child considered at risk of entering the juvenile justice system; and

(ii) intervention services to juveniles engaged in misconduct before cases are filed, excluding traffic offenses; or

(3)

(3) On page 1, line 21, between "manager" and the period, insert "to provide services described by Subdivisions (1) and (2)"

(4) Strike page 1, line 22, through page 2, line 10, and substitute the following:

(c) An entity that jointly employs a case manager under Subsection (a)(3) employs a juvenile case manager for purposes of Chapter 102 of this code and Chapter 102, Government Code [A county or justice court on approval of the commissioners court or a municipality or municipal court on approval of the city council may employ one or more juvenile case managers to assist the court in administering the court's juvenile docket and in supervising its court orders in juvenile cases].

The amendment was read.

Senator West moved to concur in the House amendment to **SB 1419**.

The motion prevailed by the following vote: Yeas 26, Nays 4.

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

Nays: Campbell, Fraser, Nelson, Taylor.

Absent-excused: Carona.

SENATE BILL 1630 WITH HOUSE AMENDMENT

Senator West called **SB 1630** 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 1630** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED

AN ACT

relating to the protection of defendants against vexatious litigants.

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

SECTION 1. Subdivision (5), Section 11.001, Civil Practice and Remedies Code, is amended to read as follows:

(5) "Plaintiff" means an individual who commences or maintains a litigation pro se.

SECTION 2. Subchapter A, Chapter 11, Civil Practice and Remedies Code, is amended by adding Section 11.002 to read as follows:

Sec. 11.002. APPLICABILITY. (a) This chapter does not apply to an attorney licensed to practice law in this state unless the attorney proceeds pro se.

(b) This chapter does not apply to a municipal court.

SECTION 3. Section 11.054, Civil Practice and Remedies Code, is amended to read as follows:

Sec. 11.054. **CRITERIA FOR FINDING PLAINTIFF A VEXATIOUS LITIGANT.** A court may find a plaintiff a vexatious litigant if the defendant shows that there is not a reasonable probability that the plaintiff will prevail in the litigation against the defendant and that:

(1) the plaintiff, in the seven-year period immediately preceding the date the defendant makes the motion under Section 11.051, has commenced, prosecuted, or maintained [~~in propria persona~~] at least five litigations as a pro se litigant other than in a small claims court that have been:

(A) finally determined adversely to the plaintiff;

(B) permitted to remain pending at least two years without having been brought to trial or hearing; or

(C) determined by a trial or appellate court to be frivolous or groundless under state or federal laws or rules of procedure;

(2) after a litigation has been finally determined against the plaintiff, the plaintiff repeatedly relitigates or attempts to relitigate, pro se [~~in propria persona~~], either:

(A) the validity of the determination against the same defendant as to whom the litigation was finally determined; or

(B) the cause of action, claim, controversy, or any of the issues of fact or law determined or concluded by the final determination against the same defendant as to whom the litigation was finally determined; or

(3) the plaintiff has previously been declared to be a vexatious litigant by a state or federal court in an action or proceeding based on the same or substantially similar facts, transition, or occurrence.

SECTION 4. Section 11.101, Civil Practice and Remedies Code, is amended by amending Subsection (a) and adding Subsections (d) and (e) to read as follows:

(a) A court may, on its own motion or the motion of any party, enter an order prohibiting a person from filing, pro se [~~in propria persona~~], a new litigation in a court to which the order applies under this section without permission of the appropriate local administrative judge described by Section 11.102(a) to file the litigation [~~in this state~~] if the court finds, after notice and hearing as provided by Subchapter B, that[:

~~(1) the person is a vexatious litigant; and~~

~~(2) the local administrative judge of the court in which the person intends to file the litigation has not granted permission to the person under Section 11.102 to file the litigation].~~

(d) A prefiling order entered under Subsection (a) by a justice or constitutional county court applies only to the court that entered the order.

(e) A prefiling order entered under Subsection (a) by a district or statutory county court applies to each court in this state.

SECTION 5. Section 11.102, Civil Practice and Remedies Code, is amended to read as follows:

Sec. 11.102. PERMISSION BY LOCAL ADMINISTRATIVE JUDGE. (a) A vexatious litigant subject to a prefiling order under Section 11.101 is prohibited from filing, pro se, new litigation in a court to which the order applies without seeking the permission of:

(1) the local administrative judge of the type of court in which the vexatious litigant intends to file, except as provided by Subdivision (2); or

(2) the local administrative district judge of the county in which the vexatious litigant intends to file if the litigant intends to file in a justice or constitutional county court.

(b) A vexatious litigant subject to a prefiling order under Section 11.101 who files a request seeking permission to file a litigation shall provide a copy of the request to all defendants named in the proposed litigation.

(c) The appropriate local administrative judge described by Subsection (a) may make a determination on the request with or without a hearing. If the judge determines that a hearing is necessary, the judge may require that the vexatious litigant filing a request under Subsection (b) provide notice of the hearing to all defendants named in the proposed litigation.

(d) The appropriate ~~[A]~~ local administrative judge described by Subsection (a) may grant permission to a ~~[person found to be a]~~ vexatious litigant subject to a prefiling order under Section 11.101 to file a litigation only if it appears to the judge that the litigation:

(1) has merit; and

(2) has not been filed for the purposes of harassment or delay.

(e) ~~[(b)]~~ The appropriate local administrative judge described by Subsection (a) may condition permission on the furnishing of security for the benefit of the defendant as provided in Subchapter B.

~~(f) [(e)]~~ A decision of the appropriate ~~[a]~~ local administrative judge described by Subsection (a) denying a litigant permission to file a litigation under Subsection ~~(d)~~ ~~[(a)]~~, or conditioning permission to file a litigation on the furnishing of security under Subsection (e) ~~[(b)]~~, is not grounds for appeal, except that the litigant may apply for a writ of mandamus with the court of appeals not later than the 30th day after the date of the decision. The denial of a writ of mandamus by the court of appeals is not grounds for appeal to the supreme court or court of criminal appeals.

SECTION 6. The heading to Section 11.103, Civil Practice and Remedies Code, is amended to read as follows:

Sec. 11.103. DUTIES OF CLERK~~[-MISTAKEN FILING]~~.

SECTION 7. Subsections (a), (c), and (d), Section 11.103, Civil Practice and Remedies Code, are amended to read as follows:

(a) Except as provided by Subsection (d), a clerk of a court may not file a litigation, original proceeding, appeal, or other claim presented, pro se, by a vexatious litigant subject to a prefiling order under Section 11.101 unless the litigant obtains an order from the appropriate local administrative judge described by Section 11.102(a) permitting the filing.

(c) If the appropriate local administrative judge described by Section 11.102(a) issues an order permitting the filing of the litigation ~~[under Subsection (b)]~~, the litigation remains stayed and the defendant need not plead until the 10th day after the date the defendant is served with a copy of the order.

(d) A clerk of a court of appeals may file an appeal from a prefiling order entered under Section 11.101 designating a person a vexatious litigant or a timely filed writ of mandamus under Section 11.102 ~~[11.102(e)]~~.

SECTION 8. Subchapter C, Chapter 11, Civil Practice and Remedies Code, is amended by adding Section 11.1035 to read as follows:

Sec. 11.1035. MISTAKEN FILING. (a) If the clerk mistakenly files litigation presented, pro se, by a vexatious litigant subject to a prefiling order under Section 11.101 without an order from the appropriate local administrative judge described by Section 11.102(a), any party may file with the clerk and serve on the plaintiff and the other parties to the litigation a notice stating that the plaintiff is a vexatious litigant required to obtain permission under Section 11.102 to file litigation.

(b) Not later than the next business day after the date the clerk receives notice that a vexatious litigant subject to a prefiling order under Section 11.101 has filed, pro se, litigation without obtaining an order from the appropriate local administrative judge described by Section 11.102(a), the clerk shall notify the court that the litigation was mistakenly filed. On receiving notice from the clerk, the court shall immediately

stay the litigation and shall dismiss the litigation unless the plaintiff, not later than the 10th day after the date the notice is filed, obtains an order from the appropriate local administrative judge described by Section 11.102(a) permitting the filing of the litigation.

(c) An order dismissing litigation that was mistakenly filed by a clerk may not be appealed.

SECTION 9. Section 11.104, Civil Practice and Remedies Code, is amended by adding Subsection (c) to read as follows:

(c) The Office of Court Administration of the Texas Judicial System may not remove the name of a vexatious litigant subject to a prefiling order under Section 11.101 from the agency's Internet website unless the office receives a written order from the court that entered the prefiling order or from an appellate court. An order of removal affects only a prefiling order entered under Section 11.101 by the same court. A court of appeals decision reversing a prefiling order entered under Section 11.101 affects only the validity of an order entered by the reversed court.

SECTION 10. Subdivision (3), Section 11.001, and Subsection (b), Section 11.103, Civil Practice and Remedies Code, are repealed.

SECTION 11. The change in law made by this Act applies only to an action commencing on or after the effective date of this Act. An action commencing before the effective date of this Act is governed by the law as it existed on the date when the action commenced, and that law is continued in effect for that purpose.

SECTION 12. This Act takes effect September 1, 2013.

The amendment was read.

Senator West moved to concur in the House amendment to **SB 1630**.

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

Absent-excused: Carona.

SENATE BILL 1908 WITH HOUSE AMENDMENT

Senator West called **SB 1908** 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 1908** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to a study conducted by the Office of Court Administration of the Texas Judicial System and the repeal of certain court fees and costs.

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

SECTION 1. Subchapter C, Chapter 72, Government Code, is amended by adding Section 72.031 to read as follows:

Sec. 72.031. **STUDY TO REPEAL CERTAIN COURT FEES AND COSTS.**

(a) Not later than September 1, 2014, the office shall:

(1) conduct a study on court fees and costs that identifies each statutory law imposing a court fee or cost in a court in this state;

(2) determine whether each identified fee or cost is necessary to accomplish the stated statutory purpose;

(3) compile a list of the identified fees and costs and of each fee or cost the office determines is necessary;

(4) publish the list on the office's Internet website and in the Texas Register;
and

(5) provide a copy of the list and determinations to the governor, lieutenant governor, and speaker of the house of representatives.

(b) In conducting the study required under Subsection (a), the office shall consult with local government representatives as the office determines appropriate.

(c) The Texas Legislative Council shall prepare for consideration by the 84th Legislature, Regular Session, a revision of the statutes of this state as necessary to reflect the court fees and costs identified by the office as not necessary in the study conducted under Subsection (a).

(d) This section expires January 1, 2016.

SECTION 2. This Act takes effect September 1, 2013.

The amendment was read.

Senator West moved to concur in the House amendment to **SB 1908**.

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

Absent-excused: Carona.

SENATE BILL 1916 WITH HOUSE AMENDMENT

Senator West called **SB 1916** 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 1916** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED

AN ACT

relating to the authority of the Dallas County Hospital District or a nonprofit corporation formed by the district regarding certain technology or intellectual property owned by or licensed to the district or corporation.

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

SECTION 1. 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.

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 West moved to concur in the House amendment to **SB 1916**.

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

Nays: Schwertner.

Absent-excused: Carona.

SENATE BILL 107 WITH HOUSE AMENDMENT

Senator West called **SB 107** 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. 3

Amend **SB 107** (House Committee Printing) as follows:

(1) On page 1, strike lines 5 through 7 and substitute the following:

SECTION 1. Section 411.081, Government Code, is amended by amending Subsections (a) and (d) and adding Subsections (f-1) and (g-3) to read as follows:

(2) On page 1, between lines 21 and 22, insert the following:

(d) Notwithstanding any other provision of this subchapter, if a person is placed on deferred adjudication community supervision under Section 5, Article 42.12, Code of Criminal Procedure, subsequently receives a discharge and dismissal under Section 5(c), Article 42.12, and satisfies the requirements of Subsection (e), the person may petition the court that placed the defendant on deferred adjudication for an order of nondisclosure under this subsection. Except as provided by Subsection (e), a person may petition the court for an order of nondisclosure ~~[under this subsection]~~ regardless

of whether the person has been previously placed on deferred adjudication community supervision for another offense. After notice to the state, an opportunity for ~~and~~ a hearing, and a determination that ~~on whether~~ the person is entitled to file the petition and issuance of the order is in the best interest of justice, the court shall issue an order prohibiting criminal justice agencies from disclosing to the public criminal history record information related to the offense giving rise to the deferred adjudication. A criminal justice agency may disclose criminal history record information that is the subject of the order only to other criminal justice agencies, for criminal justice or regulatory licensing purposes, an agency or entity listed in Subsection (i), or the person who is the subject of the order. A person may petition the court that placed the person on deferred adjudication for an order of nondisclosure ~~on payment of a \$28 fee to the clerk of the court in addition to any other fee that generally applies to the filing of a civil petition. The payment may be made~~ only on or after:

(1) the discharge and dismissal, if the offense for which the person was placed on deferred adjudication was a misdemeanor other than a misdemeanor described by Subdivision (2);

(2) the second anniversary of the discharge and dismissal, if the offense for which the person was placed on deferred adjudication was a misdemeanor under Chapter 20, 21, 22, 25, 42, or 46, Penal Code; or

(3) the fifth anniversary of the discharge and dismissal, if the offense for which the person was placed on deferred adjudication was a felony.

(f-1) A person who petitions the court for an order of nondisclosure under Subsection (d) may file the petition in person, electronically, or by mail. The petition must be accompanied by payment of a \$28 fee to the clerk of the court in addition to any other fee that generally applies to the filing of a civil petition. The Office of Court Administration of the Texas Judicial System shall prescribe a form for the filing of a petition electronically or by mail. The form must provide for the petition to be accompanied by the required fees and any other supporting material determined necessary by the office of court administration, including evidence that the person is entitled to file the petition. The office of court administration shall make available on its Internet website the electronic application and printable application form. Each county or district clerk's office that maintains an Internet website shall include on that website a link to the electronic application and printable application form available on the office of court administration's Internet website. On receipt of a petition under this subsection, the court shall provide notice to the state and an opportunity for a hearing on whether the person is entitled to file the petition and issuance of the order is in the best interest of justice. The court shall hold a hearing before determining whether to issue an order of nondisclosure, except that a hearing is not required if:

(1) the state does not request a hearing on the issue before the 45th day after the date on which the state receives notice under this subsection; and

(2) the court determines that:

(A) the defendant is entitled to file the petition; and

(B) the order is in the best interest of justice.

(3) On page 2, strike line 12 and substitute the following:

SECTION 2. (a) Section 411.081(a), Government Code, as amended by this Act, and Section 411.081(g-3), Government Code, as added by this Act, apply to the

(4) On page 2, between lines 16 and 17, insert the following:

(b) Section 411.081(d), Government Code, as amended by this Act, and Section 411.081(f-1), Government Code, as added by this Act, apply to a person who petitions the court for an order of nondisclosure on or after the effective date of this Act, regardless of whether the person is placed on deferred adjudication community supervision before, on, or after that date.

The amendment was read.

Senator West moved to concur in the House amendment to **SB 107**.

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

Absent-excused: Carona.

SENATE BILL 1877 WITH HOUSE AMENDMENT

Senator Estes called **SB 1877** 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 1877** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the creation of the Venable Ranch Municipal Utility District No. 1 of Denton County; granting a limited power of eminent domain; 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 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 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 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 2 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) After annexation by the city:

(1) the district may not impose an ad valorem tax;

(2) the district may impose a special assessment in the manner provided by Subchapter F, Chapter 375, Local Government Code; and

(3) Section 375.161, Local Government Code, does not apply to the district.

SECTION 2. 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 $89^{\circ}57'36''$ 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 $00^{\circ}07'55''$ 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 $84^{\circ}01'58''$ West, a distance of 569.60 feet to a point for corner;

South $89^{\circ}43'26''$ 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 $51^{\circ}33'10''$ 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 $87^{\circ}42'24''$ 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 $62^{\circ}36'29''$ 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 $89^{\circ}55'15''$ 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 $14^{\circ}20'32''$ 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 $89^{\circ}21'47''$ 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 $00^{\circ}37'33''$ 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 $05^{\circ}05'59''$ 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 $89^{\circ}37'50''$ 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 $89^{\circ}55'56''$ 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 $00^{\circ}47'57''$ 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 $89^{\circ}17'34''$ 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 $52^{\circ}27'48''$ 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 $04^{\circ}02'10''$ 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 $39^{\circ}51'20''$ 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°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°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°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°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°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°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°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 $88^{\circ}50'34''$ 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 $88^{\circ}46'04''$ 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 $01^{\circ}46'53''$ 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 $89^{\circ}02'25''$ East, a distance of 1193.53 feet to a wood corner post found for corner;

South $03^{\circ}32'32''$ West, a distance of 565.50 feet to a wood corner post found for corner;

South $85^{\circ}40'05''$ 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 $02^{\circ}38'27''$ 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 Roalyty, 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 3. (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 4. (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 1 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 Section 17(c), Article I, Texas Constitution.

SECTION 5. This Act takes effect September 1, 2013.

The amendment was read.

Senator Estes moved to concur in the House amendment to **SB 1877**.

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

Nays: Nelson.

Absent-excused: Carona.

SENATE BILL 44 WITH HOUSE AMENDMENT

Senator Zaffirini called **SB 44** 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 44** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to maintaining and reporting certain information regarding certain child abuse or neglect cases and the provision of mental health services for children in those cases.

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

SECTION 1. Section 261.001, Family Code, is amended by adding Subdivision (9) to read as follows:

(9) "Severe emotional disturbance" means a mental, behavioral, or emotional disorder of sufficient duration to result in functional impairment that substantially interferes with or limits a person's role or ability to function in family, school, or community activities.

SECTION 2. Subsection (b), Section 261.004, Family Code, is amended to read as follows:

(b) The department shall report the following information:

(1) the number of initial phone calls received by the department alleging abuse and neglect;

(2) the number of children reported to the department as having been abused and neglected;

(3) the number of reports received by the department alleging abuse or neglect and assigned by the department for investigation;

(4) of the children to whom Subdivision (2) applies:

(A) the number for whom the report was substantiated;

(B) the number for whom the report was unsubstantiated;

(C) the number for whom the report was determined to be false;

(D) the number who did not receive services from the department under a state or federal program;

(E) the number who received services, including preventative services, from the department under a state or federal program; and

(F) the number who were removed from the child's home during the preceding year;

(5) the number of families in which the child was not removed, but the child or family received services from the department;

(6) the number of children who died during the preceding year as a result of child abuse or neglect;

(7) of the children to whom Subdivision (6) applies, the number who were in foster care at the time of death;

(8) the number of child protective services workers responsible for report intake, assessment, or investigation;

(9) the response time by the department with respect to conducting an initial investigation of a report of child abuse or neglect;

(10) the response time by the department with respect to commencing services to families and children for whom an allegation of abuse or neglect has been made;

(11) the number of children who were returned to their families or who received family preservation services and who, before the fifth anniversary of the date of return or receipt, were the victims of substantiated reports of child abuse or neglect, including abuse or neglect resulting in the death of the child;

(12) the number of cases pursued by the department in each stage of the judicial process, including civil and criminal proceedings and the results of each proceeding; [~~and~~]

(13) the number of children for whom a person was appointed by the court to represent the best interests of the child and the average number of out-of-court contacts between the person and the child; and

(14) the number of children who suffer from a severe emotional disturbance and for whom the department is appointed managing conservator because a person voluntarily relinquished custody of the child solely to obtain mental health services for the child.

SECTION 3. Chapter 262, Family Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. RELINQUISHING CHILD TO OBTAIN CERTAIN SERVICES

Sec. 262.351. DEFINITIONS. In this subchapter:

(1) "Department" means the Department of Family and Protective Services.

(2) "Severe emotional disturbance" has the meaning assigned by Section 261.001.

Sec. 262.352. JOINT MANAGING CONSERVATORSHIP OF CHILD. Before a person relinquishes custody of a child who suffers from a severe emotional disturbance in order to obtain mental health services for the child, the department must, if it is in the best interest of the child, discuss with the person relinquishing custody of the child the option of seeking a court order for joint managing conservatorship of the child with the department.

Sec. 262.353. STUDY TO DEVELOP ALTERNATIVES TO RELINQUISHMENT OF CUSTODY TO OBTAIN MENTAL HEALTH SERVICES.

(a) The department and the Department of State Health Services shall jointly study and develop recommendations to prevent the practice of parents relinquishing custody of children with a severe emotional disturbance and placement of children in the conservatorship of the department solely to obtain mental health services for the child.

(b) As part of the study under Subsection (a), the department and the Department of State Health Services shall consider the advantages of providing mental health services using temporary residential treatment and intensive community-based services options, including:

(1) joint managing conservatorship of the child by the department and the child's parent;

(2) the Youth Empowerment Services waiver program;

(3) systems of care services;

(4) emergency respite services; and

(5) diversion residential treatment center services.

(c) The executive commissioner of the Health and Human Services Commission shall review the recommendations developed under Subsection (a) and may direct the implementation of any recommendation that can be implemented with the department's current resources.

(d) Not later than September 30, 2014, the department and the Department of State Health Services shall file a report with the legislature and the Council on Children and Families on the results of the study required by Subsection (a). The report must include:

(1) each option to prevent relinquishment of parental custody that was considered during the study;

- (2) each option recommended for implementation, if any;
- (3) each option that is implemented using existing resources;
- (4) any policy or statutory change needed to implement a recommended option;
- (5) the fiscal impact of implementing each option, if any;
- (6) the estimated number of children and families that may be affected by the implementation of each option; and
- (7) any other significant information relating to the study.

(e) Not later than September 30 of each even-numbered year after the date the initial report is filed under Subsection (d), the department and the Department of State Health Services shall update the report. The updated report must include the implementation status of each recommended option under Subsection (d).

SECTION 4. Section 531.803, Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The council shall:

(1) analyze the biennial legislative appropriations requests of members of the council for services provided to children and their families and identify appropriations that, through the coordination of members of the council, could be modified in the next legislative appropriation request to eliminate waste or increase available services and, not later than May 1 of each even-numbered year, prepare a report recommending those modifications for consideration during the development of the next biennial legislative appropriations request;

(2) investigate opportunities to increase flexible funding for health, education, and human services provided to children and their families;

(3) identify methods to remove barriers to local coordination of health, education, and human services provided to children and their families;

(4) identify methods to ensure that children and youth receive appropriate assessment, diagnoses, and intervention services;

(5) identify and develop methods and strategies to coordinate and enhance prevention services for children and their families;

(6) develop methods to prevent unnecessary parental relinquishment of custody of children and make recommendations to the executive commissioner regarding options for improving the system for serving families who relinquish, or are at risk of relinquishing, custody of a child solely to obtain mental health services for the child, after considering whether it would be appropriate to serve those families without a finding of abuse or neglect or without including the finding of abuse or neglect in the central registry of reported cases of child abuse or neglect;

(7) [~~(6)~~] prioritize assisting children in family settings rather than institutional settings;

(8) [~~(7)~~] make recommendations about family involvement in the provision and planning of health, education, and human services for a child, including family partner and liaison models; and

(9) [~~(8)~~] identify technological methods to ensure the efficient and timely transfer of information among state agencies providing health, education, and human services to children and their families.

(a-1) The executive commissioner shall review the council's recommendations under Subsection (a)(6) and direct the implementation of any policy changes the executive commissioner determines necessary that can be implemented using existing resources.

SECTION 5. This Act takes effect September 1, 2013.

The amendment was read.

Senator Zaffirini moved to concur in the House amendment to **SB 44**.

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

Absent-excused: Carona.

SENATE BILL 1116 WITH HOUSE AMENDMENT

Senator Zaffirini called **SB 1116** 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 1116** (house committee printing) as follows:

(1) On page 1, strike lines 11 through 17 and substitute the following:

Sec. 7206.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Corporation" means the Crystal Clear Water Supply Corporation.

(4) "Director" means a board member.

(5) "District" means the Crystal Clear Special Utility District.

(2) On page 3, lines 17 through 18, strike "Texas Commission on Environmental Quality" and substitute "commission".

(3) Strike page 4, line 17, through page 5, line 12, and substitute the following:

Sec. 7206.023. AMENDMENT OF CERTIFICATE OF CONVENIENCE AND NECESSITY; TRANSFER OF ASSETS; DISSOLUTION. (a) On the effective date of the Act enacting this chapter, all the territory described by Section 3 of the Act creating this chapter is removed from the territory covered by Certificate of Convenience and Necessity No. 10297. The commission shall revise its records to reflect the removal of the described territory from that certificate's coverage, effective on that date, without further application, notice, or hearing. A person does not have any right of protest, objection, or administrative review of the revision prescribed by this subsection. The revision to Certificate of Convenience and Necessity No. 10297 is not contingent on the confirmation of the district under Section 7206.022.

(b) If the creation of the district is confirmed under Section 7206.022, the corporation shall transfer the assets, debts, and contractual rights and obligations of the corporation to the district. Following the transfer of assets:

(1) Certificate of Convenience and Necessity No. 10297, as revised in accordance with Subsection (a), is considered to be held by the district;

(2) the board of directors of the corporation shall begin dissolution proceedings of the corporation; and

(3) the board of directors of the corporation shall notify the commission of the transfer of Certificate of Convenience and Necessity No. 10297 to the district.

(c) On receipt of notice under Subsection (b)(3), the commission shall note in its records that Certificate of Convenience and Necessity No. 10297, as revised in accordance with Subsection (a), is held by the district and shall reissue the certificate in the name of the district without further application, notice, or hearing. A person does not have any right of protest, objection, or administrative review of the transfer prescribed by this section.

(4) On page 5, line 26, between "POWERS." and "Except", insert "(a)".

(5) On page 5, line 27, between "by" and "this chapter", insert "Subsection (b) and".

(6) On page 6, between lines 4 and 5, insert the following:

(b) Land included in the territory described by Section 4 of the Act creating this chapter may not be added to the district unless the landowner provides written consent.

(7) On page 6, lines 13 and 14, strike "Texas Commission on Environmental Quality" and substitute "commission".

(8) Strike page 17, line 22, through page 19, line 3, and substitute the following:

SECTION 3. The territory to be removed from Certificate of Convenience and Necessity No. 10297, as provided by Section 7206.023(a), Special District Local Laws Code, as added by this Act, includes all of the territory contained in the following area:

151.846 acres of land located in the Antonio Maria Esnaurizar Eleven League Grant, Survey No. 1, Abstract No. 1, Subdivisions 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 31, Comal County, Texas, and being comprised of the following parcels: a 28.477 acres of land being out of and a part of a 28.632 acre tract as conveyed by SPECIAL WARRANTY DEED from the RESOLUTION TRUST CORPORATION (RTC) to M.W. KRAFT, JR., executed on January 14, 1983, and recorded in Volume 874, Pages 72-76 of the Official Public Records of Comal County, Texas, and being the same 28.477 acres of land conveyed to the State of Texas for use and benefit of the Permanent School fund from RS New Braunfels, Ltd., a Texas limited partnership dated October 14, 2005 and recorded in Document No. 200506039324 of the Official Records of Comal County, Texas, and 27.474 acres of land being out of and a part of a 27.611 acre tract as conveyed by GENERAL WARRANTY DEED from MICHAEL PAYNTER and wife THETA SCHUG PAYNTER, to MARY EVELYN FREEMAN, filed for record on June 10, 1985, and recorded in Volume 451, Pages 695-697 of the Official Public Records of Comal County, Texas, and being the same 27.474 acre tract conveyed to the State of Texas for the use and benefit of the Permanent School Fund from Mary Evelyn Freeman, dealing in her separate property, dated October 14, 2005 and recorded in Document No. 200506045048 of the Official Public Records of Comal County, Texas, and 20.035 acres of land being out of and a part of a 26.6 acre tract as conveyed by WARRANTY DEED WITH VENDOR'S LIEN from EGON KOHLENBERG ET UX to LAWRENCE KOHLENBERG, and filed for record on October 18, 1949, and recorded in Volume 92, Pages 43-44 of the Deed Records of Comal County, Texas, and also being out of and a part of a 103.75 acre tract as conveyed by WARRANTY DEED WITH VENDOR'S LIEN from J.M. SMITH to

EGON KOHLENBERG ET UX, filed for record June 21, 1943, and recorded in Volume 77, Pages 442-443 of the Deed Records of Comal County, Texas, and also being the same 20.035 acres conveyed to the State of Texas for use and benefit of the Permanent School Fund from Doracille Kohlenberg, an unmarried woman, dated October 14, 2005 and recorded in Document No. 200506039319 of the Official Public Records of Comal County, Texas, and 74.803 acres of land being out of and a part of a 74.44 acre tract as conveyed by DEED OF GIFT from DORACILLE KOHLENBERG, a widow, to KAREN WESCH and FAYE COOLEY, and filed for record on March 4, 1993, and recorded in Volume 873, Pages 228-229 of the Official Public Records of Comal County, Texas, and being out of and a part of a 103.75 acre tract as described in a WARRANTY DEED with VENDOR'S LIEN, filed for record June 21, 1943, and recorded in Volume 77, Pages 442-443 of the Deed Records of Comal County, Texas, and being the same 74.803 acre tract conveyed to the State of Texas for the use and benefit of the Permanent School fund from (i) Karen Wesch Hestand, formerly known as Karen Wesch, and (ii) Foye Cooley, each dealing in her separate property, dated October 14, 2005 and recorded in Document No. 200506039321 of the Official Public Records of Comal County, Texas, and 1.002 acres of land being out of and a part of a 74.44 acre tract as conveyed by DEED OF GIFT from DORACHILLE KOHLENBERG, a widow, to KAREN WESCH and FAYE COOLEY and filed for record on March 4, 1993, and recorded in Volume 873, Pages 228-229 of the Official Public Records of Comal County, Texas, and being out of and a part of a 103.75 acre tract as described in a WARRANTY DEED with VENDOR'S LIEN, filed for record June 21, 1943, and recorded in Volume 77, Pages 442-443 of the Deed Records of Comal County, Texas, and being the same parcel designated as TRACT NO. 2 (1.003 acres) by DEED OF GIFT from FAYE COOLEY to KAREN HESTAND, executed on March 14, 1996, and recorded in Document No. 9606005988 of the Official Public Records of Comal County, Texas, and being a portion of said 1.002 acre tract as conveyed to the State of Texas for the use and benefit of the Permanent School Fund from Karen Wesch Hestand and husband, Herbert Hoyt Hestand, dated October 14, 2005 and recorded in Document No. 200506039320 of the Official Public Records of Comal County, Texas, said 151.846 acres of land being more particularly described as follows:

BEGINNING: at a found concrete highway monument (Type I) at the intersection of the Southeast Right of Way Line of I.H. 35 with the Northeast cutback line of Kohlenberg Road and being the Westernmost corner of this parcel and said 20.035 acre; (Grid N = 13,820,305.66, Grid E = 2,267,616.06, Scale factor of 1.00014 for surface adjustment);

THENCE: (1) NORTH 31 deg. 26' 12" East, a distance of 1091.64 feet along the Northwest line of this parcel and the Southeast Right of Way Line of said I.H.35 to a set 1/2" iron pin with plastic cap being the Northernmost corner of this parcel and the Westernmost corner of a 3.560 acre tract as recorded in Document No. 200406003961 of the Official Public Records of Comal County, Texas;

THENCE: (2) SOUTH 45 deg. 19' 36" East, a distance of 610.43 feet along the Northeast line of this parcel and said 103.75 acre tract and the Southwest line of said 3.560 acre tract to a found 1/2" iron pin being the Southernmost corner of said 3.560 acre tract;

THENCE: (3) NORTH 38 deg. 14' 02" East, a distance of 296.28 feet along the Northwest line of this parcel and said 27.611 acre tract and the Southeast line of said 3.560 acre tract to a found 1/2" iron pin being the Easternmost corner of said 3.560 acre tract;

THENCE: (4) NORTH 53 deg. 45' 08" West, a distance of 631.50 feet along the Northeast line of this parcel and the Southwest line of said 27.611 acre tract and the Northeast line of said 3.560 acre tract to a found 1/2" iron pin in the Southeast Right of Way Line of said I.H. 35, and being the Northernmost corner of said 3.560 acre tract;

THENCE: (5) NORTH 31 deg. 26' 12" East, a distance of 245.64 feet along the Northwest line of this parcel and said 27.611 acre tract and the Southeast Right of Way Line of said I.H. 35 to a found 1/2" iron pin being the Westernmost corner of the remainder of a 2.35 acre tract as recorded in Volume 293, Pages 371-373 of the Deed Records of Comal County, Texas;

THENCE: (6) SOUTH 41 deg. 20' 52" East, a distance of 507.94 feet along the Northeast line of this parcel and said 27.611 acre tract and the Southwest line of said 2.35 acre tract to a found 1/2" iron pin being the Southernmost corner of said 2.35 acre tract;

THENCE: (7) NORTH 53 deg. 30' 10" East, a distance of 151.22 feet along the Northwest line of this parcel and said 27.611 acre tract and the Southeast line of said 2.35 acre tract to a found 1/2" iron pin being the Easternmost corner of said 2.35 acre tract and the Southwest line of said 28.632 acre tract;

THENCE: (8) NORTH 41 deg. 10' 27" West, a distance of 567.95 feet along the Southwest line of this parcel and said 28.632 acre tract and the Northeast line of said 2.35 acre tract to a found 1/2" iron pin in the Southeast Right of Way Line of I.H.35;

THENCE: (9) NORTH 31 deg. 26' 12" East, a distance of 249.72 feet along the Northwest line of this parcel and said 28.632 acre tract and the Southeast Right of Way Line of I.H.35 to a set 1/2" iron pin with plastic cap being a point of curvature;

THENCE: (10) 83.60 feet along the arc of a curve to the right, having a radius of 22784.31 feet, and a central angle of 00 deg. 12' 37", and whose chord bears North 31 deg. 32' 30" East, a distance of 83.60 feet to a found 1/2" iron pin being the Northernmost corner of this parcel and said 28.632 acre tract and the Westernmost corner of a 28.500 acre tract as recorded in Document No. 9806027705 of the Official Public Records of Comal County, Texas;

THENCE: (11) SOUTH 42 deg. 31' 00" East, a distance of 3408.67 feet along the Northeast line of this parcel and said 28.632 acre tract and the Southwest line of said 28.500 acre tract to a found 1/2" iron pin in the Northeast line of a 119.882 acre tract as recorded in Volume 1015, Page 444 of the Official Public Records of Comal County, Texas, and being the Easternmost corner of this parcel and said 28.632 acre tract and the Southernmost corner of said 28.500 acre tract;

THENCE: (12) SOUTH 56 deg. 54' 03" West, a distance of 439.45 feet along the Southeast line of this parcel and said 28.632 acre tract and the Northwest line of said 119.882 acre tract to a found 1/2" iron pin being the Southernmost corner, said 28.632 acre tract and the Easternmost corner of a 27.611 acre tract as recorded in Volume 451, Pages 695-697 of the Deed Records of Comal County, Texas;

THENCE: (13) SOUTH 56 deg. 53' 33" West, a distance of 320.67 feet along the Southeast line of this parcel and said 27.611 acre tract and the Northwest line of said 119.882 acre tract to a found 3/8" iron pin in the Northeast line of a 74.44 acre tract as recorded in Volume 873, Pages 228-229 of the Official Public Records of Comal County, Texas, and being the Southernmost corner of this parcel and said 27.611 acre tract;

THENCE: (14) SOUTH 44 deg. 49' 00" East, a distance of 291.65 feet along the Northeast line of this parcel and said 74.44 acre tract and the Southwest line of said 119.882 acre tract to a wood corner post being the Easternmost corner of said 74.44 acre tract;

THENCE: (15) SOUTH 45 deg. 08' 03" West, a distance of 1414.62 feet along the Southeast line of this parcel and said 74.44 acre tract and the Northwest line of a 49.18 acre tract as recorded in Document No. 200006018425 of the Official Public Records of Comal County, Texas, and a 3.00 acre tract as recorded in Volume 512, Page 254 of the Deed Records of Comal County, Texas, to a set 1/2" iron pin with plastic cap in the Northeast Right of Way Line of Kohlenberg Road, and being the Southernmost corner of this parcel and said 74.44 acre tract and the Westernmost corner of said 3.000 acre tract;

THENCE: (16) NORTH 44 deg. 37' 29" West, a distance of 1423.84 feet along the Southwest line of this parcel and said 74.44 acre tract and said 103.75 acre tract and the Northeast Right of Way Line of Kohlenberg Road to a set 1/2" iron pin with plastic cap being the Southernmost corner of a 1.736 acre tract and designated as TRACT NO. 1, and recorded in Document No. 9606005988 of the Official Public Records of Comal County, Texas;

THENCE: (17) NORTH 33 deg. 57' 40" East, a distance of 411.84 feet along the Northwest line of this parcel and the Southeast line of said 1.736 acre tract to a found 3/8" iron pin being the Easternmost corner of this parcel;

THENCE: (18) NORTH 68 deg. 19' 31" West, a distance of 242.07 feet along the Southwest line of this parcel and the Northeast line of said 1.736 acre tract to a found 1/2" iron pin being the Northernmost corner of said 1.736 acre tract; and

THENCE: (19) SOUTH 22 deg. 37' 45" West, a distance of 332.23 feet along the Southeast line of this parcel and the Northwest line of said 1.736 acre tract to a found 1/2" iron pin in the Northeast Right of Way Line of Kohlenberg Road, and being the Westernmost corner of said 1.736 acre tract;

THENCE: the following courses along the Southwest line of this parcel and said 74.44 acre tract and the Northeast Right of Way Line of said Kohlenberg Road, and the cutback Right of Way Line to I.H.35:

(20) NORTH 44 deg. 37' 29" West, a distance of 399.53 feet to a found concrete highway monument (Type I) and being an angle point;

(21) NORTH 34 deg. 38' 01" West, a distance of 102.61 feet to a found concrete highway monument (Type I) being an angle point;

(22) NORTH 44 deg. 39' 10" West, a distance of 149.81 feet to a found concrete highway monument (Type I) being an angle point;

(23) NORTH 32 deg. 12' 31" West, a distance of 223.04 feet to a found concrete highway monument (Type I) being an angle point;

(24) NORTH 17 deg. 45' 14" West, a distance of 210.69 feet to a found concrete highway monument (Type I) being an angle point;

(25) NORTH 06 deg. 34' 20" West, a distance of 302.39 feet to a found concrete highway monument (Type I) being an angle point; and

(26) NORTH 58 deg. 18' 56" West, a distance of 173.56 feet to a found concrete highway monument (Type I) at the intersection of the Southeast Right of Way Line of I.H. 35 with the Northeast cutback line of Kohlenberg Road and being the Westernmost corner of this parcel and said 19.31 acre tract being the POINT OF BEGINNING, containing 151.846 acres of land.

SECTION 4. The territory that may not be added to the district without written consent of the landowner, as provided by Section 7206.101, Special District Local Laws Code, as added by this Act, includes all of the territory contained in the following area:

1252.958 acres of land located in the Antonio Maria Esnaurizar Eleven League Grant, Survey No. 1, Abstract No. 1, Subdivisions 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 31, Comal County, Texas, and being comprised of the following parcels: 1015.410 acre tract as described as a 1015.701 acre tract by a SPECIAL WARRANTY DEED from NORMANDY TERRACE, INC., a Texas Corporation, JAMES C. NORMAN, NANCY NORMAN and SUSAN N. SMITH to LAMROCK 3-2001 LIMITED, a Texas limited partnership, executed on April 30, 2001, and recorded in Document No. 200106014380 of the Official Public Records of Comal County, Texas, and an 85.763 acre tract comprised of a 57.133 acre tract as described in a PARTITION DEED between LEE E. JOHNSON and wife JEN MEI JOHNSON, executed on September 7, 1983, and recorded in Volume 351, Pages 931-939 of the Deed Records of Comal County, Texas, and a 28.500 acre tract as conveyed by SPECIAL WARRANTY DEED dated November 3, 1998, and recorded in Document No. 9806027705 of the Official Public Records of Comal County, Texas, and 28.477 acres of land being out of and a part of a 28.632 acre tract as conveyed by SPECIAL WARRANTY DEED from the RESOLUTION TRUST CORPORATION (RTC) to M.W. KRAFT, JR., executed on January 14, 1983, and recorded in Volume 874, Pages 72-76 of the Official Public Records of Comal County, Texas, and 27.474 acres of land being out of and a part of a 27.611 acre tract as conveyed by GENERAL WARRANTY DEED from MICHAEL PAYNTER and wife THETA SCHUG PAYNTER, to MARY EVELYN FREEMAN, filed for record on June 10, 1985, and recorded in Volume 451, Pages 695-697 of the Official Public Records of Comal County, Texas, and 20.035 acres of land being out of and a part of a 26.6 acre tract as conveyed by WARRANTY DEED WITH VENDOR'S LIEN from EGON KOHLENBERG ET UX to LAWRENCE KOHLENBERG, and filed for record on October 18, 1949, and recorded in Volume 92, Pages 43-44 of the Deed Records of Comal County, Texas, and also being out of and a part of a 103.75 acre tract as conveyed by WARRANTY DEED WITH VENDOR'S LIEN from J.M. SMITH to EGON KOHLENBERG ET UX, filed for record June 21, 1943, and Recorded in Volume 77, Pages 442-443 of the Deed Records of Comal County, Texas, and 74.803 acres of land being out of and a part of a 74.44 acre tract as conveyed by DEED OF GIFT from DORACILLE KOHLENBERG, a widow, to KAREN WESCH and FAYE COOLEY, and filed for record on March 4, 1993, and recorded in Volume 873, Pages 228-229 of the Official

Public Records of Comal County, Texas, and being out of and a part of a 103.75 acre tract as described in a WARRANTY DEED with VENDOR'S LIEN, filed for record June 21, 1943, and recorded in Volume 77, Pages 442-443 of the Deed Records of Comal County, Texas, and 1.002 acres of land being out of and a part of a 74.44 acre tract as conveyed by DEED OF GIFT from DORACHILLE KOHLENBERG, a widow, to KAREN WESCH and FAYE COOLEY and filed for record on March 4, 1993, and recorded in Volume 873, Pages 228-229 of the Official Public Records of Comal County, Texas, and being out of and a part of a 103.75 acre tract as described in a WARRANTY DEED with VENDOR'S LIEN, filed for record June 21, 1943, and recorded in Volume 77, Pages 442-443 of the Deed Records of Comal County, Texas, and being the same parcel designated as TRACT NO. 2 (1.003 acres) by DEED OF GIFT from FAYE COOLEY to KAREN HESTAND, executed on March 14, 1996, and recorded in Document No. 9606005988 of the Official Public Records of Comal County, Texas, said 1252.958 acres of land being more particularly described as follows:

BEGINNING: at a set 1/2" iron pin with plastic cap in the Southeast Right of Way Line of I.H.35 and being the Northernmost corner of this parcel and said 1015.701 acre tract and the Westernmost corner of a 69.569 acre tract as recorded in Document No. 9506481804 of the Official Public Records of Comal County, Texas; and

THENCE: (1) SOUTH 45 deg. 00' 03" East, (all bearings in this description are based on Grid North of the Texas Coordinate System, NAD 83 (93) Zone 4204), a distance of 2148.79 feet along the Northwest line of this parcel and said 1015.701 acre tract and the Southwest line of said 69.569 acre tract to a found 2" iron pipe being the Southernmost corner of said 69.569 acre tract;

THENCE: the following courses along the Northeast line of this parcel and said 1015.701 acre tract and the Southwest line of an 18.092 acre tract as recorded in Volume 972, Page 676 of the Official Public Records of Comal County, Texas, and the CUATRO AMIGOS SUBDIVISION as recorded in Volume 11, Page 100 of the Map and Plat Records of Comal County, Texas, and an 18.062 acre tract as recorded in Document No. 9906009211 of the Official Public Records of Comal County, Texas, and a 35.370 acre tract as recorded in Volume 85, Pages 564-565 of the Deed Records of Comal County, Texas, and a 27.00 acre tract as recorded in Volume 433, Page 473 of the Deed Records of Comal County, Texas, and a 27.00 acre tract as recorded in Volume 433, Page 475 of the Deed Records of Comal County Texas, and a 27.00 acre tract as recorded in Volume 433, Page 471 of the Deed Records of Comal County, Texas, and a 15.00 acre tract as recorded in Volume 862, Page 417 of the Official Public Records of Comal County, Texas:

(2) SOUTH 44 deg. 45' 25" East, a distance of 1675.16 feet to a found 60d nail being an angle point;

(3) SOUTH 44 deg. 16' 57" East, a distance of 243.82 feet to a found 60d nail being an angle point;

(4) SOUTH 46 deg. 04' 58" East, a distance of 1040.03 feet to a found 60d nail being an angle point; and

(5) SOUTH 45 deg. 39' 04" East, a distance of 2159.39 feet to a found 1/2" iron pin being the Northernmost corner of a 125.571 acre tract as recorded in Volume 744, Page 126 of the Official Public Records of Comal County, Texas;

THENCE: the following courses along the Southeast line of this parcel and said 1015.701 acre tract and the Northwest line of said 125.571 acre tract:

(6) SOUTH 47 deg. 05' 12" West, a distance of 1402.22 feet to a found 1/2" iron pin being an angle point;

(7) SOUTH 41 deg. 11' 48" East, a distance of 52.89 feet to a set 1/2" iron pin with plastic cap being an angle point; and

(8) SOUTH 29 deg. 55' 10" West, a distance of 3.91 feet to a set 1/2" iron pin with plastic cap, being an interior corner of this parcel and said 1015.701 acre tract and the Westernmost corner of said 125.571 acre tract;

THENCE:(9) SOUTH 44 deg. 18' 16" East, a distance of 759.93 feet along the Northeast line of this parcel and said 1015.701 acre tract and the Southwest line of said 125.571 acre tract to a set 1/2" iron pin with plastic cap being an angle point; and

(10) SOUTH 44 deg. 50' 59" East, a distance of 2402.27 feet along the Northeast line of this parcel and said 1015.701 acre tract and the Southwest line of said 125.571 acre tract to a found 1/2" iron pin being the Northernmost corner of a 2.301 acre tract as recorded in Volume 341, Page 63 of the Deed Records of Comal County, Texas;

THENCE: the following courses along the Southeast line of this parcel and said 1015.701 acre tract and the Northwest line of said 2.301 acre tract and a 2.00 acre tract as recorded in Volume 62, Page 862 of the Deed Records of Comal County, Texas:

(11) SOUTH 44 deg. 34' 13" West, a distance of 633.91 feet to a found 1/2" iron pin being an angle point; and

(12) SOUTH 02 deg. 51' 44" East, a distance of 89.86 feet to a set 1/2" iron pin with plastic cap being the Southeast corner of this parcel and said 1015.701 acre tract and the Southwest corner of said 2.00 acre tract and being in the North Right of Way Line of F.M. 1101, and being a point of curvature;

THENCE: the following courses along the South line of this parcel and said 1015.701 acre tract and the North Right of Way Line of F.M. 1101:

(13) 493.60 feet along the arc of a curve to the right, having a radius of 3769.80 feet, and a central angle of 07 deg. 30' 07", and whose chord bears South 84 deg. 31' 13" West, a distance of 493.25 feet to a found concrete highway monument (Type I);

(14) SOUTH 88 deg. 19' 44" West, a distance of 800.02 feet to a found concrete highway monument (Type I) being an angle point;

(15) SOUTH 88 deg. 19' 51" West, a distance of 1598.80 feet to a found concrete highway monument (Type I) being an angle point;

(16) NORTH 86 deg. 11' 44" West, a distance of 295.61 feet to a found concrete monument (Type I) being an angle point;

(17) SOUTH 88 deg. 44' 07" West, a distance of 169.63 feet to a found concrete highway monument (Type I) being an angle point; and

(18) SOUTH 79 deg. 04' 08" West, a distance of 298.47 feet to a found steel fence post being the Southwest corner of said 1015.701 acre tract and the Easternmost corner of an 119.882 acre tract as recorded in Volume 1015, Page 444 of the Official Public Records of Comal County, Texas;

THENCE: the following courses along the Southwest line of this parcel and said 1015.701 acre tract and the Northeast line of said 119.882 acre tract:

(19) NORTH 45 deg. 28' 52" West, a distance of 1565.19 feet to a found 1/4" iron pin being an interior corner of this parcel and said 1015.701 acre tract;

(20) SOUTH 57 deg. 43' 21" West, a distance of 155.81 feet to a found fence post being an angle point;

(21) SOUTH 57 deg. 21' 38" West, a distance of 836.82 feet to a found 3/8" iron pin being an exterior corner of this parcel and said 1015.701 acre tract;

(22) NORTH 44 deg. 02' 14" West, a distance of 507.09 feet to a found fence post being an angle point; and

(23) NORTH 45 deg. 03' 47" West, a distance of 469.71 feet to a found 3/8" iron pin being the Easternmost corner of a 57.133 acre tract as recorded in Volume 351, Pages 931-939 of the Deed Records of Comal County, Texas; and

THENCE: (24) SOUTH 56 deg. 54' 03" West, a distance of 1110.45 feet along the Southeast line of this parcel and said 57.133 acre tract and said 28.500 acre tract and the Northeast line of said 119.882 acre tract to a found 1/2" iron pin being the Southernmost corner of said 28.500 acre tract and the Easternmost corner of a 28.632 acre tract as recorded in Volume 874, Pages 72-76 of the Deed Records of Comal County, Texas;

THENCE: (25) SOUTH 56 deg. 54' 03" West, a distance of 439.45 feet along the Southeast line of this parcel and said 28.632 acre tract and the Northwest line of said 119.882 acre tract to a found 1/2" iron pin being the Southernmost corner of said 28.632 acre tract and the Easternmost corner of a 27.611 acre tract as recorded in Volume 451, Pages 695-697 of the Deed Records of Comal County, Texas;

THENCE: (26) SOUTH 56 deg. 53' 33" West, a distance of 320.67 feet along the Southeast line of this parcel and said 27.611 acre tract and the Northwest line of said 119.882 acre tract to a found 3/8" iron pin in the Northeast line of a 74.44 acre tract as recorded in Volume 873, Pages 228-229 of the Official Public Records of Comal County, Texas, and being the Southernmost corner of this parcel and said 27.611 acre tract;

THENCE: (27) SOUTH 44 deg. 49' 00" East, a distance of 291.65 feet along the Northeast line of this parcel and said 74.44 acre tract and the Southwest line of said 119.882 acre tract to a wood corner post being the Easternmost corner of said 74.44 acre tract;

THENCE: (28) SOUTH 45 deg. 08' 03" West, a distance of 1414.62 feet along the Southeast line of this parcel and said 74.44 acre tract and the Northwest line of a 49.18 acre tract as recorded in Document No. 200006018425 of the Official Public Records of Comal County, Texas, and a 3.00 acre tract as recorded in Volume 512, Page 254 of the Deed Records of Comal County, Texas, to a set 1/2" iron pin with plastic cap in the Northeast Right of Way Line of Kohlenberg Road, and being the Southernmost corner of said 74.44 acre tract and the Westernmost corner of said 3.000 acre tract;

THENCE: (29) NORTH 44 deg. 37' 29" West, a distance of 1423.84 feet along the Southwest line of this parcel and said 74.44 acre tract and said 103.75 acre tract and the Northeast Right of Way Line of Kohlenberg Road to a set 1/2" iron pin with

plastic cap being the Southernmost corner of a 1.736 acre tract and designated as TRACT NO. 1, and recorded in Document No. 9606005988 of the Official Public Records of Comal County, Texas;

THENCE: (30) NORTH 33 deg. 57' 40" East, a distance of 411.84 feet along the Northwest line of this parcel and the Southeast line of said 1.736 acre tract to a found 3/8" iron pin being the Easternmost corner of this parcel;

THENCE: (31) NORTH 68 deg. 19' 31" West, a distance of 242.07 feet along the Southwest line of this parcel and the Northeast line of said 1.736 acre tract to a found 1/2" iron pin being the Northernmost corner of said 1.736 acre tract; and

THENCE: (32) SOUTH 22 deg. 37' 45" West, a distance of 332.23 feet along the Southeast line of this parcel and the Northwest line of said 1.736 acre tract to a found 1/2" iron pin in the Northeast Right of Way Line of Kohlenberg Road, and being the Westernmost corner of said 1.736 acre tract;

THENCE: the following courses along the Southwest line of this parcel and said 74.44 acre tract and the Northeast Right of Way Line of said Kohlenberg Road, and the cutback Right of Way Line to I.H.35:

(33) NORTH 44 deg. 37' 29" West, a distance of 399.53 feet to a found concrete highway monument (Type I) and being an angle point;

(34) NORTH 34 deg. 38' 01" West, a distance of 102.61 feet to a found concrete highway monument (Type I) being an angle point;

(35) NORTH 44 deg. 39' 10" West, a distance of 149.81 feet to a found concrete highway monument (Type I) being an angle point;

(36) NORTH 32 deg. 12' 31" West, a distance of 174.23 feet to said 74.44 acre tract and the Southernmost corner of a 19.31 acre tract as recorded in Volume 92, Pages 43-44 of the Deed Records of Comal County, Texas;

(37) NORTH 32 deg. 12' 31" West, a distance of 48.81 feet to a found concrete highway monument (Type I) being an angle point;

(38) NORTH 17 deg. 45' 14" West, a distance of 210.69 feet to a found concrete highway monument (Type I) being an angle point;

(39) NORTH 06 deg. 34' 20" West, a distance of 302.39 feet to a found concrete highway monument (Type I) being an angle point; and

(40) NORTH 58 deg. 18' 56" West, a distance of 173.56 feet to a found concrete highway monument (Type I) at the intersection of the Southeast Right of Way Line of I.H. 35 with the Northeast cutback line of Kohlenberg Road and being the Westernmost corner of this parcel and said 19.31 acre tract;

THENCE: (41) NORTH 31 deg. 26' 12" East, a distance of 1091.64 feet along the Northwest line of this parcel and the Southeast Right of Way Line of said I.H.35 to a set 1/2" iron pin with plastic cap being the Northernmost corner of this parcel and the Westernmost corner of a 3.560 acre tract as recorded in Document No. 200406003961 of the Official Public Records of Comal County, Texas;

THENCE: (42) SOUTH 45 deg. 19' 36" East, a distance of 610.43 feet along the Northeast line of this parcel and said 19.31 acre tract and said 103.75 acre tract and the Southwest line of said 3.560 acre tract to a found 1/2" iron pin being the Southernmost corner of said 3.560 acre tract;

THENCE: (43) NORTH 38 deg. 14' 02" East, a distance of 296.28 feet along the Northwest line of this parcel and said 27.611 acre tract and the Southeast line of said 3.560 acre tract to a found 1/2" iron pin being the Easternmost corner of said 3.560 acre tract;

THENCE: (44) NORTH 53 deg. 45' 08" West, a distance of 631.50 feet along the Southwest line of this parcel and said 27.611 acre tract and the Northeast line of said 3.560 acre tract to a found 1/2" iron pin in the Southeast Right of Way Line of said I.H. 35, and being the Northernmost corner of said 3.560 acre tract;

THENCE: (45) NORTH 31 deg. 26' 12" East, a distance of 245.64 feet along the Northwest line of this parcel and said 27.611 acre tract and the Southeast Right of Way Line of said I.H. 35 to a found 1/2" iron pin being the Westernmost corner of the remainder of a 2.35 acre tract as recorded in Volume 293, Pages 371-373 of the Deed Records of Comal County, Texas;

THENCE: (46) SOUTH 41 deg. 20' 52" East, a distance of 507.94 feet along the Northeast line of this parcel and said 27.611 acre tract and the Southwest line of said 2.35 acre tract to a found 1/2" iron pin being the Southernmost corner of said 2.35 acre tract;

THENCE: (47) NORTH 53 deg. 30' 10" East, a distance of 151.22 feet along the Northwest line of this parcel and said 27.611 acre tract and the Southeast line of said 2.35 acre tract to a found 1/2" iron pin being the Easternmost corner of said 2.35 acre tract and the Southwest line of said 28.632 acre tract;

THENCE: (48) NORTH 41 deg. 10' 27" West, a distance of 567.95 feet along the Southwest line of this parcel and said 28.632 acre tract and the Northeast line of said 2.35 acre tract to a found 1/2" iron pin in the Southeast Right of Way Line of I.H.35;

THENCE: (49) NORTH 31 deg. 26' 12" East, a distance of 249.72 feet along the Northwest line of this parcel and said 28.632 acre tract and the Southeast Right of Way Line of I.H.35 to a set 1/2" iron pin with plastic cap being a point of curvature;

THENCE: (50) 152.44 feet along the arc of a curve to the right, having a radius of 22784.31 feet, and a central angle of 00 deg. 23' 00", and whose chord bears North 31 deg. 37' 42" East, a distance of 152.44 feet to a found concrete highway monument being a point of tangency;

THENCE: (51) NORTH 31 deg. 50' 19" East, a distance of 263.09 feet along the Northwest line of this parcel and said 28.500 acre tract and the Southeast Right of Way Line of I.H.35 to a found 1/2" iron pin being the Northernmost corner of said 28.500 acre tract and the Westernmost corner of said 57.133 acre tract;

THENCE: (52) NORTH 31 deg. 50' 19" East, a distance of 663.99 feet along the Northwest line of this parcel and said 57.133 acre tract and the Southeast Right of Way Line of I.H.35 to a found 1/2" iron pin being the Northernmost corner of said 57.133 acre tract and the Westernmost corner of said 1015.707 acre tract;

THENCE: the following courses along the Northwest line of this parcel and said 1015.707 acre tract and the Southeast Right of Way Line of I.H.35:

(53) NORTH 31 deg. 50' 19" East, a distance of 1855.01 feet to a found concrete highway monument (Type I) being an angle point;

(54) NORTH 35 deg. 26' 30" East, a distance of 301.34 feet to a found concrete highway monument (Type I) being an angle point;

THENCE: (55) NORTH 32 deg. 05' 44" East, a distance of 72.07 feet to a found concrete highway monument (Type I) being a point of curvature;

THENCE: (56) 543.39 feet along the arc of a curve to the left, having a radius of 23072.30 feet, and a central angle of 01 deg. 20' 58", and whose chord bears North 31 deg. 12' 58" East, a distance of 543.37 feet to a found concrete highway monument (Type I) being a point of tangency;

THENCE: (57) NORTH 30 deg. 26' 03" East, a distance of 789.05 feet to a found concrete highway monument (Type I) being an angle point;

THENCE: (58) NORTH 26 deg. 48' 12" East, a distance of 299.65 feet to a found concrete highway monument (Type I) being an angle point; and

THENCE: (59) NORTH 30 deg. 29' 02" East, a distance of 2033.01 feet to a set 1/2" iron pin with plastic cap being the POINT OF BEGINNING, containing 1252.958 acres of land.

PART 1:

635.060 acres (27,663,214 sq. ft.) of land out of the NANCY KENNER LEAGUE survey No. 3, Abstract No. 306, Comal County, Texas and being designated as a 236.949 acre tract (McDONOUGH) tract as conveyed by SPECIAL WARRANTY DEED from NATIONSBANK OF TEXAS, N.A. TRUSTEE to JAMES P. McDONOUGH, JR., dated December 31, 1996 and recorded in Document No. 9706001893 of the Official Public Records of Comal County, Texas and also being comprised of TRACT I (63.024 acre tract) and TRACT III (164.150 acre tract) as conveyed by a SPECIAL WARRANTY DEED from Bank of America, N.A., as Successor Trustee to Nations / Bank of Texas, N.A., Trustee of the Bill and Darolyn Worth Living Trust under Agreement dated January 9, 1987 and as Trustee under Agreement of the Irvin Management Trust and Larry Irvin to James P. McDonough, Jr., dated April 14, 2006 and recorded in Document No. 200606016820 of the Official Public Records of Comal County, Texas, and also being all of a 170.902 acre tract described in a SUBSTITUTE TRUSTEE'S DEED from CECIL W. TALLEY, Trustee to CECIL EARL HILLBURN, dated August 6, 1991 and recorded in Volume 777, Pages 581-586 of the Official Public Records of Comal County, Texas said 635.060 acres (27,663,214 sq. ft.) of land being more particularly described as follows:

BEGINNING: at a set 1/2" iron pin with plastic cap "stamped 4233" in the Northwest Right of Way Line of I.H. 35 and being Easternmost corner of a 9.785 acre tract conveyed by Archie Ladshaw, et al to John Ladshaw by Deed dated March 28, 1984 and recorded in Volume 378, Pages 799-801 of the Official Public Records of Comal County, Texas, and the Southernmost corner of this parcel and said 236.949 acre tract (Grid N = 13,826,036.7772, Grid E = 2,270,776.7688, Scale factor of 1.00014 for surface adjustment);

THENCE: (1) NORTH 46 deg 00'07" West, (all bearings in this descriptions are referenced to Grid North of the Texas Coordinate System, Zone 4204, NAD 83 (93)), a distance of 3310.77 feet along the Southwest line of this parcel and the Northeast line of said 9.785 acre tract to a found 1/2" iron pin being the Northernmost corner of said 9.785 acre tract and an interior corner of this parcel;

THENCE: the following courses along the Southeast line of this parcel and said 236.949 acre tract and the Northwest line of said 9.785 acre tract and a 240.485 acre tract conveyed by Elizabeth Wagner, a widow to Archie Ladshaw, et al by Deed dated

January 14, 1967 and recorded in Volume 153, Pages 331-333 of the Deed Records of Comal County, Texas and the Northwest line of a 44.290 acre tract conveyed by HARVEY PAPE and wife, LEORA PAPE to PAPE'S FAMILY FARM, LTD, a Texas Limited Partnership, dated February 27, 2004 and recorded in Document No. 200406007834 of the Official Public Records of Comal County, Texas:

(2) SOUTH 44 deg 34'57" West, a distance of 1355.26 feet to a found 1/2" iron pin being an angle point;

(3) SOUTH 45 deg 11'30" East, a distance of 43.65 feet to a found 1/2" iron pin being an angle point; and

(4) SOUTH 44 deg 30'57" West, a distance of 1742.25 feet to a found 1/2" iron pin being the Easternmost corner of a 70.688 acre tract conveyed by ALAN ROMPLE also known as ALAN E. ROMPEL, SR. and wife LINDA ROMPEL to CONRADS ROAD, LTD, dated January 9, 2004, and recorded in Document No. 200406000885 of the Official Public Records of Comal County, Texas;

THENCE: (5) NORTH 45 deg 23'39" West, a distance of 3537.43 feet along the Southwest line of this parcel and said 236.949 acre tract and the Northeast line of said 70.688 acre tract to a set 1/2" iron pin with plastic cap "stamped 4233" in the Southeast Right of Way of the Union Pacific Railroad (formerly known as the INTERNATIONAL & GT NORTHERN RY. CO.) and being the Westernmost corner of this parcel and said 236.949 acre tract and the Northernmost corner of said 70.688 acre tract; and being a point of curvature;

THENCE: the following courses along the Northwest line of this parcel and the Southeast Right of Way line of the Union Pacific Railroad:

(6) 1319.73 feet along the arc of a curve to the right, having a radius of 5679.65 feet, and a central angle of 13 deg 18'48", and whose chord bears North 56 deg 11'48" East, a distance of 1316.76 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being a point of tangency;

(7) NORTH 62 deg 51'12" East, a distance of 1677.18 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being a point of curvature; and

(8) 1022.68 feet along the arc of a curve to the left, having a radius of 2914.93 feet and a central angle of 20 deg 06'06", and whose chord bears North 52 deg 48'09" East, a distance of 1017.43 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being a point of tangency; and

(9) NORTH 42 deg. 45' 06" East, a distance of 385.90 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being the Northernmost corner of this parcel and said 63.024 acre tract and the Westernmost corner of a 200.240 acre tract as conveyed by SPECIAL WARRANTY DEED WITH VENDOR'S LIEN from MARTIN MARIETTA MATERIALS SOUTHWEST, LTD. to BLUEGREEN SOUTHWEST ONE, L.P., A Delaware Limited Partnership, executed July 19, 2005 and recorded in Document No. 200506026533 of the Official Public Records of Comal County, Texas;

THENCE: (10) SOUTH 45 deg. 58' 46" East, a distance of 2471.01 feet along the Northeast line of this parcel and said 63.024 acre tract and the Southwest line of said 200.240 acre tract to a found 1/2" iron pin being an interior corner of this parcel and the Westernmost corner of said 170.902 acre tract and the Southernmost of said 200.240 acre tract;

THENCE: the following courses along the Northwest line of this parcel and said 170.902 acre tract and the Southeast line of said 200.240 acre tract and a 7.46 acre tract conveyed by MCDONOUGH BROTHER'S, INCORPORATED to CITY OF NEW BRAUNFELS (UTILITIES) executed June 8, 1979 and recorded in Volume 283, Pages 775-776 of the Deed Records of Comal County, Texas;

(11) NORTH 43 deg 09'01" East, a distance of 2596.32 feet to a wood fence post being an angle point; and

(12) NORTH 42 deg 57'44" East, a distance of 1556.85 feet to a found 1/2" iron pin with plastic cap stamped "OVERBY-DESCAMPS" being the Northernmost corner said 170.902 acre tract and an interior corner of said 200.240 acre tract;

THENCE: the following courses along the Northeast line of this parcel and said 170.902 acre tract and the Southwest line of said 200.240 acre tract:

(13) SOUTH 46 deg 50'12" East, a distance of 702.27 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being an angle point;

(14) SOUTH 46 deg 29'50" East, a distance of 817.93 feet to a wood fence post being an angle point; and

(15) SOUTH 47 deg 00'31" East, a distance of 722.97 feet to a set 1/2" iron pin with plastic cap "stamped 4233" in the Northwest Right of Way Line of I.H. 35 and being the Easternmost corner of this parcel and said 170.902 acre tract and a re-entrant corner of said 200.240 acre tract;

THENCE: (16) SOUTH 32 deg 08'27" West, a distance of 1684.15 feet along the Southeast line of this parcel and said 170.902 acre tract and the Northwest Right of Way Line of I.H. 35 to a set 1/2" iron pin with plastic cap "stamped 4233" being a re-entrant corner to said 170.902 acre tract and the Easternmost corner of a 164.150 acre tract (designated TRACT III) conveyed by SPECIAL WARRANTY DEED to James P. McDonough, Jr., dated April 14, 2006 and recorded in Document No. 200606016820 of the Official Public Records of Comal County, Texas;

THENCE: the following courses along the Southeast line of this parcel and said 164.150 acre tract and the Northwest Right of Way Line of I.H. 35:

(17) SOUTH 32 deg. 08' 27" West, a distance of 704.69 feet to a found Type I TxDOT concrete monument being a point of curvature;

(18) 338.16 feet along the arc of a curve to the left, having a radius of 11,625.15 feet, and a central angle of 01 deg. 40' 00", and whose chord bears South 31 deg. 15' 06" West, a distance of 338.15 feet to a found Type I TxDOT concrete monument being a point of tangency;

(19) SOUTH 30 deg. 29' 02" West, a distance of 1147.92 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being an angle point;

(20) SOUTH 34 deg. 18' 02" West, a distance of 300.46 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being an angle point;

(21) SOUTH 30 deg. 29' 02" West, a distance of 1000.00 feet to a found Type I TxDOT concrete monument being an angle point; and

(22) SOUTH 26 deg. 39' 57" West, a distance of 266.94 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being the Southernmost corner of said 164.150 acre tract and the Easternmost corner of a 236.949 acre tract as conveyed by SPECIAL

WARRANTY DEED from NATIONSBANK OF TEXAS, N.A., TRUSTEE to JAMES P. McDONOUGH JR., dated December 31, 1996, and recorded in Document No. 9706001893 of the Official Public Records of Comal County, Texas;

THENCE: the following courses along the Southeast line of this parcel and said 236.949 acre tract and the Northwest Right of Way Line of said I.H. 35:

(23) SOUTH 26 deg 39'57" East, a distance of 33.42 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being an angle point; and

(24) SOUTH 30 deg 29'02" East, a distance of 49.00 feet to a set 1/2" iron pin with plastic cap "STAMPED 4233" being the POINT OF BEGINNING, containing 635.060 acres (27,663,214 sq. ft.) of land.

PART 2:

96.074 acres (4,184,983 sq. ft.) of land out of the NANCY KENNER LEAGUE SURVEY NO. 3, Abstract No. 306, Comal County, Texas, and comprising of TRACT II (0.529 of an acre tract), TRACT IV (53.350 acre tract) and TRACT V (14.423 acre tract) as conveyed by said SPECIAL WARRANTY DEED dated April 14, 2006, and recorded in Document No. 200606016820 of the Official Public Records of Comal County, Texas, and also being all of a 27.593 acre tract as conveyed NATIONSBANK OF TEXAS, N.A., TRUSTEE to JAMES P. McDONOUGH, JR., dated December 31, 1996 and recorded in Document No. 9706001893 of the Official Public Records of Comal County, Texas, said 96.074 acres (4,184,983 sq. ft.) of land being more particularly described as follows:

BEGINNING: at a found 1" diameter iron pipe in the Southeast Right of Way Line of F.M. Road 1102 and being the Northernmost corner of this parcel and said 14.423 acre tract and being the Westernmost corner of an 88.193 acre tract (designated as TRACT 3) conveyed by SPECIAL WARRANTY DEED WITH VENDOR'S LIEN, to BLUEGREEN SOUTHWEST ONE, L.P., a Delaware Partnership, executed on July, 19, 2005 and recorded in Document No. 200506026533 of the Official Public Records of Comal County, Texas (Grid N = 13,832,027.6173, Grid E = 2,266,296.3350, Scale factor of 1.00014 for surface adjustment);

THENCE: (1) SOUTH 46 deg. 01' 39" East, a distance of 1319.31 feet along the Northeast line of this parcel and said 14.423 acre tract and the Southwest line of said 88.193 acre tract to a found 1/2" iron pin in the Northwest Right of Way Line of the Union Pacific Railroad (formerly known as the Missouri Kansas and Texas Railroad) and being the Easternmost corner of this parcel and said 14.423 acre tract and the Southernmost corner of said 88.193 acre tract;

THENCE: the following courses along the Southeast line of this parcel and said TRACT V, TRACT II and TRACT IV and the Northwest Right of Way Line of said Union Pacific Railroad:

(2) SOUTH 42 deg. 45' 06" West, a distance of 365.33 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being a point of curvature;

(3) 986.76 feet along the arc of a curve to the right, having a radius of 2814.90 feet, and a central angle of 20 deg. 05' 06", and whose chord bears South 52 deg. 47' 39" West, a distance of 981.71 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being a point of tangency;

(4) SOUTH 62 deg. 50' 12" West, a distance of 832.41 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being an angle point;

(5) NORTH 45 deg. 03' 04" West, a distance of 52.54 feet to a found 1/2" iron pin being an angle point, and

(6) SOUTH 62 deg. 50' 12" West, a distance of 799.35 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being the Southernmost corner said 53.350 acre tract and the Easternmost corner of a 27.593 acre tract as conveyed by SPECIAL WARRANTY DEED from NATIONSBANK OF TEXAS, N.A., TRUSTEE to JAMES P. McDONOUGH, JR., dated December 31, 1996 and recorded in Document No. 9706001893 of the Official Public Records of Comal County, Texas;

THENCE: the following courses along the Southeast line of this parcel and said 27.593 acre tract and the Northwest Right of Way of said Union Pacific Railroad:

(7) SOUTH 62 deg 50'12" West, a distance of 113.44 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being a point of curvature

(8) 293.35 feet along the arc of a curve to the left having a radius of 5829.65 feet and a central angle of 02 deg 52'59", and whose chord bears South 61 deg 23'42" West, a distance of 293.32 feet to a found 1/2" iron pin being an angle point;

(9) SOUTH 30 deg 16'22" East, a distance of 50.00 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being a point of curvature;

(10) 417.76 feet along the arc of a curve to the left, having a radius of 5779.65 feet, and a central angle of 04 deg 08'29", and whose chord bears South 57 deg 53'05" West, a distance of 417.67 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being an angle point

(11) NORTH 44 deg 21'29" West, a distance of 30.48 feet to a found 1/2" iron pin being a point of curvature

(12) 736.56 feet along the arc of a curve to the left, having a radius of 5809.65 feet, and a central angle of 07 deg 15'51", and whose chord bears South 52 deg 07'44" West, a distance of 736.07 feet to found 1/2" iron pin being an angle point;

(13) SOUTH 43 deg 16'40" East, a distance of 30.01 feet to set 1/2" iron pin with plastic cap "stamped 4233" being a point of curvature;

(14) 66.71 feet along the arc of a curve to the left, having a radius of 5779.65 feet, and a central angle of 00 deg 39'41", and whose chord bears South 48 deg 10'31" West, a distance of 66.71 feet to a set 1/2" iron pin with plastic cap "stamped 4233" being a point of tangency; and

(15) SOUTH 47 deg 50'41" West, a distance of 437.51 feet to a found 1/2" iron pin being the Southernmost corner of the parcel and said 27.593 acre tract and the Easternmost corner of a 3 acre tract conveyed by SHERMAN W. WEST ET UX TO CLAUDIO MENDEZ ET UX executed on May 17, 1962, and recorded in Volume 128, Pages 374-376 of the Deed Records of Comal County, Texas.

THENCE: (16) NORTH 45 deg 40'16" West, a distance of 654.40 feet along the Southwest line of this parcel and said 27.593 acre tract and the Northeast line of said 3 acre tract to a found 1/2" iron pin in the Southeast Right of Way Line of F.M. Road 1102 and being the Westernmost corner of this parcel and said 27.593 acre tract and the Northernmost corner of said 3 acre tract.

THENCE: the following courses along the Northwest line of this parcel and said 27.593 acre tract and the Southeast Right of Way Line of said F.M. Road 1102:

(17) NORTH 44 deg 22'56" East, a distance of 133.92 feet to a found 1/2" iron pin being a point of curvature;

(18) 645.06 feet along the arc of a curve to the right, having a radius of 2824.90 feet, and a central angle of 13 deg 05'00", and whose chord bears north 50 deg 57'36" East, a distance of 643.66 feet to a found 1/2" iron pin being a point of tangency;

(19) NORTH 57 deg 26'58" East, a distance of 149.84 feet to a found 1/2" iron pin being an angle point;

(20) NORTH 61 deg 11'34" East, a distance of 365.34 feet to a found 1/2" iron pin being an angle point;

(21) NORTH 64 deg 42'33" East, a distance of 388.56 feet to a found 1/2" iron pin being a point of curvature; and

(22) 470.90 feet along the arc of a curve to the left, having a radius of 1472.70 feet, and a central angle of 18 deg 19'14", and whose chord bears North 55 deg 55'39" East, a distance of 468.90 feet to a found 1/2" iron pin being the Northernmost corner of said 27.593 acre tract and the Westernmost corner of said 53.350 acre tract (designated as TRACT IV) of said SPECIAL WARRANTY DEED;

THENCE: the following courses along the Northwest line of this parcel and said 53.350 acre tract, said 0.529 of an acre tract, and said 14.423 acre tract and the Southeast Right of Way Line of said F.M. 1102:

(23) NORTH 46 deg. 34' 14" East, a distance of 419.44 feet to a found 1/2" iron pin being a point of curvature;

(24) 296.68 feet along the arc of a curve to the left, having a radius of 1950.10 feet, and a central angle of 08 deg. 43' 00", and whose chords bears North 42 deg. 13' 24" East, a distance of 296.39 feet to a found 1/2" iron pin being a point of tangency;

(25) NORTH 37 deg. 52' 39" East, a distance of 625.38 feet to a found 1/2" iron pin being a point of curvature;

(26) 392.79 feet along the arc of a curve to the right, having a radius of 5689.70 feet, and a central angle of 03 deg. 57' 19", and whose chord bears North 39 deg. 59' 23" East, a distance of 392.71 feet to a set 1/2" iron pin with plastic cap "stamped 4233' being a point of tangency;

(27) NORTH 40 deg. 31' 03" East, a distance of 46.82 feet to a found 3/8" iron pin being an angle point;

(28) NORTH 41 deg. 54' 40" East, a distance of 651.39 feet to a found 1/2" iron pin being an angle point;

(29) NORTH 47 deg. 13' 29" East, a distance of 350.23 feet to a found 1/2" iron pin being an angle point; and

(30) NORTH 52 deg. 37' 59" East, a distance of 47.66 feet to a found 1" diameter iron pipe being the POINT OF BEGINNING, and containing 96.074 acres (4,184,983 sq. ft.) of land.

SECTION 5. (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 6. (a) Section 7206.103, Special District Local Laws Code, as added by Section 1 of this Act, takes 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 7206, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7206.103 to read as follows:

Sec. 7206.103. 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.

(d) If another state agency, including the Public Utility Commission of Texas, succeeds to the power, authority, duties, or jurisdiction of the Texas Commission on Environmental Quality for any matter addressed by this Act, then any reference in this Act to the Texas Commission on Environmental Quality as to those matters means the successor agency. All compensation owed to the Crystal Clear Water Supply Corporation under Section 13.254, Water Code, whether liquidated or not, for the area decertified by order of the Texas Commission on Environmental Quality under Application No. 37192-C, and all claims, causes of action, choses in action, rights, benefits, and interest are considered an asset of the corporation, and on transfer of the assets of the corporation to the district, such claims, causes of action, choses in action, rights, benefits, interest, and compensation is owed to, and accrues to, the district.

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.

The amendment was read.

Senator Zaffirini moved to concur in the House amendment to **SB 1116**.

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

Absent-excused: Carona.

SENATE BILL 1210 WITH HOUSE AMENDMENT

Senator Zaffirini called **SB 1210** 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 1210** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to conditions on the receipt of tuition and fee exemptions and waivers at public institutions of higher education.

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

SECTION 1. Subchapter D, Chapter 54, Education Code, is amended by adding Sections 54.2001 and 54.2002 to read as follows:

Sec. 54.2001. CONTINUED RECEIPT OF EXEMPTIONS OR WAIVERS CONDITIONAL. (a) Notwithstanding any other law but subject to Subsection (f), after initially qualifying under this subchapter for a mandatory or discretionary exemption or waiver from the payment of all or part of the tuition or other fees for enrollment during a semester or term at an institution of higher education, a person may continue to receive the exemption or waiver for a subsequent semester or term only if the person:

(1) as a graduate or undergraduate student, maintains a grade point average that satisfies the institution's grade point average requirement for making satisfactory academic progress toward a degree or certificate in accordance with the institution's policy regarding eligibility for financial aid; and

(2) as an undergraduate student, has not completed as of the beginning of the semester or term a number of semester credit hours that is considered to be excessive under Section 54.014, unless permitted to complete those hours by the institution on a showing of good cause.

(b) In determining whether a person has completed a number of semester credit hours that is considered to be excessive for purposes of Subsection (a)(2), semester credit hours completed include transfer credit hours that count toward the person's undergraduate degree or certificate program course requirements but exclude:

(1) hours earned exclusively by examination;

(2) hours earned for a course for which the person received credit toward the person's high school academic requirements; and

(3) hours earned for developmental coursework that an institution of higher education required the person to take under Section 51.3062 or under the former provisions of Section 51.306.

(c) If on the completion of any semester or term a person fails to meet any requirement of Subsection (a), for the next semester or term in which the person enrolls the person may not receive the exemption or waiver described by Subsection (a). A person may become eligible to receive an exemption or waiver in a subsequent semester or term if the person:

(1) completes a semester or term during which the person is not eligible for an exemption or waiver; and

(2) meets each requirement of Subsection (a), as applicable.

(d) Each institution of higher education shall adopt a policy to allow a student who fails to maintain a grade point average as required by Subsection (a)(1) to receive an exemption or waiver in any semester or term on a showing of hardship or other good cause, including:

(1) a showing of a severe illness or other debilitating condition that could affect the student's academic performance;

(2) an indication that the student is responsible for the care of a sick, injured, or needy person and that the student's provision of care could affect the student's academic performance;

(3) the student's active duty or other service in the United States armed forces or the student's active duty in the Texas National Guard; or

(4) any other cause considered acceptable by the institution.

(e) An institution of higher education shall maintain documentation of each exception granted to a student under Subsection (d).

(f) If a requirement imposed by this section for the continued receipt of a specific exemption or waiver conflicts with another requirement imposed by statute for that exemption or waiver, the stricter requirement prevails.

(g) This section does not apply to:

(1) the waiver provided by Section 54.216 or any other reduction in tuition provided to a high school student for enrollment in a dual credit course or other course for which the student may earn joint high school and college credit;

(2) the exemption provided by Section 54.341(a-2)(1)(A), (B), (C), or (D) or (b)(1)(A), (B), (C), or (D);

(3) the exemption provided by Section 54.342 or 54.366; or

(4) any provision of this code that authorizes or requires the payment of tuition or fees at the rates provided for residents of this state by a person who is not a resident of this state for purposes of Subchapter B.

Sec. 54.2002. EXEMPTIONS AND WAIVERS FOR STATE-FUNDED COURSES ONLY. Notwithstanding any other law, a mandatory or discretionary exemption or waiver from the payment of tuition or other fees under this subchapter or another provision of this code applies only to courses for which an institution of higher education receives formula funding.

SECTION 2. The change in law made by this Act applies to a person's eligibility for an exemption or waiver from the payment of all or part of tuition or other fees beginning with tuition and fees charged for the 2014 fall semester.

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 Zaffirini moved to concur in the House amendment to **SB 1210**.

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

Absent-excused: Carona.

SENATE BILL 1599 WITH HOUSE AMENDMENT

Senator Zaffirini called **SB 1599** 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 1599** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to county and municipal land development regulation.

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

SECTION 1. Section 405.021, Government Code, is amended by adding Subsection (g-1) to read as follows:

(g-1) A system described by Subsection (g):

(1) must include a method for a municipality or county, on a form prescribed by the secretary of state, to nominate an area for identification as a colonia; and

(2) may provide for the review of a nominated area by the Texas Water Development Board, the office of the attorney general, or any other appropriate state agency as determined by the secretary of state.

SECTION 2. Section 232.022(d), Local Government Code, is amended to read as follows:

(d) This subchapter does not apply if all [~~each~~] of the lots of the subdivision are more than [~~is~~] 10 [~~or more~~] acres.

SECTION 3. Section 232.023, Local Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) A subdivider of land must have a plat of the subdivision prepared if at least one of the lots of the subdivision is five acres or less. A commissioners court by order may require each subdivider of land to prepare a plat if none of the lots is five acres or less but at least one of the lots of a subdivision is more than five acres but not more than 10 acres.

(a-1) A subdivision of a tract under this section [~~subsection~~] includes a subdivision of real property by any method of conveyance, including a contract for deed, oral contract, contract of sale, or other type of executory contract, regardless of whether the subdivision is made by using a metes and bounds description.

SECTION 4. Section 232.072, Local Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The owner of a tract of land that divides the tract in any manner that creates at least one lot [~~lots~~] of five acres or less intended for residential purposes must have a plat of the subdivision prepared. A commissioners court by order may require each subdivider of land to prepare a plat if none of the lots is five acres or less but at least one of the lots of the subdivision is more than five acres but not more than 10 acres.

(a-1) A subdivision of a tract under this section includes a subdivision of real property by any method of conveyance, including a contract for deed, oral contract, contract of sale, or other type of executory contract, regardless of whether the subdivision is made by using a metes and bounds description.

SECTION 5. Section 16.343, Water Code, is amended by adding Subsection (f) and amending Subsection (g) to read as follows:

(f) The model rules may impose a platting or replatting requirement pursuant to Subsection (b)(2), (c)(2), or (d). Except as may be required by an agreement developed under Chapter 242, Local Government Code, a municipality that has

adopted the model rules may impose the applicable platting requirements of Chapter 212, Local Government Code, and a county that has adopted the model rules may impose the applicable platting requirements of Chapter 232, Local Government Code, to real property that is required to be platted or replatted by the model rules under this section.

(g) Before an application for funds under Section 15.407 or Subchapter P, Chapter 15, or Subchapter K, Chapter 17, may be considered by the board, if the applicant is located:

(1) in a municipality, the municipality must adopt and enforce the model rules in accordance with this section;

(2) in the extraterritorial jurisdiction of a municipality, the applicant must demonstrate that the model rules have been adopted and are enforced in the extraterritorial jurisdiction by the municipality or the county; or

(3) outside the extraterritorial jurisdiction of a municipality, the county must adopt and enforce the model rules in accordance with this section [a political subdivision must adopt the model rules pursuant to this section. If the applicant is a district, nonprofit water supply corporation, or colonia, the applicant must be located in a city or county that has adopted such rules. Applicants for funds under Section 15.407 or Subchapter P, Chapter 15, or Subchapter K, Chapter 17, may not receive funds under those provisions unless the applicable political subdivision adopts and enforces the model rules].

SECTION 6. The changes in law made by this Act to Chapter 232, Local Government Code, apply only to a subdivision plat application submitted for approval on or after the effective date of this Act. A subdivision plat application submitted for approval 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.

SECTION 7. This Act takes effect September 1, 2013.

The amendment was read.

Senator Zaffirini moved to concur in the House amendment to **SB 1599**.

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

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

Nays: Fraser, Paxton.

Absent-excused: Carona.

SENATE BILL 1601 WITH HOUSE AMENDMENT

Senator Zaffirini called **SB 1601** 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 1601** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the creation of the Central Laredo Municipal Management District; providing authority to impose a tax, levy an assessment, impose a fee, and issue bonds.

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 3862 to read as follows:

CHAPTER 3862. CENTRAL LAREDO MUNICIPAL MANAGEMENT DISTRICT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3862.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "City" means the City of Laredo, Texas.
- (3) "Director" means a board member.
- (4) "District" means the Central Laredo Municipal Management District.

Sec. 3862.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3862.003. PURPOSE; LEGISLATIVE FINDINGS. (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) The district is created to supplement and not to supplant city services provided in the district.

Sec. 3862.004. 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;
 - (3) developing or expanding transportation and commerce; and
 - (4) providing quality residential housing.
- (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 residential community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping, removing graffiti, and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes 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. 3862.005. 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. 3862.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

(a) 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.

(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 the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project. A project may not receive public funds under Section 380.002(b), Local Government Code, unless the project has been approved by the governing body of the city.

(c) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006(b), Tax Code.

Sec. 3862.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3862.008. LIBERAL 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. 3862.051. GOVERNING BODY; TERMS. The district is governed by a board of nine directors who serve staggered terms of four years expiring June 1 of each odd-numbered year.

Sec. 3862.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY CITY.

(a) To be qualified to serve as a director appointed by the governing body of the city, a person must be:

- (1) a resident of the district who is also a registered voter of the district;
- (2) an owner of property in the district;
- (3) an owner of stock or a partnership or membership interest, whether beneficial or otherwise, of a corporate partnership, limited liability company, or other entity owner of a direct or indirect interest in property in the district;
- (4) an owner of a beneficial interest in a trust, or a trustee in a trust, that directly or indirectly owns property in the district; or
- (5) an agent, employee, or tenant of a person described by Subdivision (2), (3), or (4).

(b) Section 49.052, Water Code, does not apply to the district.

Sec. 3862.053. APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint directors from persons recommended by the board.

Sec. 3862.054. VACANCY. If a vacancy occurs on the board, the remaining directors shall appoint a director for the remainder of the unexpired term.

Sec. 3862.055. DIRECTOR'S OATH OR AFFIRMATION. (a) A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

(b) A director shall file a copy of the director's oath or affirmation with the secretary of the city.

Sec. 3862.056. QUORUM. A vacant director position is not counted for purposes of establishing a quorum.

Sec. 3862.057. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person.

Sec. 3862.058. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed \$50 for each board meeting. The total amount of compensation for each director in one year may not exceed \$2,000.

(b) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of the board.

Sec. 3862.059. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

- (1) actions taken by the director in the director's capacity as a member of the board;
- (2) actions and activities taken by the district; or

(3) the actions of others acting on behalf of the district.

Sec. 3862.060. NO EXECUTIVE COMMITTEE. The board may not create an executive committee to exercise the powers of the board.

Sec. 3862.061. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Sec. 3862.062. INITIAL DIRECTORS. (a) The initial board consists of:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>Jorge Verduzco</u>
<u>2</u>	<u>Raul Perales</u>
<u>3</u>	<u>Rick Norton</u>
<u>4</u>	<u>Larry Friedman</u>
<u>5</u>	<u>Roque Haynes</u>
<u>6</u>	<u>Viviana Frank</u>
<u>7</u>	<u>Rafael Torres</u>
<u>8</u>	<u>Javier B. Santos</u>
<u>9</u>	<u>Anselmo Robledo</u>

(b) The terms of the initial directors expire June 1, 2015.

(c) Of the directors who replace an initial director, the terms of directors serving in positions 1, 2, 3, 4, and 5 expire June 1, 2017, and the terms of directors serving in positions 6, 7, 8, and 9 expire June 1, 2019.

(d) Section 3862.052 does not apply to this section.

(e) This section expires September 1, 2019.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3862.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 3862.102. IMPROVEMENT PROJECTS AND SERVICES. (a) The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using 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.

(b) An improvement project described by Subsection (a) may be located:

(1) in the district; or

(2) in an area outside but adjacent to the district if the project is for the purpose of extending a public infrastructure improvement beyond the district's boundaries to a logical terminus.

Sec. 3862.103. 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. 3862.104. 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. 3862.105. 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. 3862.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including Webb County or the city, to provide law enforcement services in the district for a fee.

Sec. 3862.107. 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. 3862.108. 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 that:

(1) Chapter 380, Local Government Code, provides to a municipality; and

(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Sec. 3862.109. 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 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. 3862.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3862.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of signatures and the procedure required for a disbursement or transfer of the district's money.

Sec. 3862.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain an improvement project or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Sec. 3862.153. 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) The petition must be signed by:

(1) 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 Webb County; or

(2) at least 25 persons who own real property in the district subject to assessment, if more than 25 persons own real property in the district subject to assessment as determined by the most recent certified tax appraisal roll for Webb County.

Sec. 3862.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Sec. 3862.155. 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. 3862.156. LIMITATION ON AMOUNT OF CERTAIN ASSESSMENTS. An assessment based on the taxable value of real property may not exceed 20 cents per \$100 of assessed valuation of taxable property in the district, according to the most recent certified tax appraisal roll for Webb County.

Sec. 3862.157. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3862.201. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes or assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any other source.

Sec. 3862.202. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Sec. 3862.203. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due; and

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date.

Sec. 3862.204. ELECTIONS REGARDING TAXES. 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.

SUBCHAPTER F. DISSOLUTION

Sec. 3862.251. DISSOLUTION BY CITY ORDINANCE. (a) The city by ordinance may dissolve the district.

(b) The city may not dissolve the district until the district's outstanding debt or contractual obligations that are payable from ad valorem taxes have been repaid or discharged, or the city has affirmatively assumed the obligation to pay the outstanding debt from city revenue.

Sec. 3862.252. 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, other than ad valorem taxes, the city shall succeed 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.

Sec. 3862.253. CONCURRENCE ON ADDITIONAL POWERS. If the legislature grants the district a power that is in addition to the powers approved by the initial resolution of the governing body of the city consenting to the creation of the district, the district may not exercise that power unless the governing body of the city consents to that change by resolution.

Sec. 3862.254. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, 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 2. The Central Laredo Municipal Management District initially includes all territory contained in the following area:

The Central Laredo Municipal Management District is approximately 918 acres (1.43 sq. mi.) and is situated in the central business district of Laredo with the beginning point being at north right-of-way (ROW) of Park St. and east ROW of San Dario Ave. and described by the following:

Then east along north ROW of Park St. to east ROW of San Eduardo Ave.;

Then south along east ROW of San Eduardo Ave. to south ROW of Washington St.;

Then east along south ROW of Washington St to east ROW of San Jorge Ave.;

Then north along east ROW of San Jorge Ave. to north ROW of Moctezuma St.;

Then east along north ROW of Moctezuma St.; to southwest corner of 0.797 ac. parcel (LOT 1,3,5,7 BLK 221 WD ZACATE CREEK PROJECT);

Then north along west boundary of said 0.797 ac. parcel, and 0.797 ac. parcel (LOTS 1,3,5,7 BLK 239 WD ZACATE CREEK PROJECT) to north ROW of Coke St;

Then east along north ROW of Coke St to west ROW of San Enrique Ave.;

Then north along west ROW of San Enrique Ave. to south ROW of Garcia St.;

Then east along south ROW of Garcia St. to centerline of Zacate Creek drainage easement;

Then north along centerline of drainage easement to a point west of south ROW of W. Fremont St. and northwest corner of 1.7716 acre parcel (ALL BLK 259 ED ZACATE CREEK PROJECT);

Then east along north boundary of said 1.7716 acre parcel and south ROW of W. Fremont St. to east ROW McDonell Ave.;

Then south along east ROW of McDonell Ave. to north ROW of W. Guerrero St.;

Then east along north ROW of W. Guerrero St. to east ROW of Monterrey Ave.;

Then south along east ROW of Monterrey Ave. to north ROW of Galveston St.;

Then east along north ROW of Galveston St. to east ROW of Marcella Ave.;

Then south along east ROW of Marcella Ave. to south ROW of Mier St.;

Then west along south ROW of Mier St. to east ROW of Monterrey Ave.;

Then south along east ROW of Monterrey Ave. to north ROW of Garfield St.;

Then east along north ROW of Garfield Ave. to east ROW of Sanders Ave.;

Then south along east ROW of Sanders Ave to northwest corner of 0.666 ac. Parcel (LOT 6, 7, 8, PT 1 BLK 85 ED (NON OPER));

Then east along north boundary of said 0.666 ac. parcel, and LOT 5 BLK 85 ED, and BLK 59 ED Lots 1-6, LOTS 1-6 BLK 80 ED, LOTS 1-6 BLK 81 ED to east ROW of Lexington Ave. and southwest corner of 0.4429 ac. Parcel (LOTS 10-11-12 BLK 82 ED);

Then north along east ROW of Lexington Ave. to south ROW of Garfield St.;

Then east along south ROW of Garfield St. to west ROW of Cedar Ave.;

Then south along west ROW of Cedar Ave. to point west of northwest corner of 0.1107 ac. Parcel (N1/2 OF LOT 8 BLK 83 ED);

Then east across ROW of Cedar Ave. and along north boundary of Blk 83 ED Lots 5-8, across ROW of Logan Ave., and along north boundary of Blk 91 ED Lots 7-8 and to southwest corner of 0.2214 ac. Parcel (LOT 3 BLK 91 ED);

Then north along west boundary of said 0.2214 ac. parcel to south ROW of Garfield St.;

Then east along south ROW of Garfield St. to east ROW of Hendricks Ave.;

Then south along east ROW of Hendricks Ave. to northwest corner of 0.558 ac. Parcel (LOTS 1-2-3-4 BLK 598 ED OFFICE BLDS AT 1002 CORPUS CHRISTI);

Then east along north boundary of said 0.558 ac. parcel, and 0.277 ac. Parcel (LOTS 5-6 BLK 598 ED 1020 CORPUS CHRISTI), Lots 7-12 BLK 632 ED, Lots 7-12 BLK 693 ED, Lots 1-6 BLK 727 ED, Lots 4-9 BLK 788 ED to west ROW of Seymour Ave.;

Then north along west ROW of Seymour Ave. to a point west of northwest corner of 0.356 ac. parcel (LOTS 7-8 BLK 823 ED);

Then east across ROW of N. Seymour Ave. and along north boundary to said 0.356 ac. parcel and northeast corner of said parcel ;

Then south along east boundary of said 0.356 ac. parcel to coincident northwest corner of 0.178 ac. Parcel (LOT 3 BLK 823 ED);

Then east along north boundary of said 0.178 ac. parcel to east ROW of N. Meadow Ave.;

Then south along east ROW of N. Meadow Ave. to a point due east of southeast corner of 0.3366 acre parcel (LOTS 5-6 & E20.78' OF 4 BLK 822 ED) and Lots 1-6 BLK 822 ED.;

Then west across ROW of N. Meadow Ave. and along south boundary of Lots 1-6 BLK 822 ED, Lots 1-6 BLK 789 ED, Lots 1-4 BLK 726 ED, Lots 1-6 BLK 694 ED to east boundary of 0.88 ac. parcel (LOTS 4-5-6-7-8-9 AKA REPLAT LOT 1A BLK 631 ED 0.88 ACRE) and west ROW of McPherson Ave.;

Then south along west ROW of McPherson Ave. to north ROW of Laredo St.;

Then west along north ROW of Laredo St. and south boundary of said 0.88 ac. parcel to southwest corner of said parcel;

Then north along west boundary of said 0.88 ac. parcel to coincident southeast corner of 0.2047 ac. parcel (REPLAT LOT 2A BLK 631 ED);

Then west along south boundary of said 0.2047 ac. parcel, and REPLAT LOT 1A BLK 631 ED to west ROW of McClelland Ave. and east boundary of 0.63 ac. parcel (LOTS 7-8-9-10 & N20' OF LOTS 5-6 BLK 599 ED);

Then south along east boundary of said 0.63 ac. parcel to southeast corner of said parcel;

Then west along south boundary of said 0.63 acre parcel to southwest corner of said parcel;

Then north and west along boundary of said 0.63 acre parcel, and Lots 11-12 BLK 599 ED, 0.4425 ac. parcel (Lots 3-4 BLK 555 ED) to southwest corner of said 0.4425 ac. parcel and coincident east boundary of 0.2718 ac. parcel (REPLAT LOT 9-A & 619.45 SQ FT OUT OF LOT 2 BLK 555 ED);

Then south along east boundary of said 0.2718 ac. parcel to southeast corner of said parcel;

Then west along south boundary of said 0.2718 ac. parcel to west ROW of Tilden Ave.;

Then north along west ROW of Tilden Ave to southeast corner of 0.442723 ac. parcel (LOT 3 BLK 93 ED);

Then west along south boundary said 0.442723 ac. parcel, and Lots 1-3 BLK 93 ED, Lots 7-12 BLK 92 ED, Lots 7-12 BLK 45 ED, Lots 7-12 BLK 44 ED to east ROW of N. Maryland Ave.;

Then south along east ROW of N. Maryland Ave. to northwest corner of 0.051 ac. parcel (N40' OF LOT 10 BLK 38 ED);

Then east along north boundary of said 0.051 ac. parcel, Lots 6-10 BLK 38 ED, Lots 6-10 BLK 37 ED, Lots 5-8 BLK 36 ED, to east ROW of Logan Ave.;

Then north along east ROW of Logan Ave. to south ROW of Laredo St.;

Then east along south ROW of Laredo St. to west ROW of Tilden Ave.;

Then south along west ROW of Tilden Ave. to a point west of northwest corner of 0.526 (LOTS 5-8 & S8' OF 1 & S8' OF W23.21' OF 2 & E46.23' OF S55.2' OF 2 & W23.4' OF S55.2' OF 3 & E45.96' OF S8' OF 3 & S8' OF 4 BLK 556 ED);

Then east across ROW of Tilden Ave. and along north boundary of said 0.526 ac. parcel (LOTS 5-8 & S8' OF 1 & S8' OF W23.21' OF 2 & E46.23' OF S55.2' OF 2 & W23.4' OF S55.2' OF 3 & E45.96' OF S8' OF 3 & S8' OF 4 BLK 556 ED), E37-W74.82-N30 OF L4;S16.5 OF W54.32 OF L4;W54.32'-5&6 E37.68-W92' OF LT4-5&6; W39.32' OF N30'LT 4 BLK 600 ED, E46' OF LOTS 4-5 & W18' OF LOT7-8-9 BLK 600 ED to west boundary of 0.84 ac. parcel (PT OF LOTS 7,8 & 9, ALL OF 10, 11 & 12 BLK 600 ED);

Then north along west boundary of said 0.84 ac. parcel to northwest boundary of said parcel and south ROW of Laredo St.;

Then east along south ROW of Laredo St., across ROW of McClellan Ave. to northeast corner of 0.77125 ac. parcel (LOTS 1,2,3 & W1/2 OF 10,11 & 12 BLK 630 ED);

Then south along east boundary of said 0.77125 ac. parcel to north boundary of 0.484 ac. parcel (LOTS 7-8-9 & E1/2 OF 10 BLK 630 ED);

Then east along north boundary of said 0.484 ac. parcel, and W19' OF 11 & ALL 12 BLK 695 ED, and LOT 10-A BLK 695 ED, and east across LOTS 4 TO 9 BLK 695 ED, WELLS FARGO BANK - LAREDO EAST BRANCH, and LOTS 7-12 BLK 725 ED to east ROW of N. Loring Ave.;

Then north along east ROW of N. Loring Ave. to south ROW of Laredo St.;

Then east along south ROW of Laredo St. to west ROW of N. Seymour Ave.;

Then south along west ROW of N. Seymour Ave. to a point west of northwest corner of 0.418 ac. parcel (LOTS 10-11-12 BLK 821 ED);

Then east along north boundary of said 0.418 ac. parcel, and REPLAT LOT 7-A BLK 821 ED, and N1/2 OF 7-8 BLK 821 ED to east ROW of N. Meadows Ave.;

Then south along east ROW of N. Meadows Ave. to a point east of southeast corner of 0.266676 acre parcel (REPLAT 5A (PREV-E7' OF N88.6' OF 4 & N88.6' OF 5 & N88.2 OF 6) BLK 819 ED);

Then west across the ROW of N. Meadows Ave. and along south boundary of LOTS 1-5 BLK 819 ED, and LOTS 1-6 BLK 792 ED, to east ROW of N. Loring Ave.;

Then north along east ROW of N. Loring Ave. to a point west of north boundary of 0.383344 ac. parcel (N90' OF 7 TO 10 BLK 723 ED);

Then west across ROW of N. Loring Ave. and along south boundary of said 0.383344 ac. parcel to northeast corner of 0.093226 ac. parcel (S48' OF 10 & SW38' OF 9 BLK 723 ED);

Then south along east boundary of said 0.093226 ac. parcel to southeast corner of said parcel;

Then west along south boundary of said 0.093226 ac. parcel, and LOTS 11-12 BLK 723 ED, and LOTS 7-12 BLK 697 ED, and LOTS 1-6 BLK 628 ED, and LOTS 7-12 BLK 602 ED, and LOT 7-12 BLK 558 ED, and LOTS 7-12 BLK 96 ED, and LOTS 7-12 BLK 26 ED, and LOTS 2-5 BLK 27 ED, and LOTS 1-5 BLK 28 ED, to east ROW of Maryland Ave.;

Then south along east ROW of Maryland Ave. to northwest corner of 0.221551 ac. parcel (LOT 8 BLK 23 ED);

Then east along north boundary of said 0.221551 ac. parcel, and LOTS 5-7 BLK 23 ED to southwest corner of 0.332134 ac. parcel (E1/2 OF LOT 3 & ALL OF LOT 4 BLK 23 ED);

Then north along west boundary of said 0.332134 ac. parcel to northwest corner of said parcel and south ROW of Rosario St.;

Then east along south ROW of Rosario St. to east ROW of Cedar Ave.;

Then south along east ROW of Cedar Ave. to northwest corner of 0.28292 ac. parcel (LOTS 1-2 BLK 25 ED);

Then east along north boundary of said 0.28292 ac. parcel, and LOT 3-6 BLK 25 ED, and LOTS 7-12 BLK 97 ED, and LOTS 7-12 BLK 559 ED, and LOTS 7-12 BLK 603 ED, LOTS 7-12 BLK 627 ED, to east ROW of McPherson Ave.;

Then north along east ROW of McPherson Ave.; to south ROW of Rosario St.;

Then east along south ROW of Rosario St. to west ROW of N. Stone Ave.;

Then south along west ROW of N. Stone Ave. to a point west of northwest corner of 0.2796 ac. parcel (LOTS 11-12 BLK 722 ED);

Then east across ROW of N. Stone Ave. and along north boundary of said 0.2796 ac. parcel, and LOTS 7-12 BLK 722 ED, and LOTS 7-12 BLK 793 ED, and LOTS 7-12 BLK 818 ED to east ROW of N. Meadow Ave.;

Then south along east ROW of N. Meadow Ave. to a point east of southeast corner of 0.2746 acre parcel (LOTS 5 & 6 BLK 817 ED AT 1519 MARKET ST);

Then west across ROW of N. Meadow Ave. and along said 0.2746 acre parcel and LOTS 1-6 BLK 817 ED, and LOTS 1-6 BLK 794 ED to west ROW of N. Loring Ave.;

Then north along west ROW of N. Loring Ave. to south ROW of Market St.;

Then west along south ROW of Market St. to east ROW of N. Stone Ave.;

Then south along east ROW of N. Stone Ave. to a point east of southeast corner 0.293361 ac. parcel (LOT 7-8 BLK 699 ED);

Then west across ROW of N. Stone Ave. and along south boundary of said 0.293361 ac. parcel, and LOTS 9-10 BLK 699 ED, and REPLAT LOT 12-A BLK 699 ED, and LOTS 7-12 BLK 626 ED, and LOTS 1-6 BLK 604 ED, and LOTS 1-6 BLK 560 ED, and LOTS 1-6 BLK 98 ED, and LOTS 3-4 BLK 10 ED, and E53.44' OF LOT 2 BLK 10 ED, and LOT 1 & W16' OF 2 & N13X69.4 OF 8 BLK 10 ED to west ROW of Cedar Ave.;

Then north along west ROW of Cedar Ave. to south ROW of Market St.;

Then west along south ROW of Market St. to northeast corner of 1.78 ac. parcel (ALL OF BLK 20 ED);

Then south along east boundary of said 1.78 ac. parcel, and 1.77 ac. parcel (ALL OF BLK 53 ED) to northeast corner of 0.53 ac. parcel (PT OF BLK 79 ED);

Then southwest along east boundary of said 0.53 ac. parcel to a point east of northeast corner of 0.198242 ac. parcel (E29.0' OF 4 & W8.7' OF 5 (BY METES & BOUNDS) BLK 360 WD);

Then west across Zacate Creek drainage to northeast corner of said 0.198242 ac. parcel and coincident south ROW of Ventura St.;

Then generally west along south ROW of Ventura St. (Santa Ursula Ave.) and north bank of Rio Grande River to west ROW of Convent Ave and south ROW of Pedregal St (River Rd.);

Then generally west along south ROW of Pedregal St (River Rd.) to east ROW of San Francisco Javier Ave.;

Then northwest along across ROW of San Francisco Javier Ave and along south ROW of Pedregal St. (River Rd.) to west ROW of Santa Isabel Ave.;

Then north along west ROW of Santa Isabel Ave. to north ROW of Scott St.;

Then east along north ROW of Scott St. to southwest corner of 0.312733 ac. parcel (LOT 3 & W1/2 OF 1 BLK 233 WD);

Then north along west boundary of said 0.312733 ac. parcel, and LOTS 5 & 7 BLK 233 WD, and LOTS 1-3-5-7 BLK 248 WD, and LOTS 1-3-5-7 BLK 267 WD, and LOTS 1-3-5-7 BLK 310 WD, and LOTS 1-3-5-7-9 BLK 349 WD, and LOTS 1-3-5-7-9 BLK 368 WD, and LOTS 1-3-5-7 BLK 479 WD CONDO 2B to north ROW of Park St.;

Then east along north ROW of Park St. to west ROW of San Bernardino Ave.;

Then north along west ROW of San Bernardino to south ROW of Garden St.;

Then west along south ROW of Garden St. to east ROW of San Agustin Ave.;

Then north along east ROW of San Agustin Ave. to south ROW of Constantinople St.;
Then east along south ROW of Constantinople St. to a point south of southwest corner of 0.405613 ac. parcel (LOTS 8, 10 & 12 BLK 572 WD);

Then generally north along west boundary of said 0.405613 ac. parcel, and LOT 2-4-6 BLK 572 WD, and ALL BLK 575 WD, and LOTS 1-7 BLK 766 WD, and LOTS 1-6 BLK 775 WD, and LOTS 1-6 BLK 678 WD, and LOTS 1-6 BLK 816 WD, and LOTS 1-6, 9, 11 & 12 BLK 849 WD, and LOTS 1 TO 4 BLK 858 WD, and LOTS 5-7 & E12 1/2' OF LOTS 6 & 8 BLK 858 WD, and LOTS 7-9-11 BLK 891 WD, and LOT 3-A BLK 891 WD, and LOTS 7-8-9-11 BLK 900 WD LAS ASADAS, and LOTS 1-3-5 BLK 900 WD, LOTS 3 TO 10 BLK 933 WD, and LOTS 1-2-11-12 BLK 933 WD @ 3620 SAN BERNARDO AVE, and S41.4'-1 BLK 942 WD, N28.4'-1 & S23.1'-3 BLK 942 WD, and N46.5'-3 & S46.3'-5 BLK 942 WD, and LOTS 7-8 & N PT OF 5-6 BLK 942 WD, and LOTS 7-8 BLK 976 WD, and LOTS 4 & 9 BLK 976 WD, and LOTS 10-12 BLK 976 WD, LOTS 7-12 BLK 985 WD, and LOTS 1 TO 4 & S2/3-5-6 BLK 1016 WD, and LOT 7 & N1/3-5 BLK 1016 WD to north ROW of Pace St.;

Then west along north ROW of Pace St. to east ROW of Flores Ave.;

Then north along east ROW of Flores Ave. to south ROW of Chicago St.;

Then east along south ROW of Chicago St. to east ROW of Santa Ursula Ave.;

Then south along east ROW of Santa Ursula Ave. to north ROW of Park St.;

Then east along north ROW of Park St. to east ROW of San Dario Ave. and beginning point of 918 ac. district.

Save and Except LOTS 1 & 2 BLK 601 ED;

Save and Except LOTS 3-4 BLK 601 ED;

SECTION 3. (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 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 Zaffirini moved to concur in the House amendment to **SB 1601**.

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

Absent-excused: Carona.

SENATE BILL 21 WITH HOUSE AMENDMENTS

Senator Williams called **SB 21** 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 21** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to drug screening or testing as a condition for the receipt of unemployment compensation benefits by certain individuals.

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

SECTION 1. Section 207.021, Labor Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) An individual for whom suitable work is available only in an occupation designated by United States Department of Labor regulation as an occupation that regularly conducts preemployment drug testing is available for work for purposes of Subsection (a)(4) only if the individual complies with the applicable requirements of the drug screening and testing program administered by the commission under Section 207.026. The commission shall adopt rules for determining the type of work that is suitable for an individual for purposes of this subsection.

SECTION 2. Subchapter B, Chapter 207, Labor Code, is amended by adding Section 207.026 to read as follows:

Sec. 207.026. DRUG SCREENING OR TESTING AS CONDITION OF BENEFIT ELIGIBILITY FOR CERTAIN APPLICANTS AND RECIPIENTS.

(a) The commission by rule shall adopt a drug screening and testing program as part of the requirements for the receipt of benefits under this subtitle by an individual to whom Section 207.021(b-1) applies. The program must:

(1) comply with the drug testing requirements of 49 C.F.R. Part 382 or other similar national requirements for drug testing programs recognized by the commission; and

(2) be designed to protect the rights of benefit applicants and recipients.

(b) Under the program, each individual to whom Section 207.021(b-1) applies who files an initial claim must submit to and pass a drug screening assessment developed and administered by or on behalf of the commission for purposes of this subsection as a prerequisite to receiving benefits under this subtitle. The assessment tool used under this subsection must consist of a written questionnaire to be completed by the individual applying for benefits and must be designed to accurately determine the reasonable likelihood that an individual is using a substance that is subject to regulation under Chapter 481, Health and Safety Code. An individual whose drug screening assessment indicates a reasonable likelihood of use by the individual of a substance subject to regulation under that chapter must submit to and pass a drug test administered by or on behalf of the commission to establish the

individual's eligibility for benefits under this subtitle. An individual who fails a drug test required under this subsection under a final determination or decision under this section is not eligible to receive benefits under this subtitle until the individual has passed a subsequent drug test administered by or on behalf of the commission not earlier than four weeks after the date the individual submitted to the failed drug test.

(c) Notwithstanding Subsection (b), an individual is not ineligible to receive benefits based on the individual's failure to pass a drug test if, on the basis of evidence presented by the individual, the commission determines that, subject to Section 207.021(a)(4):

(1) the individual is participating in a treatment program for drug abuse;

(2) the individual enrolls in and attends a treatment program for drug abuse not later than the seventh day after the date initial notice of the failed drug test is sent to the individual; or

(3) the failure to pass the test is caused by the use of a substance that was prescribed by a health care practitioner as medically necessary for the individual.

(d) The commission shall prescribe procedures for providing initial notice to an individual who fails a drug test under Subsection (b), for an appeal under Chapter 212, and for the retaking of a failed drug test by an individual under this section. The procedures must provide:

(1) for prompt initial notice by mail to an individual who fails a drug test under Subsection (b) regarding:

(A) the fact of the individual's failure of the drug test;

(B) the manner in which the individual may notify the commission that the individual has enrolled in and is attending a treatment program for drug abuse;

(C) the manner in which the individual may appeal and retake the failed drug test; and

(D) common potential causes of a false positive test result;

(2) for privacy with regard to the individual's drug test result until not later than the 14th day after the date the initial notice of the failed drug test was mailed to the individual during which time the individual may appeal and retake the failed drug test; and

(3) that a determination or decision that an individual has failed a drug test under this section becomes final on:

(A) the 15th day after the date the initial notice of the failed drug test was mailed to the individual if the individual does not appeal and retake the individual's failed drug test as provided by this section; or

(B) the date that a retest conducted pursuant to an appeal by the individual as provided by this section confirms the positive drug test result.

(e) The commission shall administer the program under this section using existing administrative funds and any funds appropriated to the commission for the purposes of this section.

SECTION 3. The changes in law made by this Act apply only to a claim for unemployment compensation benefits that is filed with the Texas Workforce Commission on or after February 1, 2014.

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 on Third Reading

Amend **CSSB 21** on third reading by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. This Act shall be known as the Ken Legler Act.

The amendments were read.

Senator Williams moved to concur in the House amendments to **SB 21**.

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

Absent-excused: Carona.

SENATE BILL 227 WITH HOUSE AMENDMENT

Senator Williams called **SB 227** 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 227** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the dispensing of aesthetic pharmaceuticals by physicians and therapeutic optometrists; imposing fees.

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

SECTION 1. Subtitle A, Title 3, Occupations Code, is amended by adding Chapter 116 to read as follows:

CHAPTER 116. DISPENSING OF AESTHETIC PHARMACEUTICALS

Sec. 116.001. DEFINITIONS. In this chapter:

(1) "Aesthetic pharmaceutical" means:

(A) a drug listed in the aesthetic pharmaceutical group under Section 116.005; or

(B) a drug that:

(i) is not a controlled substance;

(ii) requires a prescription for dispensation;

(iii) has been listed with the federal Food and Drug Administration;

and

(iv) is prescribed for the enhancement of an individual's

appearance.

(2) "Physician" means a person licensed to practice medicine under Subtitle

B.

(3) "Therapeutic optometrist" means a person licensed to practice therapeutic optometry under Chapter 351.

Sec. 116.002. DISPENSING PERMITTED; FEE AUTHORIZED. (a) A physician or therapeutic optometrist may dispense to the physician's or therapeutic optometrist's patients an aesthetic pharmaceutical in excess of the patient's immediate needs without obtaining a license under Chapter 558. The physician or therapeutic optometrist may charge a fee for dispensing the pharmaceutical.

(b) A therapeutic optometrist may not dispense an aesthetic pharmaceutical if that prescription does not fall within the scope of the practice of therapeutic optometry, as defined by Section 351.002.

Sec. 116.003. NOTICE; LABELING; RECORDKEEPING. (a) Before dispensing an aesthetic pharmaceutical to a patient, a physician or therapeutic optometrist must inform the patient that the prescription for the pharmaceutical may be filled at a pharmacy, if available at a pharmacy, or dispensed in the physician's or therapeutic optometrist's office.

(b) Each state and federal labeling and recordkeeping requirement applicable to an aesthetic pharmaceutical must be followed and documented. A record maintained under this section must be accessible as provided under state and federal law.

Sec. 116.004. RULES; FEES. The Texas Medical Board and the Texas State Board of Pharmacy shall jointly adopt rules for physicians, and the Texas Optometry Board and the Texas State Board of Pharmacy shall jointly adopt rules for therapeutic optometrists, to govern the packaging, labeling, and dispensing of aesthetic pharmaceuticals under this chapter. The Texas Medical Board and the Texas Optometry Board shall adopt reasonable fees as necessary to implement this chapter. A fee adopted under this section may not exceed a fee adopted under Section 554.006 for authorizing a pharmacist to dispense pharmaceuticals.

Sec. 116.005. AESTHETIC PHARMACEUTICAL GROUP. The aesthetic pharmaceutical group consists of:

- (1) bimatoprost;
- (2) hydroquinone; and
- (3) tretinoin.

SECTION 2. Subsection (f), Section 157.002, Occupations Code, is amended to read as follows:

(f) Subsections (b) and (c) do not authorize a physician or a person acting under the supervision of a physician to keep a pharmacy, advertised or otherwise, for the retail sale of dangerous drugs, other than as authorized under Chapter 116 and Section 158.003, without complying with the applicable laws relating to the dangerous drugs.

SECTION 3. Subsection (d), Section 563.051, Occupations Code, is amended to read as follows:

(d) This section does not authorize a physician or a person acting under the supervision of a physician to keep a pharmacy, advertised or otherwise, for the retail sale of dangerous drugs, other than as authorized under Chapter 116 and Section 158.003, without complying with the applicable laws relating to the dangerous drugs.

SECTION 4. The Texas Medical Board, Texas Optometry Board, and Texas State Board of Pharmacy shall adopt rules for the implementation of Chapter 116, Occupations Code, as added by this Act, not later than March 1, 2014.

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) Sections 116.002 and 116.003, Occupations Code, as added by this Act, take effect March 1, 2014.

The amendment was read.

Senator Williams moved to concur in the House amendment to **SB 227**.

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

Yeas: Birdwell, 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.

Absent-excused: Carona.

SENATE BILL 320 WITH HOUSE AMENDMENT

Senator Williams called **SB 320** 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 320** (house committee printing) in SECTION 1 of the bill, after added Section 9040.105(d), Special District Local Laws Code, by adding the following:

(e) For any fill or levee project located in the district and in the watershed of the San Jacinto River Basin, the district shall obtain approval for the plan from any state or federal agency with jurisdiction to permit a project of the same type and from any municipality with a right to divert state water from a point located between the district and Lake Houston.

The amendment was read.

Senator Williams moved to concur in the House amendment to **SB 320**.

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

Absent-excused: Carona.

SENATE BILL 321 WITH HOUSE AMENDMENT

Senator Williams called **SB 321** 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 321** (house committee printing) in SECTION 1 of the bill, after added Section 9041.105(d), Special District Local Laws Code, by adding the following:

(e) For any fill or levee project located in the district and in the watershed of the San Jacinto River Basin, the district shall obtain approval for the plan from any state or federal agency with jurisdiction to permit a project of the same type and from any municipality with a right to divert state water from a point located between the district and Lake Houston.

The amendment was read.

Senator Williams moved to concur in the House amendment to **SB 321**.

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

Absent-excused: Carona.

SENATE BILL 549 WITH HOUSE AMENDMENTS

Senator Williams called **SB 549** 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 549** (house committee printing), on page 1, line 9, by striking "Section 71.02 or 71.023", and substituting "Section 71.02, Penal Code, other than an offense punishable as a state jail felony under that section, an offense under Section 71.023".

Floor Amendment No. 2

Amend **SB 549** (house committee printing) on page 6 by striking lines 3-4 and substituting the following:

(3) an offense that is punishable under Section 481.112(e), 481.112(f), 481.1121(b)(4), 481.115(f), or 481.120(b)(6), Health and Safety Code

Floor Amendment No. 1 on Third Reading

Amend **SB 549** on third reading as follows:

(1) In the introductory language for the SECTION of the bill amending Section 71.02(b), Penal Code, between "SECTION ____." and "Subsection (b)", insert the following:

"(a) This section shall be known as Chelsea's Law.

(b)"

(2) In amended Section 71.02(b), Penal Code, strike "if the most serious offense is a felony of the first degree," and substitute "[~~if the most serious offense is a felony of the first degree,~~]".

(3) In amended Section 71.02(b), Penal Code, strike "life or for any term of not more than 99 years or less than 15 years" and substitute the following:

":

(1) life without parole, if the most serious offense is an aggravated sexual assault and if at the time of that offense the defendant is 18 years of age or older and:

(A) the victim of the offense is younger than six years of age;

(B) the victim of the offense is younger than 14 years of age and the actor commits the offense in a manner described by Section 22.021(a)(2)(A); or

(C) the victim of the offense is younger than 17 years of age and suffered serious bodily injury as a result of the offense; or

(2) life or for any term of not more than 99 years or less than 15 years if the most serious offense is an offense punishable as a felony of the first degree, other than an offense described by Subdivision (1)"

The amendments were read.

Senator Williams moved to concur in the House amendments to **SB 549**.

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

Absent-excused: Carona.

SENATE BILL 1289 WITH HOUSE AMENDMENTS

Senator Williams called **SB 1289** 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 1289** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to certain business entities engaged in the publication of mug shots and other information regarding the involvement of an individual in the criminal justice system; providing a civil penalty.

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

SECTION 1. Subtitle C, Title 5, Business & Commerce Code, is amended by adding Chapter 109 to read as follows:

CHAPTER 109. BUSINESS ENTITIES ENGAGED IN PUBLICATION OF CRIMINAL RECORD INFORMATION

Sec. 109.001. DEFINITIONS. In this chapter:

(1) "Criminal justice agency" has the meaning assigned by Section 411.082, Government Code.

(2) "Criminal record information" means information about a person's involvement in the criminal justice system. The term includes:

(A) a description or notation of any arrests, any formal criminal charges, and the dispositions of those criminal charges;

(B) a photograph of the person taken pursuant to an arrest or other involvement in the criminal justice system; and

(C) personal identifying information of a person displayed in conjunction with any other record of the person's involvement in the criminal justice system.

(3) "Personal identifying information" means information that alone or in conjunction with other information identifies a person, including a person's name, address, date of birth, photograph, and social security number or other government-issued identification number.

(4) "Publish" means to communicate or make information available to another person in writing or by means of telecommunications and includes communicating information on a computer bulletin board or similar system.

Sec. 109.002. APPLICABILITY OF CHAPTER. This chapter applies to a business entity that:

(1) publishes criminal record information, including information:

(A) originally obtained pursuant to a request for public information under Chapter 552, Government Code; or

(B) purchased or otherwise obtained by the entity or an affiliated business entity from the Department of Public Safety under Subchapter F, Chapter 411, Government Code; and

(2) requires the payment:

(A) of a fee in an amount of \$150 or more or other consideration of comparable value to remove criminal record information; or

(B) of a fee or other consideration to correct or modify criminal record information.

Sec. 109.003. DUTY TO PUBLISH COMPLETE AND ACCURATE CRIMINAL RECORD INFORMATION. (a) A business entity must ensure that criminal record information the entity publishes is complete and accurate.

(b) For purposes of this chapter, criminal record information published by a business entity is considered:

(1) complete if the information reflects the notations of arrest or the filing or disposition of criminal charges, as applicable; and

(2) accurate if the information:

(A) reflects the most recent information received by the entity from the Department of Public Safety in accordance with Section 411.0851(b)(1)(B), Government Code; or

(B) was obtained by the entity from a law enforcement agency or criminal justice agency, including the Department of Public Safety, or any other governmental agency or entity within the 60-day period preceding the date of publication.

Sec. 109.004. DISPUTING COMPLETENESS OR ACCURACY OF INFORMATION. (a) A business entity shall clearly and conspicuously publish an e-mail address, fax number, or mailing address to enable a person who is the subject of criminal record information published by the entity to dispute the completeness or accuracy of the information.

(b) If a business entity receives a dispute regarding the completeness or accuracy of criminal record information from a person who is the subject of the information and the person provides a noncertified copy of a court order or other document that supports the dispute, the business entity shall:

(1) verify with the appropriate law enforcement agency or criminal justice agency, including the Department of Public Safety, or any other governmental agency or entity, free of charge the disputed information; and

(2) complete the investigation described by Subdivision (1) not later than the 45th business day after the later of the date the entity receives notice of the dispute or the documentation supporting the dispute.

(c) If a business entity finds incomplete or inaccurate criminal record information after conducting an investigation prescribed by this section, the entity shall promptly remove the inaccurate information from the website or other publication or shall promptly correct the information, as applicable. The entity may not:

(1) charge a fee to remove, correct, or modify incomplete or inaccurate information; or

(2) continue to publish incomplete or inaccurate information.

(d) A business entity shall provide written notice to the person who disputed the completeness or accuracy of information of the results of an investigation conducted under this section not later than the fifth business day after the date on which the investigation is completed.

Sec. 109.005. PUBLICATION OF CERTAIN CRIMINAL RECORD INFORMATION PROHIBITED; CIVIL LIABILITY. (a) A business entity may not publish any criminal record information in the business entity's possession with respect to which the business entity has knowledge or has received notice that:

(1) an order of expunction has been issued under Article 55.02, Code of Criminal Procedure; or

(2) an order of nondisclosure has been issued under Section 411.081(d), Government Code.

(b) A business entity that publishes information in violation of Subsection (a) is liable to the individual who is the subject of the information in an amount not to exceed \$500 for each separate violation and, in the case of a continuing violation, an amount not to exceed \$500 for each subsequent day on which the violation occurs.

(c) In an action brought under this section, the court may grant injunctive relief to prevent or restrain a violation of this section.

(d) An individual who prevails in an action brought under this section is also entitled to recover court costs and reasonable attorney's fees.

Sec. 109.006. CIVIL PENALTY; INJUNCTION. (a) A business entity that publishes criminal record information in violation of this chapter is liable to the state for a civil penalty in an amount not to exceed \$500 for each separate violation and, in the case of a continuing violation, an amount not to exceed \$500 for each subsequent day on which the violation occurs. For purposes of this subsection, each criminal record published in violation of this chapter constitutes a separate violation.

(b) The attorney general or an appropriate prosecuting attorney may sue to collect a civil penalty under this section.

(c) A civil penalty collected under this section shall be deposited in the state treasury to the credit of the general revenue fund.

(d) The attorney general may bring an action in the name of the state to restrain or enjoin a violation or threatened violation of this chapter.

(e) The attorney general or an appropriate prosecuting attorney is entitled to recover reasonable expenses incurred in obtaining injunctive relief or a civil penalty, or both, under this chapter, including court costs and reasonable attorney's fees.

Sec. 109.007. VENUE. An action under this chapter must be brought in a district court:

(1) in Travis County if the action is brought by the attorney general;

(2) in the county in which the person who is the subject of the criminal record information resides; or

(3) in the county in which the business entity is located.

Sec. 109.008. CUMULATIVE REMEDIES. The actions and remedies provided by this chapter are not exclusive and are in addition to any other action or remedy provided by law.

SECTION 2. Chapter 109, Business & Commerce Code, as added by this Act, applies to any publication of criminal record information that occurs on or after the effective date of this Act, regardless of whether:

(1) the information relates to events or activities that occurred before, on, or after that date; or

(2) the information was initially published before that date.

SECTION 3. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 1289** (house committee printing) as follows:

(1) On page 3, line 5, strike "arrest or the filing or disposition of criminal charges" and substitute "arrest and the filing and disposition of criminal charges".

(2) On page 3, lines 23-25, strike "and the person provides a noncertified copy of a court order or other document that supports the dispute".

(3) On page 4, lines 4-5, strike "the later of".

(4) On page 4, lines 5-6, strike "or the documentation supporting the dispute".

The amendments were read.

Senator Williams moved to concur in the House amendments to **SB 1289**.

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

Absent-excused: Carona.

SENATE BILL 1643 WITH HOUSE AMENDMENTS

Senator Williams called **SB 1643** 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 1643** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the monitoring of prescriptions for certain controlled substances; providing penalties.

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

SECTION 1. Section 481.002, Health and Safety Code, is amended by amending Subdivisions (20) and (32) and adding Subdivision (54) to read as follows:

(20) "Hospital" means:

(A) a general or special hospital as defined by Section 241.003 [~~Texas Hospital Licensing Law~~]; ~~or~~

(B) an ambulatory surgical center licensed under Chapter 243 [~~by the Texas Department of Health~~] and approved by the federal government to perform surgery paid by Medicaid on patients admitted for a period of not more than 24 hours; or

(C) a freestanding emergency medical care facility licensed under Chapter 254.

(32) "Patient" means a human for whom or an animal for which a drug:

(A) is administered, dispensed, delivered, or prescribed by a practitioner; or

(B) is intended to be administered, dispensed, delivered, or prescribed by a practitioner.

(54) "Health information exchange" means an organization that:

(A) assists in the transmission or receipt of health-related information among organizations transmitting or receiving the information according to nationally recognized standards and under an express written agreement;

(B) as a primary business function, compiles or organizes health-related information that is designed to be securely transmitted by the organization among physicians, health care providers, or entities within a region, state, community, or hospital system; or

(C) assists in the transmission or receipt of electronic health-related information among physicians, health care providers, or entities within:

(i) a hospital system;

(ii) a physician organization;

(iii) a health care collaborative, as defined by Section 848.001,

Insurance Code;

(iv) an accountable care organization participating in the Pioneer Model under the initiative by the Innovation Center of the Centers for Medicare and Medicaid Services; or

(v) an accountable care organization participating in the Medicare shared savings program under 42 U.S.C. Section 1395jjj.

SECTION 2. Sections 481.075(e) and (i), Health and Safety Code, are amended to read as follows:

(e) Each official prescription form or electronic prescription used to prescribe a Schedule II controlled substance must contain:

(1) information provided by the prescribing practitioner, including:

(A) the date the prescription is issued;

(B) the controlled substance prescribed;

(C) the quantity of controlled substance prescribed, shown:

(i) numerically, followed by the number written as a word, if the prescription is written; or

(ii) numerically, if the prescription is electronic;

(D) the intended use of the controlled substance or the diagnosis for which it is prescribed and the instructions for use of the substance;

(E) the practitioner's name, address, and Federal Drug Enforcement Administration number issued for prescribing a controlled substance in this state;

(F) the name, address, and date of birth or age of the person for whom the controlled substance is prescribed; and

(G) if the prescription is issued to be filled at a later date under Section 481.074(d-1), the earliest date on which a pharmacy may fill the prescription;

(2) information provided by the dispensing pharmacist, including the date the prescription is filled and the method of payment used to pay for the prescription; and

(3) for a written prescription, the signatures of the prescribing practitioner and the dispensing pharmacist or for an electronic prescription, the prescribing practitioner's electronic signature or other secure method of validation authorized by federal law.

(i) Each dispensing pharmacist shall:

(1) fill in on the official prescription form or note in the electronic prescription record each item of information given orally to the dispensing pharmacy under Subsection (h), ~~and~~ the date the prescription is filled, and the method of payment used to pay for the prescription, and:

(A) for a written prescription, fill in the dispensing pharmacist's signature; or

(B) for an electronic prescription, appropriately record the identity of the dispensing pharmacist in the electronic prescription record;

(2) retain with the records of the pharmacy for at least two years:

(A) the official prescription form or the electronic prescription record, as applicable; and

(B) the name or other patient identification required by Section 481.074(m) or (n); and

(3) send all information required by the director, including any information required to complete an official prescription form or electronic prescription record, to the director by electronic transfer or another form approved by the director not later than the seventh day after the date the prescription is completely filled.

SECTION 3. Section 481.076, Health and Safety Code, is amended by amending Subsections (a) and (e) and adding Subsections (a-1) and (a-2) to read as follows:

(a) The director may not permit any person to have access to information submitted to the director under Section 481.074(q) or 481.075 except:

(1) an investigator for the Texas Medical Board, the Texas State Board of Podiatric Medical Examiners, the State Board of Dental Examiners, the State Board of Veterinary Medical Examiners, the Texas Board of Nursing, or the Texas State Board of Pharmacy;

(2) an authorized officer or member of the department engaged in the administration, investigation, or enforcement of this chapter or another law governing illicit drugs in this state or another state; or

(3) if the director finds that proper need has been shown to the director:

(A) a law enforcement or prosecutorial official engaged in the administration, investigation, or enforcement of this chapter or another law governing illicit drugs in this state or another state;

(B) a pharmacist or a pharmacy technician, as defined by Section 551.003, Occupations Code, acting at the direction of a pharmacist or a practitioner who is a physician, dentist, veterinarian, podiatrist, or advanced practice nurse or is a physician assistant described by Section 481.002(39)(D) or a nurse licensed under Chapter 301, Occupations Code, acting at the direction of a practitioner and is inquiring about a recent Schedule II, III, IV, or V prescription history of a particular patient of the practitioner; or

(C) a pharmacist or practitioner who is inquiring about the person's own dispensing or prescribing activity.

(a-1) A person authorized to receive information under Subsection (a)(3)(B) or (C) may access that information through a health information exchange, subject to proper security measures to ensure against disclosure to unauthorized persons.

(a-2) A person authorized to receive information under Subsection (a)(3)(B) may include that information in any form in the medical or pharmacy record of the patient who is the subject of the information. Any information included in a patient's medical or pharmacy record under this subsection is subject to any applicable state or federal confidentiality or privacy laws.

(e) The director shall remove from the information retrieval system, destroy, and make irretrievable the record of the identity of a patient submitted under this section to the director not later than the end of the 36th ~~[42th]~~ calendar month after the month in which the identity is entered into the system. However, the director may retain a patient identity that is necessary for use in a specific ongoing investigation conducted in accordance with this section until the 30th day after the end of the month in which the necessity for retention of the identity ends.

SECTION 4. Section 481.127(a), Health and Safety Code, is amended to read as follows:

(a) A person commits an offense if the person knowingly gives, permits, or obtains unauthorized access to information submitted to the director under Section 481.074(q) or 481.075.

SECTION 5. Chapter 481, Health and Safety Code, is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. INTERAGENCY PRESCRIPTION MONITORING WORK GROUP

Sec. 481.351. INTERAGENCY PRESCRIPTION MONITORING WORK GROUP. The interagency prescription monitoring work group is created to evaluate the effectiveness of prescription monitoring under this chapter and offer recommendations to improve the effectiveness and efficiency of recordkeeping and other functions related to the regulation of dispensing controlled substances by prescription.

Sec. 481.352. MEMBERS. The work group is composed of:

- (1) the director or the director's designee;
- (2) the commissioner of state health services or the commissioner's designee;

(3) the executive director of the Texas State Board of Pharmacy or the executive director's designee;

(4) the executive director of the Texas Medical Board or the executive director's designee; and

(5) the executive director of the Texas Board of Nursing or the executive director's designee.

Sec. 481.353. MEETINGS. (a) The work group shall meet at least quarterly.

(b) The work group is subject to Chapter 551, Government Code.

(c) The work group shall proactively engage stakeholders and solicit and take into account input from the public.

Sec. 481.354. REPORT. Not later than December 1 of each even-numbered year, the work group shall submit to the legislature its recommendations relating to prescription monitoring.

SECTION 6. This Act takes effect September 1, 2013.

Floor Amendment No. 1

Amend **CSSB 1643** (house committee printing) on page 7, between lines 21 and 22, by inserting the following:

and (6) the executive director of the Texas Physician Assistant Board or the executive director's designee.

Floor Amendment No. 2

Amend **CSSB 1643** (house committee printing) as follows:

(1) On page 3, lines 24 through 25, strike "and the method of payment used to pay for the prescription".

(2) On page 4, lines 8 through 9, strike "and the method of payment used to pay for the prescription".

Floor Amendment No. 1 on Third Reading

Amend **CSSB 1643** on third reading by adding the appropriately numbered SECTIONS to the bill and renumbering SECTIONS of the bill accordingly:

SECTION _____. Section 168.102, Occupations Code, is amended by adding Subsection (d) to read as follows:

(d) If an applicant for a certificate under this chapter is under investigation by the board for a violation of this subtitle, board rules, or other law relating to the prescription, dispensation, administration, supply, or sale of a controlled substance, the board may not make a decision on the application until the board has reached a final decision on the matter under investigation.

SECTION _____. Subsection (a), Section 168.202, Occupations Code, is amended to read as follows:

(a) A violation of this chapter or a rule adopted under this chapter is grounds for disciplinary action, including a temporary suspension or restriction under Section 164.059, against a pain management clinic certified under this chapter or an owner or operator of a clinic certified under this chapter.

The amendments were read.

Senator Williams moved to concur in the House amendments to **SB 1643**.

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

Absent-excused: Carona.

SENATE BILL 1159 WITH HOUSE AMENDMENTS

Senator Van de Putte called **SB 1159** 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 1159** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to higher education for certain military personnel and their dependents.

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

SECTION 1. Subchapter W, Chapter 51, Education Code, is amended by adding Section 51.844 to read as follows:

Sec. 51.844. READMISSION OF CERTAIN MILITARY PERSONNEL TO GRADUATE AND PROFESSIONAL PROGRAMS. (a) This section applies only to a person who:

(1) was previously offered admission to, or was enrolled in, a graduate program or professional program at a general academic teaching institution or medical and dental unit;

(2) did not initially enroll in the program, or withdrew from the program, as applicable, because of the person's deployment as a member of the armed forces of the United States serving on active duty for the purpose of engaging in a combative military operation outside the United States; and

(3) seeks readmission to the program following the person's military deployment under Subdivision (2).

(b) A general academic teaching institution or a medical and dental unit must, regardless of the time since the person was initially offered admission to, or withdrew from, the program, as applicable:

(1) readmit a person to whom this section applies to the applicable graduate or professional program;

(2) apply credit toward the program for any course work previously completed by the person under the program; and

(3) accept a standardized test score previously submitted by that person for admission to the program.

SECTION 2. Section 54.341, Education Code, is amended by amending Subsections (a), (a-2), (b), (c), (k-1), (l), (m), and (n) and adding Subsection (a-4) to read as follows:

(a) The governing board of each institution of higher education shall exempt the following persons from the payment of tuition, dues, fees, and other required charges, including fees for correspondence courses but excluding general deposit fees, student services fees, and any fees or charges for lodging, board, or clothing, provided the person seeking the exemption currently resides in this state or resides outside of this state due to the person's military assignment or the military assignment of the person's

spouse and entered the service at a location in this state, declared this state as the person's home of record in the manner provided by the applicable military or other service, or would have been determined to be a resident of this state for purposes of Subchapter B at the time the person entered the service:

(1) all nurses and honorably discharged members of the armed forces of the United States who served during the Spanish-American War or during World War I;

(2) all nurses, members of the Women's Army Auxiliary Corps, members of the Women's Auxiliary Volunteer Emergency Service, and all honorably discharged members of the armed forces of the United States who served during World War II except those who were discharged from service because they were over the age of 38 or because of a personal request on the part of the person that the person be discharged from service;

(3) all honorably discharged men and women of the armed forces of the United States who served during the national emergency which began on June 27, 1950, and which is referred to as the Korean War; and

(4) all persons who were honorably discharged from the armed forces of the United States after serving on active military duty, excluding training, for more than 180 days and who served a portion of their active duty during:

(A) the Cold War which began on the date of the termination of the national emergency cited in Subdivision (3);

(B) the Vietnam era which began on December 21, 1961, and ended on May 7, 1975;

(C) the Grenada and Lebanon era which began on August 24, 1982, and ended on July 31, 1984;

(D) the Panama era which began on December 20, 1989, and ended on January 21, 1990;

(E) the Persian Gulf War which began on August 2, 1990, and ends on the date thereafter prescribed by Presidential proclamation or September 1, 1997, whichever occurs first;

(F) the national emergency by reason of certain terrorist attacks that began on September 11, 2001; or

(G) any future national emergency declared in accordance with federal law.

(a-2) The exemptions provided for in Subsection (a) also apply to the spouse of:

(1) a member of the armed forces of the United States:

(A) who was killed in action;

(B) who died while in service;

(C) who is missing in action;

(D) whose death is documented to be directly caused by illness or injury connected with service in the armed forces of the United States; or

(E) who became totally and permanently disabled or meets the eligibility requirements for individual unemployability ~~[for purposes of employability]~~ according to the disability ratings of the Department of Veterans Affairs as a result of a service-related injury; or

(2) a member of the Texas National Guard or the Texas Air National Guard who:

(A) was killed since January 1, 1946, while on active duty either in the service of this state or the United States; or

(B) is totally and permanently disabled or meets the eligibility requirements for individual unemployability [~~for purposes of employability~~] according to the disability ratings of the Department of Veterans Affairs, regardless of whether the member is eligible to receive disability benefits from the department, as a result of a service-related injury suffered since January 1, 1946, while on active duty either in the service of this state or the United States.

(a-4) Subsection (a-2) or (b) applies only if the member of the armed forces of the United States entered the service at a location in this state, declared this state as the person's home of record in the manner provided by the applicable military or other service, or would have been determined to be a resident of this state for purposes of Subchapter B at the time the person entered the service. The member is not required to meet any other requirements of Subsection (a).

(b) The exemptions provided for in Subsection (a) also apply to:

(1) the children of members of the armed forces of the United States:

(A) who are or were killed in action;

(B) who die or died while in service;

(C) who are missing in action;

(D) whose death is documented to be directly caused by illness or injury connected with service in the armed forces of the United States; or

(E) who became totally and permanently disabled or meet the eligibility requirements for individual unemployability [~~for purposes of employability~~] according to the disability ratings of the Department of Veterans Affairs as a result of a service-related injury; and

(2) the children of members of the Texas National Guard and the Texas Air National Guard who:

(A) were killed since January 1, 1946, while on active duty either in the service of their state or the United States; or

(B) are totally and permanently disabled or meet the eligibility requirements for individual unemployability [~~for purposes of employability~~] according to the disability ratings of the Department of Veterans Affairs, regardless of whether the members are eligible to receive disability benefits from the department, as a result of a service-related injury suffered since January 1, 1946, while on active duty either in the service of this state or the United States.

(e) The exemption from tuition, fees, and other charges provided for by this section does not apply to a person who at the time of registration is entitled to receive educational benefits under federal legislation that may be used only for the payment of tuition and fees if the value of those benefits received in a semester or other term is equal to or exceeds the value of the exemption for the same semester or other term. If the value of federal benefits that may be used only for the payment of tuition and fees and are received in a semester or other term does not equal or exceed the value of the exemption for the same semester or other term, the person is entitled to receive both those federal benefits and the exemption in the same semester or other term. A person who is entitled for a semester or other term to receive more than one type of federal benefit that may be used only for the payment of tuition and fees may choose which

benefit to apply for that semester or other term. The extent to which an exemption under this section applies to the person shall be based on the value of the federal benefit or benefits the person chooses to use for that semester or other term. The combined amount of the federal benefit or benefits that may be used only for the payment of tuition and fees and that are received in a semester or other term plus the amount of the exemption received in that [a] semester or other term may not exceed the cost of tuition and fees for that semester or other term.

(k-1) The procedures under Subsection (k) must provide:

- (1) the manner in which a person may waive the exemption;
- (2) the manner in which a child may be designated to receive the exemption;
- (3) a procedure permitting the designation of a different child to receive the exemption if the child previously designated to receive the exemption did not use the exemption under this section for all of the assigned portion of credit hours; ~~[and]~~
- (4) a method of documentation to enable institutions of higher education to determine the eligibility of the designated child to receive the exemption; and
- (5) a procedure permitting a person who waived the exemption and designated a child to receive the exemption to revoke that designation as to any unused portion of the assigned credit hours.

(l) To be eligible to receive an exemption under Subsection (k), the child must:

- (1) be a student who is classified as a resident under Subchapter B when the child enrolls in an institution of higher education; ~~[and]~~
- (2) make satisfactory academic progress in a degree, certificate, or continuing education program as determined by the institution at which the child is enrolled in accordance with the policy of the institution's financial aid department, except that the institution may not require the child to enroll in a minimum course load; and
- (3) be 25 years of age or younger on the first day of the semester or other academic term for which the exemption is claimed.

(m) For purposes of this section, a person is the child of another person if ~~[the person is 25 years of age or younger on the first day of the semester or other academic term for which the exemption is claimed and]~~:

- (1) the person is the stepchild or the biological or adopted child of the other person; or
- (2) the other person claimed the person as a dependent on a federal income tax return filed for the preceding year or will claim the person as a dependent on a federal income tax return for the current year.

(n) The Texas Higher Education Coordinating Board by rule shall prescribe procedures by which a child designated to receive an exemption under Subsection (k) who suffered from a severe illness or other debilitating condition that affected the child's ability to use the exemption before reaching the age described by Subsection (l)(3) [and] may be granted additional time to use the exemption corresponding to the time the child was unable to use the exemption because of the illness or condition.

SECTION 3. Subchapter D, Chapter 54, Education Code, is amended by adding Section 54.3411 to read as follows:

Sec. 54.3411. STUDY REGARDING TUITION AND FEE EXEMPTIONS FOR CERTAIN MILITARY PERSONNEL AND DEPENDENTS. (a) The Legislative Budget Board, in consultation with the Texas Higher Education Coordinating Board and the Texas Veterans Commission, as the Legislative Budget Board considers necessary, shall study and evaluate the tuition and fee exemptions provided under Section 54.341. In the study, the Legislative Budget Board shall consider any available historical data and the projected data regarding recipients of the exemptions provided under Section 54.341, disaggregated by veteran, dependent, spouse, and legacy recipient, for each of the following categories of information:

(1) the total number of recipients, disaggregated by gender, race and ethnicity, institution, and socioeconomic background as indicated in the Free Application for Federal Student Aid (FAFSA);

(2) the number of undergraduate, graduate, and doctoral credit hours attempted and earned by semester;

(3) the number of degrees attempted and earned, and the associated semester credit hours required for those degrees, per recipient;

(4) the grade point average of recipients after completing the first, second, third, and fourth academic years, and subsequent academic years, as applicable, and to the extent allowed under the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g);

(5) the average time to graduation;

(6) the four-year and six-year graduation rates, retention rates, and noncompletion rates;

(7) the number of semester credit hours of developmental education courses attempted and earned by recipients;

(8) the proportion of federal education benefits, including veteran and non-veteran benefits, and of the exemption provided under Section 54.341, used for undergraduate, graduate, and doctoral semester credit hours attempted and earned by recipients; and

(9) the average cost of tuition and mandatory fees for an undergraduate, graduate, and doctoral recipient enrolled in a full course load at an institution of higher education compared to the average cost for a nonrecipient student enrolled in a full course load at the same institution for the same degree level.

(b) To the greatest extent possible:

(1) the Legislative Budget Board shall:

(A) include in its study a review of all federal education benefits for veterans in order to comprehensively review the sustainability of state and federal benefits for veterans; and

(B) use applicable data from the 2008-2009 academic year or a more recent academic year as a baseline in the study; and

(2) institutions of higher education shall cooperate with the Legislative Budget Board by providing any requested data and ensuring the reliability and validity of the data collected and submitted for the purpose of the study.

(c) Not later than December 1, 2014, the Legislative Budget Board shall submit to the Texas Higher Education Coordinating Board, the Texas Veterans Commission, the governor, the lieutenant governor, and the speaker of the house of representatives

a written report of the results of the study conducted under this section, together with any recommendations for legislative or administrative action, including any changes to eligibility criteria or other changes necessary to promote sustainability, fiscal efficiency, and effectiveness in the use of the exemption provided under Section 54.341. A recommendation included in the report must include an explanation of the basis for that recommendation.

(d) This section expires January 31, 2015.

SECTION 4. (a) The changes in law made by this Act by amending Subsection (a), Section 54.341, Education Code, and by adding Subsection (a-4), Section 54.341, Education Code, apply immediately.

(b) Except as provided by Subsection (a) of this section, the changes in law made by this Act to Section 54.341, Education Code, apply beginning with tuition and fees for the 2013 fall semester. Tuition and fees for a term or semester before the 2013 fall semester are covered 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 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.

Floor Amendment No. 1

Amend **CSSB 1159** (house committee report) as follows:

(1) On page 2, line 6 through page 8, line 26, strike SECTION 2 of the bill.

(2) On page 9, lines 5 and 6, strike "as the Legislative Budget Board considers necessary".

(3) On page 9, line 7, between "evaluate" and "the tuition" insert "federal educational benefits and".

(4) On page 11, lines 14-24, strike SECTION 4 of the bill.

(5) Renumber the remaining SECTIONS of the bill accordingly.

The amendments were read.

Senator Van de Putte moved to concur in the House amendments to **SB 1159**.

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

Absent-excused: Carona.

SENATE BILL 709 WITH HOUSE AMENDMENTS

Senator Lucio called **SB 709** 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 709** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to representation of a person in a special education impartial due process hearing.

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

SECTION 1. Subchapter A, Chapter 29, Education Code, is amended by adding Section 29.0162 to read as follows:

Sec. 29.0162. REPRESENTATION IN SPECIAL EDUCATION DUE PROCESS HEARING. (a) A person in an impartial due process hearing brought under 20 U.S.C. Section 1415 may be represented by:

(1) an attorney who is licensed in this state; or

(2) an individual who is not an attorney licensed in this state but who has special knowledge or training with respect to problems of children with disabilities and who satisfies qualifications under Subsection (b).

(b) The commissioner by rule shall adopt additional qualifications required of a representative for purposes of Subsection (a)(2). The rules must:

(1) prohibit an individual from being a representative under Subsection (a)(2) opposing a school district if the individual has prior employment experience with the district; and

(2) include requirements that the representative have knowledge of:

(A) special education due process rules, hearings, and procedure; and

(B) federal and state special education laws.

(c) A special education due process hearing officer shall determine whether an individual satisfies qualifications under Subsections (a)(2) and (b).

(d) The agency is not required to license or in any way other than as provided by Subsection (b) regulate representatives described by Subsection (a)(2) in a special education impartial due process hearing.

SECTION 2. Section 29.0162, Education Code, as added by this Act, applies only to representation at an impartial due process hearing brought under 20 U.S.C. Section 1415 that begins on or after the effective date of the 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.

Floor Amendment No. 1

Amend **CSSB 709** (house committee printing) on page 1, lines 19 and 20, by striking "if the individual has prior employment experience with the district; and", and substituting the following:

if:

(A) the individual has prior employment experience with the district;

and

(B) the district raises an objection to the individual serving as a representative; and

The amendments were read.

Senator Lucio moved to concur in the House amendments to **SB 709**.

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

Absent-excused: Carona.

SENATE BILL 454 WITH HOUSE AMENDMENT

Senator Hegar called **SB 454** 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 454** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the authority of the Jackson County Navigation District to file an annual compilation or review report with the executive director of the Texas Commission on Environmental Quality in lieu of filing an annual audit report.

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

SECTION 1. Notwithstanding any provisions of Subchapter G, Chapter 49, Water Code, the Jackson County Navigation District, in a fiscal year in which district net revenues exceed expenditures by \$10,000 or less, may submit to the executive director of the Texas Commission on Environmental Quality a compilation report or a review report instead of an audited financial statement.

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 Hegar moved to concur in the House amendment to **SB 454**.

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

Absent-excused: Carona.

SENATE BILL 1910 WITH HOUSE AMENDMENT

Senator Hegar called **SB 1910** 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 1910** (house committee printing) 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) 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 was read.

Senator Hegar moved to concur in the House amendment to **SB 1910**.

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

Absent-excused: Carona.

SENATE BILL 1853 WITH HOUSE AMENDMENT

Senator Fraser called **SB 1853** 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 1853** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the amendment of restrictions affecting real property in certain subdivisions and the authority of the Llano County Municipal Utility District No. 1 to issue bonds.

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

SECTION 1. Subdivision (4), Section 211.001, Property Code, is amended to read as follows:

(4) "Residential real estate subdivision" or "subdivision" means all land encompassed within one or more maps or plats of land that is divided into two or more parts if:

(A) the maps or plats cover land all or part of which is not located within a municipality and:

(i) for a county with a population of less than 65,000, is not located within the extraterritorial jurisdiction of a municipality; ~~or~~

(ii) for a county with a population of at least 65,000 and less than 135,000, is located wholly within the extraterritorial jurisdiction of a municipality; or

(iii) for a county that borders Lake Buchanan and has a population of at least 18,500 and less than 19,500, is located wholly within the extraterritorial jurisdiction of a municipality;

(B) the land encompassed within the maps or plats is or was burdened by restrictions limiting all or at least a majority of the land area covered by the map or plat, excluding streets and public areas, to residential use only; and

(C) all instruments creating the restrictions are recorded in the deed or real property records of a county.

SECTION 2. Subsection (a), Section 211.002, Property Code, is amended to read as follows:

(a) This chapter applies only to a residential real estate subdivision or any unit or parcel of a subdivision:

(1) all or part of which is located within an unincorporated area of a county if the county has a population of less than 65,000; ~~or~~

(2) all of which is located within the extraterritorial jurisdiction of a municipality located in a county that has a population of at least 65,000 and less than 135,000; or

(3) all of which is located within the extraterritorial jurisdiction of a municipality located in a county that borders Lake Buchanan and has a population of at least 18,500 and less than 19,500.

SECTION 3. Subsection (b), Section 4, Chapter 129, Acts of the 70th Legislature, Regular Session, 1987, is amended to read as follows:

(b) Bonds may not be issued by the district under this Act except on approval of not less than a majority ~~two-thirds~~ of the qualified voters of the district voting at an election called and held for that purpose.

SECTION 4. The change in law made by this Act to Subsection (b), Section 4, Chapter 129, Acts of the 70th Legislature, Regular Session, 1987, applies to an election to authorize the issuance of bonds held on or after the effective date of this

Act. An election to authorize the issuance of bonds held before the effective date of this Act is governed by the law in effect at the time the election was held, and the former law is continued in effect for that purpose.

SECTION 5. This Act takes effect September 1, 2013.

The amendment was read.

Senator Fraser moved to concur in the House amendment to **SB 1853**.

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

Absent-excused: Carona.

SENATE BILL 414 WITH HOUSE AMENDMENT

Senator Ellis called **SB 414** 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 414** (house committee printing) on page 1, line 13, between "programs" and "at public junior colleges" by inserting "in the field of nursing and in the field of applied sciences".

The amendment was read.

Senator Ellis moved to concur in the House amendment to **SB 414**.

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

Absent-excused: Carona.

SENATE BILL 1702 WITH HOUSE AMENDMENTS

Senator Taylor called **SB 1702** 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 1702** (house committee printing) by striking SECTIONS 1 through 4 of the bill (page 1, line 5, through page 3, line 7), substituting the following appropriately numbered SECTION, and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 2210.260(d), Insurance Code, is amended to read as follows:

(d) Except as provided by Sections 2210.251(d), (e), and (f), a person who has an insurable interest in a residential structure that is insured by the association as of August 31, 2012, but for which the person has not obtained a certificate of compliance under Section 2210.251(g), must obtain an alternative certification under this section before the association, on or after August 31, 2015 [~~2013~~], may renew coverage for the structure.

Floor Amendment No. 2

Amend **SB 1702** (house committee printing) by inserting the following appropriately numbered SECTION and renumbering SECTIONS of the bill appropriately:

SECTION _____. Subchapter F, Chapter 2210, Insurance Code, is amended by adding Section 2210.2581 to read as follows:

Sec. 2210.2581. MANDATORY COMPLIANCE WITH BUILDING STANDARDS; CERTAIN STRUCTURES. Notwithstanding Section 2210.251, Section 2210.253, or any other provision of this chapter, after December 31, 2015, the association may not issue or renew insurance coverage under this chapter for a structure with an insurable value of \$250,000 or more unless the structure complies with the applicable building code standards, as set forth in the plan of operation.

Floor Amendment No. 1 on Third Reading

Amend **SB 1702** on third reading as follows:

(1) Strike the SECTION of the bill amending Section 2210.260(d), Insurance Code, as added by Amendment No. 1 by Eiland (832091).

(2) Strike the SECTION of the bill adding Section 2210.2581, Insurance Code, as added by Amendment No. 2 by Smithee (832089).

(3) Add the following appropriately numbered SECTIONS of the bill and renumber the SECTIONS accordingly:

SECTION _____. Section 2210.251(f), Insurance Code, is amended to read as follows:

(f) Notwithstanding any other provision of this section, insurance coverage for a residential structure [insured by the association as of September 1, 2009,] may be issued or renewed [continue coverage] through the association subject to the inspection requirements imposed under Section 2210.258, if applicable. This subsection expires December 31, 2015.

SECTION _____. Section 2210.258, Insurance Code, is amended to read as follows:

Sec. 2210.258. ~~[MANDATORY]~~ COMPLIANCE WITH BUILDING CODES; ELIGIBILITY. (a) Except as provided by Subsection (c) and Section 2210.2581 and notwithstanding [Notwithstanding] any other provision of this chapter, to be eligible for insurance through the association, all construction, alteration, remodeling, enlargement, and repair of, or addition to, any structure located in the catastrophe area that is begun on or after the effective date of Sections 5 through 49, H.B. 4409, Acts of the 81st Legislature, Regular Session, 2009, must be performed in compliance with the applicable building code standards, as set forth in the plan of operation.

(b) Except as provided by Subsection (c), the [The] association may not insure a structure described by Subsection (a) until:

(1) the structure has been inspected for compliance with the plan of operation in accordance with Section 2210.251(a); and

(2) a certificate of compliance has been issued for the structure in accordance with Section 2210.251(g).

(c) The association may insure a residential structure constructed, altered, remodeled, enlarged, repaired, or added to on or after June 19, 2009, that is not in compliance with the applicable building code standards, as set forth in the plan of operation, provided that:

(1) the structure had been insured on or after June 19, 2009, by an insurer in the private market that canceled or nonrenewed the insurance coverage of the structure before December 31, 2015;

(2) the applicant provides to the association proof that insurance coverage that was issued to the applicant or the previous insured for the structure was canceled or nonrenewed in the private market as described by Subdivision (1); and

(3) no construction, alteration, remodeling, enlargement, or repair of, or addition to, the structure occurred after cancellation or nonrenewal of the coverage and before submission of an application for coverage through the association.

SECTION _____. Subchapter F, Chapter 2210, Insurance Code, is amended by adding Section 2210.2581 to read as follows:

Sec. 2210.2581. MANDATORY COMPLIANCE WITH BUILDING STANDARDS; CERTAIN STRUCTURES. Except as provided by Section 2210.251(d) and (e), and notwithstanding Section 2210.258 or any other provision of this chapter, on and after December 31, 2015, the association may not issue or renew insurance coverage for a structure unless the structure complies with the applicable building code standards in effect on the date the construction, alteration, remodeling, enlargement, or repair of, or addition to, the structure begins, as set forth in the plan of operation.

SECTION _____. Section 2210.259, Insurance Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) Except as provided by Subsection (a-1), an insurance policy insuring a [A] noncompliant residential structure under Section 2210.251(f) [~~insured by the association as of September 1, 2009, under Section 2210.251(f) that had been approved for insurability under the approval process regulations in effect on September 1, 2009,~~] is subject to an annual premium surcharge in an amount equal to 15 percent of the premium for insurance coverage obtained through the association. The surcharge under this subsection applies to each policy issued or renewed by the association on or after the effective date of Sections 5 through 49, **HB 4409**, Acts of the 81st Legislature, Regular Session, 2009, and is due on the issuance or renewal of the policy.

(a-1) For a policy insuring a noncompliant residential structure eligible for coverage under Section 2210.258(c), the association shall charge:

(1) a premium based on the rate charged in the voluntary market for the portion of the cancelled or nonrenewed policy that provides windstorm and hail insurance coverage for the applicable risk; and

(2) an annual premium surcharge in an amount equal to 10 percent of that premium.

SECTION _____. Section 2210.260, Insurance Code, is repealed.

The amendments were read.

Senator Taylor moved to concur in the House amendments to **SB 1702**.

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

Absent-excused: Carona.

REMARKS ORDERED PRINTED

On motion of Senator Taylor and by unanimous consent, the remarks by Senators Taylor and Hincjosa regarding **SB 1702** were ordered reduced to writing and printed in the *Senate Journal* as follows:

Senator Hinojosa: Reading the House amendment language, I have a question. In new Section 2210.258(c)(1), would the exception include the sale of a home?

Senator Taylor: Yes, Sir, Senator. Committee Substitute to Senate Bill 1702 creates an exception to allow structures insured in the voluntary market after June 19, 2009, to obtain TWIA coverage if the insurer cancels or nonrenews the coverage. This would include situations where the insured sells the home and directs the insurer to cancel the coverage, but the purchaser cannot obtain wind coverage in the private market.

SENATE BILL 1317 WITH HOUSE AMENDMENT

Senator Whitmire called **SB 1317** 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 1317** as follows:

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

SECTION _____. Section 2.201, Family Code, is amended to read as follows:

Sec. 2.201. EXPIRATION OF LICENSE. If a marriage ceremony has not been conducted before the 90th [~~31st~~] day after the date the license is issued, the marriage license expires.

SECTION _____. Section 2.201, Family Code, as amended by this Act, applies only to a marriage license that is issued on or after the effective date of this Act. A marriage license issued before the effective date of this Act is governed by the law in effect on the date the license was issued, and the former law is continued in effect for that purpose.

(2) On page 2, line 11, strike "The change in law made by this Act" and substitute "Section 2.202, Family Code, as amended by this Act,".

The amendment was read.

Senator Whitmire moved to concur in the House amendment to **SB 1317**.

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

Absent-excused: Carona.

SENATE BILL 1720 WITH HOUSE AMENDMENT

Senator Patrick called **SB 1720** 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 1720** (house committee report) by striking page 1, line 17, through page 2, line 23, and substituting the following:

(a) To be eligible to receive loan repayment assistance under this subchapter, a person must:

(1) apply annually for the loan repayment assistance in the manner prescribed by the board;

(2) be a United States citizen;

(3) have completed an undergraduate or graduate program in mathematics or science;

(4) have a cumulative grade point average of at least 3.5 on a four-point scale or the equivalent;

(5) be certified under Subchapter B, Chapter 21, to teach mathematics or science in a public school in this state or be enrolled in an educator preparation program to obtain that certification that is accredited by the State Board for Educator Certification and is provided by an institution of higher education or by a private or independent institution of higher education in this state;

(6) have been employed for at least one year as a teacher teaching mathematics or science at a public school located in a school district that receives funding under Title I, Elementary and Secondary Education Act of 1965 (20 U.S.C. Section 6301 et seq.);

(7) not be in default on any other education loan;

(8) not receive any other state or federal loan repayment assistance, including a Teacher Education Assistance for College and Higher Education (TEACH) Grant or teacher loan forgiveness;

(9) enter into an agreement with the board under Subsection (c); and

(10) comply with any other requirement adopted by the board under this subchapter.

The amendment was read.

Senator Patrick moved to concur in the House amendment to **SB 1720**.

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

Absent-excused: Carona.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 396 ADOPTED**

Senator Hegar called from the President's table the Conference Committee Report on **SB 396**. The Conference Committee Report was filed with the Senate on Thursday, May 23, 2013.

On motion of Senator Hegar, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Carona.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 700 ADOPTED**

Senator Hegar called from the President's table the Conference Committee Report on **SB 700**. The Conference Committee Report was filed with the Senate on Thursday, May 23, 2013.

On motion of Senator Hegar, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Carona.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1106 ADOPTED**

Senator Schwertner called from the President's table the Conference Committee Report on **SB 1106**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Schwertner, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Carona.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 971 ADOPTED**

Senator Williams called from the President's table the Conference Committee Report on **SB 971**. The Conference Committee Report was filed with the Senate on Wednesday, May 22, 2013.

On motion of Senator Williams, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Carona.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 213 ADOPTED**

Senator Whitmire called from the President's table the Conference Committee Report on **SB 213**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Whitmire, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Carona.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 396 ADOPTED**

Senator Huffman called from the President's table the Conference Committee Report on **HB 396**. The Conference Committee Report was filed with the Senate on Thursday, May 23, 2013.

On motion of Senator Huffman, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Carona.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 429 ADOPTED**

Senator Zaffirini called from the President's table the Conference Committee Report on **HB 429**. The Conference Committee Report was filed with the Senate on Wednesday, May 22, 2013.

On motion of Senator Zaffirini, the Conference Committee Report was adopted by the following vote: Yeas 26, Nays 4.

Yeas: Birdwell, 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, Williams, Zaffirini.

Nays: Campbell, Estes, Hancock, Patrick.

Absent-excused: Carona.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 578 ADOPTED**

Senator Duncan called from the President's table the Conference Committee Report on **SB 578**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Duncan, the Conference Committee Report was adopted by the following vote: Yeas 29, Nays 1.

Nays: Garcia.

Absent-excused: Carona.

SENATE BILL 1620 WITH HOUSE AMENDMENT

Senator Paxton called **SB 1620** 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 1620** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to certified communication access realtime translation providers.

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

SECTION 1. Section 57.001, Government Code, is amended by adding Subdivisions (8) and (9) to read as follows:

(8) "Communication access realtime translation" or "CART" means the immediate verbatim translation of the spoken word into English text by a certified CART provider.

(9) "Certified CART provider" means an individual who holds a certification to provide communication access realtime translation services at an advanced or master level issued by the Texas Court Reporters Association or another certification association selected by the department.

SECTION 2. The heading to Section 57.002, Government Code, is amended to read as follows:

Sec. 57.002. APPOINTMENT OF INTERPRETER OR CART PROVIDER;
CART PROVIDER LIST.

SECTION 3. Section 57.002, Government Code, is amended by amending Subsections (a) and (b) and adding Subsection (f) to read as follows:

(a) A court shall appoint a certified court interpreter or a certified CART provider for an individual who has a hearing impairment or a licensed court interpreter for an individual who can hear but does not comprehend or communicate in English if a motion for the appointment of an interpreter or provider is filed by a party or requested by a witness in a civil or criminal proceeding in the court.

(b) A court may, on its own motion, appoint a certified court interpreter or a certified CART provider for an individual who has a hearing impairment or a licensed court interpreter for an individual who can hear but does not comprehend or communicate in English.

(f) The department shall maintain a list of certified CART providers and, on request, may send the list to a person or court.

SECTION 4. Sections 57.001(6) and 57.021(d), Government Code, are repealed.

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 Paxton moved to concur in the House amendment to **SB 1620**.

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

Absent-excused: Carona.

BILLS AND RESOLUTION SIGNED

The Presiding Officer, Senator Eltife in Chair, announced the signing of the following enrolled bills and resolution in the presence of the Senate after the captions had been read:

SB 17, SB 123, SB 141, SB 209, SB 220, SB 247, SB 289, SB 351, SB 357, SB 369, SB 485, SB 495, SB 499, SB 503, SB 514, SB 553, SB 562, SB 605, SB 606, SB 628, SB 691, SB 697, SB 701, SB 736, SB 893, SB 913, SB 939, SB 946, SB 948, SB 958, SB 976, SB 987, SB 1035, SB 1044, SB 1053, SB 1063, SB 1066, SB 1200, SB 1221, SB 1224, SB 1237, SB 1367, SB 1386, SB 1406, SB 1437, SB 1451, SB 1459, SB 1475, SB 1484, SB 1542, SB 1556, SB 1567, SB 1672, SB 1705, SB 1759, SB 1769, SB 1803, SB 1812, SB 1821, SB 1832, SB 1835, SB 1838, SB 1841, SB 1846, SB 1861, SB 1864, SB 1901, SCR 36, HB 48, HB 326, HB 394, HB 642, HB 674, HB 709, HB 789, HB 800, HB 842, HB 1009, HB 1093, HB 1097, HB 1245, HB 1349, HB 1511, HB 1545, HB 1755, HB 1846, HB 1931, HB 2021, HB 2233, HB 2304, HB 2446, HB 2447.

**CONFERENCE COMMITTEE ON
SENATE BILL 64 DISCHARGED**

On motion of Senator Nelson and by unanimous consent, the Senate conferees on **SB 64** were discharged.

Question — Shall the Senate concur in the House amendment to **SB 64**?

Senator Nelson moved to concur in the House amendment to **SB 64**.

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

Absent-excused: Carona.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3142 ADOPTED**

Senator Estes called from the President's table the Conference Committee Report on **HB 3142**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Estes, the Conference Committee Report was adopted by the following vote: Yeas 28, Nays 2.

Yeas: Birdwell, Campbell, 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, Zaffirini.

Nays: Rodríguez, Watson.

Absent-excused: Carona.

**CONFERENCE COMMITTEE ON
SENATE BILL 1678 DISCHARGED**

On motion of Senator Deuell and by unanimous consent, the Senate conferees on **SB 1678** were discharged.

Question — Shall the Senate concur in the House amendments to **SB 1678**?

Senator Deuell moved to concur in the House amendments to **SB 1678**.

The motion prevailed by the following vote: Yeas 21, Nays 8.

Yeas: Birdwell, Campbell, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hinojosa, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Van de Putte, Whitmire, Williams, Zaffirini.

Nays: Davis, Ellis, Garcia, Hegar, Lucio, Rodríguez, Watson, West.

Absent: Uresti.

Absent-excused: Carona.

SENATE RESOLUTION 1067

Senator Duncan offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the

differences on Senate Bill 1458 (contributions to, benefits from, and the administration of systems and programs administered by the Teacher Retirement System of Texas) to consider and take action on the following matters:

(1) Senate Rule 12.03(1) is suspended to permit the committee to change, alter, or amend text not in disagreement in proposed SECTION 2 of the bill, in added Section 824.702(c), Government Code, to read as follows:

(c) If the annuitant:

(1) is a retiree, or is a beneficiary under an optional retirement payment plan, to be eligible for the adjustment under this section:

(A) the annuitant must be living on the effective date of the adjustment;
and

(B) the effective date of the retirement of the member of the Teacher Retirement System of Texas must have been on or before August 31, 2004;

(2) is a beneficiary under Section 824.402(a)(3) or (4) or 824.502, to be eligible for the adjustment:

(A) the annuitant must be living on the effective date of the adjustment;
and

(B) the date of death of the member of the retirement system must have been on or before August 31, 2004; or

(3) is an alternate payee under Section 804.005, the annuitant is eligible for the adjustment only if the effective date of the election to receive the annuity payment was on or before August 31, 2004.

Explanation: The change is necessary to ensure that the date used to determine eligibility for a cost-of-living adjustment across different categories of annuitants under Section 824.702, Government Code, is August 31, 2004, instead of August 31, 1999.

(2) Senate Rules 12.03(1) and (3) are suspended to permit the committee to change, alter, or amend text and to add text on a matter not in disagreement in proposed SECTION 15 of the bill, the effective date provision of the bill, to read as follows:

SECTION 15. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2014.

(b) Section 824.702, Government Code, as added by this Act, Section 825.402, Government Code, as amended by this Act, and the repeal by this Act of Section 1579.103, Insurance Code, take effect September 1, 2013.

Explanation: The change in the effective date provision is a technical change necessary to ensure that Section 824.702, Government Code, adding a cost-of-living adjustment for certain annuitants under the Teacher Retirement System of Texas, takes effect in time to provide the adjustment provided for under that section.

SR 1067 was read and was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Carona.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1458 ADOPTED**

Senator Duncan called from the President's table the Conference Committee Report on **SB 1458**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Duncan, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Carona.

BILL SIGNED

The Presiding Officer announced the signing of the following enrolled bill in the presence of the Senate after the caption had been read: **HB 2975**.

SENATE RESOLUTION 1056

Senator Paxton offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 1534 (the designation of certain segments of highway in Collin County and Jim Wells County) to consider and take action on the following matter:

Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text to SECTION 1 of the bill:

Sec. 225.092. LT. GENERAL MARC CISNEROS HIGHWAY.

(a) Notwithstanding Section 225.001(c), the portion of U.S. Highway 281 in Jim Wells County between its intersection with Farm-to-Market Road 716 and its intersection with County Road 422 is designated as the Lt. General Marc Cisneros Highway. The designation is in addition to any other designation.

(b) Subject to Section 225.021(c), the department shall:

(1) design and construct markers indicating the designation as the Lt. General Marc Cisneros Highway and any other appropriate information; and

(2) erect a marker at each end of the highway and at appropriate intermediate sites along the highway.

Explanation: This addition is necessary to designate a portion of U.S. Highway 281 in Jim Wells County as the Lt. General Marc Cisneros Highway.

SR 1056 was read and was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Carona.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1534 ADOPTED**

Senator Paxton called from the President's table the Conference Committee Report on **HB 1534**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Paxton, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Carona.

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 2500, HB 2621, HB 2712, HB 2781, HB 2913, HB 2918, HB 2972, HB 3015, HB 3042, HB 3126, HB 3276, HB 3314, HB 3566, HB 3643, HB 3761, HB 3952, HCR 57, HCR 116, HCR 121, HJR 62, HJR 133.

SENATOR ANNOUNCED PRESENT

Senator Carona, who had previously been recorded as "Absent-excused," was announced "Present."

SENATE RESOLUTION 1059

Senator Hinojosa offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 1768 (identification requirements for certain fire hydrants and flush valves) to consider and take action on the following matters:

(1) Senate Rules 12.03(1) and (2) are suspended to permit the committee to change and omit text not in disagreement in proposed SECTION 1 of the bill, in amended Section 341.0357, Health and Safety Code, to read as follows:

SECTION 1. Section 341.0357, Health and Safety Code, is amended to read as follows:

Sec. 341.0357. IDENTIFICATION REQUIREMENT FOR CERTAIN ~~[DEVICE WITH APPEARANCE OF] FIRE HYDRANTS AND FLUSH VALVES [HYDRANT THAT IS NONFUNCTIONING OR UNAVAILABLE FOR USE IN FIRE EMERGENCY].~~ (a) In this section, "hydrant" means:

(1) a fire hydrant; or

(2) a metal flush valve that:

(A) has ~~[The owner of any device having]~~ the appearance of a fire hydrant; and

(B) ~~[that]~~ is located in a place that an entity responsible for providing fire suppression services in a fire emergency would expect a fire hydrant to typically be located.

(b) This section applies only to a county, or a municipality in a county, that:

(1) borders the United Mexican States or is adjacent to a county that borders the United Mexican States;

(2) has a population of at least 400,000 or has a population of at least 20,000 and is adjacent to a county that has a population of at least 400,000; and

(3) is within 200 miles of the Gulf of Mexico.

(c) Each water utility responsible for any hydrant shall:

(1) paint all or the cap of the hydrant white if the hydrant is available to be used only to fill a water tank on a fire truck used for fire suppression services; and

(2) paint all or the cap of the hydrant ~~[device]~~ black if the hydrant ~~[device]~~ is ~~[nonfunctioning or otherwise]~~ unavailable for use by the entity providing fire suppression services in a fire emergency.

(d) For purposes of Subsection (c)(2), a hydrant is unavailable for use in a fire emergency if it is unavailable for pumping directly from the hydrant or is unavailable for use in filling a water tank on a fire truck used for fire suppression services.

(e) A water utility ~~[The owner]~~ may place a black tarp over the hydrant or use another means to conceal the hydrant ~~[device]~~ instead of painting all or the cap of the hydrant ~~[device]~~ black as required under Subsection (c)(2) ~~[this section]~~ if the hydrant ~~[device]~~ is temporarily ~~[nonfunctioning, or temporarily]~~ unavailable for use in a fire emergency~~[-]~~ for a period not to exceed 45 ~~[seven]~~ days. Not later than the 45th day after the date a hydrant is concealed as provided by this subsection, the water utility responsible for the hydrant shall:

(1) if the hydrant is available for the provision of fire suppression services, remove the tarp or other means of concealment; or

(2) if the hydrant continues to be unavailable for use in a fire emergency, paint all or the cap of the hydrant black as required by Subsection (c)(2).

(f) A water utility that paints all or the cap of a hydrant black as required by Subsection (c)(2) may also ensure by any reasonable means that the hydrant is identifiable in low-light conditions, including by installing reflectors.

(g) ~~(h)~~ For purposes of this section, a hydrant ~~[device]~~ is considered to be unavailable for use by an entity responsible for providing fire suppression services in a fire emergency if the water utility is not obligated by ordinance, regulation, or contract to provide water for fire suppression services and elects not to provide water for those services ~~[nonfunctioning if the device pumps less than 250 gallons of water per minute].~~

(h) ~~(e)~~ This section does not apply:

(1) within the jurisdiction of a governmental entity that maintains its own system for labeling or color coding its hydrants; or

(2) to any water utility that has entered into a contract with a municipality or volunteer fire department to provide a water supply for fire suppression services if the contract specifies a different system for labeling or color coding hydrants ~~[a device having the appearance of a fire hydrant that is nonfunctioning or otherwise unavailable for use in a fire emergency].~~

(i) For purposes of Subsection (h), a system for labeling or color coding hydrants may include the assignment of different colors to identify hydrants that are available for direct pumping, hydrants that are available for filling a water tank on a fire truck used for fire suppression services, and hydrants that are unavailable for use by an entity providing fire suppression services in a fire emergency.

(j) The fact that all or the cap of a hydrant for which a water utility is responsible under this section is not painted black as described by Subsection (c)(2) or concealed in the manner described by Subsection (e) does not constitute a guarantee by the water utility that the hydrant will deliver a certain amount of water flow at all times.

Notwithstanding any provision of Chapter 101, Civil Practice and Remedies Code, to the contrary, a water utility is not liable for a hydrant's inability to provide adequate water supply in a fire emergency.

Explanation: The change is necessary to omit the section amending Section 341.0357, Health and Safety Code, to preserve the application of that law to certain municipalities.

(2) Senate Rule 12.03(3) is suspended to permit the committee to add text on a matter not in disagreement by adding the following new SECTIONS to the bill:

SECTION 1. Section 341.0357, Health and Safety Code, is amended by adding Subsection (d) to read as follows:

(d) This section does not apply within the jurisdiction of a governmental entity described by Section 341.03571(b).

SECTION 2. Subchapter C, Chapter 341, Health and Safety Code, is amended by adding Section 341.03571 to read as follows:

Sec. 341.03571. IDENTIFICATION REQUIREMENT FOR CERTAIN FIRE HYDRANTS AND FLUSH VALVES IN CERTAIN MUNICIPALITIES. (a) In this section, "hydrant" means:

(1) a fire hydrant; or

(2) a metal flush valve that:

(A) has the appearance of a fire hydrant; and

(B) is located in a place that an entity responsible for providing fire suppression services in a fire emergency would expect a fire hydrant to typically be located.

(b) This section applies only to a county, or a municipality in a county, that:

(1) borders the United Mexican States or is adjacent to a county that borders the United Mexican States;

(2) has a population of at least 400,000 or has a population of at least 20,000 and is adjacent to a county that has a population of at least 400,000; and

(3) is within 200 miles of the Gulf of Mexico.

(c) Each public water system responsible for any hydrant shall:

(1) paint all or the cap of the hydrant white if the hydrant is available to be used only to fill a water tank on a fire truck used for fire suppression services; and

(2) paint all or the cap of the hydrant black if the hydrant is unavailable for use by the entity providing fire suppression services in a fire emergency.

(d) For purposes of Subsection (c)(2), a hydrant is unavailable for use in a fire emergency if it is unavailable for pumping directly from the hydrant or is unavailable for use in filling a water tank on a fire truck used for fire suppression services.

(e) A public water system may place a black tarp over the hydrant or use another means to conceal the hydrant instead of painting all or the cap of the hydrant black as required under Subsection (c)(2) if the hydrant is temporarily unavailable for use in a fire emergency for a period not to exceed 45 days. Not later than the 45th day after the date a hydrant is concealed as provided by this subsection, the public water system responsible for the hydrant shall:

(1) if the hydrant is available for the provision of fire suppression services, remove the tarp or other means of concealment; or

(2) if the hydrant continues to be unavailable for use in a fire emergency, paint all or the cap of the hydrant black as required by Subsection (c)(2).

(f) A public water system that paints all or the cap of a hydrant black as required by Subsection (c)(2) may also ensure by any reasonable means that the hydrant is identifiable in low-light conditions, including by installing reflectors.

(g) This section does not apply:

(1) within the jurisdiction of a governmental entity that maintains its own system for labeling or color coding its hydrants; or

(2) to any public water system that has entered into a contract with a municipality or volunteer fire department to provide a water supply for fire suppression services if the contract specifies a different system for labeling or color coding hydrants.

(h) For purposes of Subsection (g), a system for labeling or color coding hydrants may include the assignment of different colors to identify hydrants that are available for direct pumping, hydrants that are available for filling a water tank on a fire truck used for fire suppression services, and hydrants that are unavailable for use by an entity providing fire suppression services in a fire emergency.

(i) The fact that all or the cap of a hydrant for which a public water system is responsible under this section is not painted black as described by Subsection (c)(2) or concealed in the manner described by Subsection (e) does not constitute a guarantee by the public water system that the hydrant will deliver a certain amount of water flow at all times. Notwithstanding any provision of Chapter 101, Civil Practice and Remedies Code, to the contrary, a public water system is not liable for a hydrant's inability to provide adequate water supply in a fire emergency.

Explanation: This addition is necessary to preserve the application of current law to certain municipalities and to enact new law applicable to other municipalities.

(3) Senate Rule 12.03(1) is suspended to permit the committee to change text not in disagreement in proposed SECTION 2 of the bill, in the transition language, to read as follows:

SECTION 3. Not later than January 1, 2014, each public water system responsible for hydrants under Section 341.03571, Health and Safety Code, as added by this Act, shall ensure that its hydrants comply with the requirements imposed by that section.

Explanation: The change is necessary to update the cross-reference to reflect the addition of Section 341.03571, Health and Safety Code.

SR 1059 was read and was adopted by the following vote: Yeas 31, Nays 0.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 1768 ADOPTED

Senator Hinojosa called from the President's table the Conference Committee Report on **HB 1768**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Hinojosa, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER
Austin, Texas
Saturday, May 25, 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 ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 396 (139 Yeas, 4 Nays, 2 Present, not voting)

HB 1534 (142 Yeas, 1 Nays, 2 Present, not voting)

HB 1768 (142 Yeas, 1 Nays, 2 Present, not voting)

HB 3572 (145 Yeas, 0 Nays, 2 Present, not voting)

SB 270 (144 Yeas, 0 Nays, 2 Present, not voting)

SB 281 (139 Yeas, 1 Nays, 2 Present, not voting)

SB 396 (144 Yeas, 0 Nays, 2 Present, not voting)

SB 578 (141 Yeas, 2 Nays, 2 Present, not voting)

SB 901 (142 Yeas, 0 Nays, 2 Present, not voting)

SB 1106 (141 Yeas, 2 Nays, 2 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

SENATE BILL 1727 WITH HOUSE AMENDMENTS

Senator Deuell called **SB 1727** 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 1727** (house committee report) as follows:

- (1) On page 2, line 18, after the semicolon, add "and".
- (2) Strike page 2, lines 19-21, and substitute the following:
(15) the drayage truck incentive program established
- (3) On page 3, line 14, strike "at port facilities or servicing port facilities" and substitute "at seaport facilities or servicing seaport facilities".
- (4) On page 3, line 15, add "and" after the semicolon.

(5) On page 3, line 17, strike "drilling" and substitute "drilling, production, completions,".

(6) On page 3, line 21, strike "; and" and substitute "."

(7) Strike page 3, line 22, through page 4, line 3.

(8) On page 6, line 15, strike "gross".

(9) On page 7, line 7, between "2013," and "by the," insert "or a later date established by the commission,".

(10) On page 7, line 27, strike "gross".

(11) On page 9, lines 1 and 2, strike "~~as listed for the commission under Section 386.155~~" and substitute "as listed for the commission under Section 386.155".

(12) On page 9, strike lines 24-26 and substitute the following:

Sec. 386.181. DEFINITION; RULES. (a) In this subchapter, "drayage truck" means a truck that transports a load to or from a seaport or rail yard.

(b) The commission may include more specific definitions in the rules or guidelines developed to implement the program established by this subchapter in order to reduce emissions in and around seaports in a nonattainment area.

(13) On page 10, lines 11-12, strike "and that the truck operates at a port, distribution center, or rail yard." and substitute "as determined by the commission and that the truck operates at a seaport or rail yard."

(14) On page 10, lines 22-23, strike "port, distribution center, or rail yard in a nonattainment area or affected county" and substitute "seaport or rail yard in a nonattainment area".

(15) On page 11, line 1, strike "or affected county".

(16) On page 11, line 15, strike "port, distribution center," and substitute "seaport".

(17) Strike page 11, line 24, through page 13, line 17.

(18) On page 14, strike lines 22-24 and renumber subsequent subdivisions of amended Section 386.252(a), Health and Safety Code, and the reference to Section 386.252(a)(16) on page 2, line 5, accordingly.

(19) On page 19, strike lines 22 and 23 and substitute the following:

(3) electricity storage projects related to renewable energy, including projects to store electricity produced from wind and solar generation that provide efficient means of making the stored energy available during periods of peak energy use.

(20) On page 21, line 21, strike "Subsections (a), (b), (c), and (d),".

(21) On page 21, lines 23-24, strike "are amended to read as follows:" and substitute "is amended by amending Subsections (a), (b), (c), and (d) and adding Subsection (f-1) to read as follows:"

(22) On page 23, between lines 14 and 15, insert the following:

(f-1) An application for a grant under this section must include a certification that the applicant complies with laws, rules, guidelines, and requirements applicable to taxation of fuel provided by the applicant at each fueling facility owned or operated by the applicant. The commission may terminate a grant awarded under this section without further obligation to the grant recipient if the commission determines that the

recipient did not comply with a law, rule, guideline or requirement described by this subsection. This subsection does not create a cause of action to contest an application or award of a grant.

(23) On page 24, strike lines 2-3 and substitute the following:

(2) Section 386.154, Health and Safety Code;

(24) Add the following appropriately numbered section to the bill:

SECTION _____. Section 386.104, Health and Safety Code, is amended by adding Subsection (f-1) to read as follows:

(f-1) The commission may establish minimum percentage reduction standards alternative to the standards established under Subsection (f) as an incentive for the conversion of heavy-duty diesel on-road vehicle engines to operate under a dual-fuel configuration that uses natural gas and diesel fuels through an alternative fuel conversion system certified by the United States Environmental Protection Agency. In determining the emissions rate of the converted vehicle and engine to compute the emissions reductions that can be attributed to the conversion system, the commission may take into account whether the emissions certification requirements for the conversion system prevent fully accounting for the emissions reductions. If the commission determines it to be necessary and appropriate, the commission may consider under this subsection certified engine test information that demonstrates nitrogen oxides emissions reductions and other information to verify the emissions reductions.

(25) Renumber the sections of the bill appropriately.

Floor Amendment No. 2

Amend **SB 1727** (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 386, Health and Safety Code, is amended by adding Section 386.0515 to read as follows:

Sec. 386.0515. AGRICULTURAL PRODUCT TRANSPORTATION PROJECTS. (a) In this section, "agricultural product transportation" means the transportation of a raw agricultural product from the place of production using a heavy-duty truck to:

(1) a nonattainment area;

(2) an affected county;

(3) a destination inside the clean transportation triangle; or

(4) a county adjacent to a county described by Subdivision (2) or that contains an area described by Subdivision (1) or (3).

(b) Notwithstanding other eligibility requirements, the commission shall by rule or policy provide specific eligibility requirements under the Texas Clean Fleet Program established under Chapter 392 and under the Texas Natural Gas Vehicle Grant Program established under Chapter 394, as added by Chapter 892 (SB 385), Acts of the 82nd Legislature, Regular Session, 2011, for projects relating to agricultural product transportation.

(c) The determining factor for eligibility for participation in a program established under Chapter 392 or Chapter 394, as added by Chapter 892 (SB 385), Acts of the 82nd Legislature, Regular Session, 2011, for a project relating to

agricultural product transportation is the overall accumulative net reduction in emissions of oxides of nitrogen in a nonattainment area, an affected county, or the clean transportation triangle.

Floor Amendment No. 1 on Third Reading

Amend **SB 1727** on third reading as follows:

(1) In added Section 386.104(f-1), Health and Safety Code, as added by the Isaac amendment, strike "as an incentive for the conversion of heavy-duty diesel on-road vehicle engines to operate under a dual-fuel configuration that uses natural gas and diesel fuels through an alternative fuel conversion system certified by the United States Environmental Protection Agency" and substitute the following: as an incentive for the conversion of heavy-duty diesel on-road vehicle engines or stationary engines to operate under a dual-fuel configuration that uses natural gas and diesel fuels through an alternative fuel conversion system certified by the United States Environmental Protection Agency or the California Air Resources Board

(2) In added Section 386.104(f-1), Health and Safety Code, as added by the Isaac amendment, strike "the commission may consider under this subsection certified engine test information that demonstrates nitrogen oxides emissions reductions and other information to verify the emissions reductions" and substitute the following: the commission may consider under this subsection certified engine test information that demonstrates reductions of emissions of nitrogen oxides and other pollutants and other information to verify the emissions reductions

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

SECTION _____. The heading to Subchapter E, Chapter 386, Health and Safety Code, is amended to read as follows:

SUBCHAPTER E. EVALUATION OF UTILITY COMMISSION AND
COMPTROLLER ENERGY EFFICIENCY PROGRAMS [~~GRANT PROGRAM~~]

SECTION _____. Section 386.205, Health and Safety Code, is amended to read as follows:

Sec. 386.205. EVALUATION OF UTILITY COMMISSION AND
COMPTROLLER [STATE] ENERGY EFFICIENCY PROGRAMS. In cooperation with the laboratory, the utility commission shall provide an annual report to the commission that, by county, quantifies the reductions of energy demand, peak loads, and associated emissions of air contaminants achieved from ~~the~~ programs implemented by the state energy conservation office ~~[under this subchapter]~~ and from programs ~~those~~ implemented under Section 39.905, Utilities Code.

SECTION _____. The following provisions are repealed:

- (1) Section 386.051(c), Health and Safety Code; and
- (2) Sections 386.201, 386.202, and 386.203, Health and Safety Code.

(4) Combine into one SECTION of the bill all SECTIONS of the bill that repeal provisions of the law, numbering the subdivisions appropriately.

The amendments were read.

Senator Deuell moved to concur in the House amendments to **SB 1727**.

The motion prevailed by the following vote: Yeas 28, Nays 2, Present-not voting 1.

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

Nays: Hancock, Paxton.

Present-not voting: Fraser.

STATEMENT OF LEGISLATIVE INTENT

Senator Deuell submitted the following statement of legislative intent for **SB 1727**:

The statement "as may be appropriated for those programs" in Section 386.252(f), Health and Safety Code, is intended to be permissive and not restrictive. This language is not intended as a limitation on the authority of the commission under Sections 386.252(e-1) and (h) to reallocate money that was originally allocated to another program to one or more of the programs listed under Sections 386.051(b)(13), (b)(14), and (b-1), Health and Safety Code.

DEUELL

CONFERENCE COMMITTEE ON HOUSE BILL 3569

Senator Uresti 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 3569** 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 3569** 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 Uresti, Chair; Hegar, Hinojosa, Estes, and Schwertner.

CONFERENCE COMMITTEE ON HOUSE BILL 3447

Senator Uresti 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 3447** 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 3447** 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 Uresti, Chair; Taylor, Zaffirini, Hinojosa, and Campbell.

SENATE RESOLUTION 1055

Senator Williams offered the following resolution:

SR 1055, Suspending limitations on conference committee jurisdiction, S.B. 1.

The resolution was read and was adopted by the following vote: Yeas 31, Nays 0.

(President in Chair)

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1 ADOPTED**

Senator Williams called from the President's table the Conference Committee Report on **SB 1**. The Conference Committee Report was filed with the Senate on Thursday, May 23, 2013.

On motion of Senator Williams, the Conference Committee Report was adopted by the following vote: Yeas 27, Nays 4.

Yeas: 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, Campbell, Patrick, Paxton.

MESSAGE FROM THE GOVERNOR

The following Message from the Governor was read and was filed with the Secretary of the Senate:

OFFICIAL MEMORANDUM
STATE OF TEXAS
OFFICE OF THE GOVERNOR
MESSAGE

TO THE MEMBERS OF THE SENATE AND HOUSE OF REPRESENTATIVES
OF THE EIGHTY-THIRD TEXAS LEGISLATURE, REGULAR SESSION:

Pursuant to Article IV, Section 14 of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove and veto Senate Bill No. 346 of the 83rd Texas Legislature, Regular Session, due to the following objections:

Freedom of association and freedom of speech are two of our most important rights enshrined in the Constitution. My fear is that Senate Bill 346 would have a chilling effect on both of those rights in our democratic political process. While regulation is necessary in the administration of Texas political finance laws, no regulation is tolerable that puts anyone's participation at risk or that can be used by any government, organization or individual to intimidate those who choose to participate in our process through financial means.

At a time when our federal government is assaulting the rights of Americans by using the tools of government to squelch dissent it is unconscionable to expose more Texans to the risk of such harassment, regardless of political, organizational or party affiliation.

I therefore veto Senate Bill 346.

Since you remain gathered in regular session and continue to conduct formal business, I am delivering this disapproval message directly to you along with the official enrolled copy of the bill.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 25th day of May, 2013.

/s/Rick Perry
Governor of Texas

(Seal)

Attested by:

/s/John Steen
Secretary of State

SENATE BILL 692 WITH HOUSE AMENDMENT

Senator Carona called **SB 692** 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 692** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the filing by electronic mail of financial disclosures by certain county officers, county employees, or candidates for county office.

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

SECTION 1. Section 159.003, Local Government Code, is amended by adding Subsection (c) to read as follows:

(c) The statement may be filed with the county clerk by electronic mail. The county clerk may prescribe the manner and format for filing by electronic mail.

SECTION 2. Section 159.005(b), Local Government Code, is amended to read as follows:

(b) The county clerk shall mail or, at the request of the person required to file under this subchapter, send by electronic mail, [~~two copies of~~] the form to each person required to file under this subchapter within the time prescribed by Section 572.030(c), Government Code.

SECTION 3. Section 159.034, Local Government Code, is amended by adding Subsection (d) to read as follows:

(d) A report filed under this subchapter may be filed by electronic mail. The authority with whom the report is filed may prescribe the manner and format for filing by electronic mail.

SECTION 4. Section 159.052, Local Government Code, is amended by adding Subsection (c) to read as follows:

(c) A financial statement filed with the county clerk may be filed by electronic mail. The county clerk may prescribe the manner and format for filing by electronic mail under this subsection.

SECTION 5. Section 159.054(b), Local Government Code, is amended to read as follows:

(b) The county clerk shall make paper and electronic copies of the form available to each person required to file under this subchapter within the time prescribed by Section 572.030(c), Government Code.

SECTION 6. This Act takes effect September 1, 2013.

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 692**.

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

SENATE BILL 950 WITH HOUSE AMENDMENT

Senator Carona called **SB 950** 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 950** (house committee report), on page 2, line 23, between "supply" and "for", by inserting "of the product or brand".

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 950**.

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

SENATE BILL 1090 WITH HOUSE AMENDMENT

Senator Carona called **SB 1090** 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 1090** (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 108, Alcoholic Beverage Code, is amended by adding Section 108.035 to read as follows:

Sec. 108.035. PACKAGING OF CERTAIN PROMOTIONAL ITEMS AUTHORIZED. Notwithstanding any other provision of this code, a person who holds a brewer's permit, nonresident brewer's permit, manufacturer's license, or nonresident manufacturer's license, or the person's agent or employee, may package alcoholic beverages in combination with other items if the package is designed to be

delivered intact to the wholesaler or distributor and the additional items are branded and have no value or benefit to the retailer other than that of having the potential of attracting purchases and promoting sales.

SECTION _____. Subchapter A, Chapter 108, Alcoholic Beverage Code, is amended by adding Section 108.10 to read as follows:

Sec. 108.10. BRANDED PROMOTIONAL VEHICLES. Notwithstanding any other provision of this code, the holder of a manufacturer's or nonresident manufacturer's license or a nonresident seller's permit may display a branded promotional vehicle on the licensed or permitted premises of a retailer, whether outside or inside a structure on the premises, for not more than five hours per day.

The amendment was read.

Senator Carona moved to concur in the House amendment to **SB 1090**.

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

VOTES RECONSIDERED ON HOUSE BILL 752

On motion of Senator Hinojosa and by unanimous consent, the vote by which **HB 752** was finally passed was reconsidered:

HB 752, Relating to the types of entities that are considered municipal water suppliers for purposes of the law governing the effect of the subdivision of certain land on certain irrigation water rights.

Question — Shall **HB 752** be finally passed?

On motion of Senator Hinojosa and by unanimous consent, the vote by which **HB 752** was passed to third reading was reconsidered.

Question — Shall **HB 752** be passed to third reading?

On motion of Senator Hinojosa and by unanimous consent, the vote by which Floor Amendment No. 1 was adopted was reconsidered.

Question — Shall Floor Amendment No. 1 to **HB 752** be adopted?

Senator Hinojosa withdrew Floor Amendment No. 1.

HB 752 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.

HOUSE BILL 752 ON THIRD READING

Senator Hinojosa moved that Senate Rule 7.25, Senate Rule 7.18, and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 752** 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.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 215 ADOPTED**

Senator Birdwell called from the President's table the Conference Committee Report on **SB 215**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Birdwell, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**SENATE RULE 12.09(a) SUSPENDED
(Printing and Notice of Conference Committee Reports)**

On motion of Senator Williams and by unanimous consent, Senate Rule 12.09(a) was suspended as it relates to the Conference Committee Report on **HB 7**.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 7 ADOPTED**

Senator Williams called from the President's table the Conference Committee Report on **HB 7**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Williams, the Conference Committee Report was adopted by the following vote: Yeas 25, Nays 6.

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

Nays: Birdwell, Campbell, Lucio, Patrick, Paxton, Watson.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3903**

Senator Campbell submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 3903** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

CAMPBELL
HINOJOSA
HEGAR

ISAAC
WORKMAN
BONNEN, DENNIS

TAYLOR

On the part of the Senate

CLARDY

ASHBY

On the part of the House

The Conference Committee Report on **HB 3903** was filed with the Secretary of the Senate on Friday, May 24, 2013.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3572**

Senator Williams submitted the following Conference Committee Report:

Austin, Texas

May 24, 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 3572** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

WILLIAMS

HINOJOSA

HEGAR

LUCIO

HUFFMAN

On the part of the Senate

HILDERBRAN

BOHAC

EILAND

KUEMPEL

SHEFFIELD, J. D.

On the part of the House

The Conference Committee Report on **HB 3572** was filed with the Secretary of the Senate on Friday, May 24, 2013.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3093**

Senator Zaffirini submitted the following Conference Committee Report:

Austin, Texas

May 24, 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 3093** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

ZAFFIRINI
 BIRDWELL
 CARONA
 SCHWERTNER
 VAN DE PUTTE

On the part of the Senate

ELKINS
 BUTTON
 GONZALES, LARRY
 REYNOLDS

On the part of the House

The Conference Committee Report on **HB 3093** was filed with the Secretary of the Senate on Friday, May 24, 2013.

**CONFERENCE COMMITTEE REPORT ON
 HOUSE BILL 7**

Senator Williams submitted the following Conference Committee Report:

Austin, Texas
 May 24, 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 7** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

WILLIAMS
 DUNCAN
 NELSON
 ELTIFE
 HEGAR

On the part of the Senate

DARBY
 PITTS
 EILAND
 OTTO
 TURNER, SYLVESTER

On the part of the House

The Conference Committee Report on **HB 7** was filed with the Secretary of the Senate on Friday, May 24, 2013.

**CONFERENCE COMMITTEE REPORT ON
 HOUSE BILL 1951**

Senator Carona submitted the following Conference Committee Report:

Austin, Texas
 May 24, 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 1951** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

CARONA

ELLIS

ELTIFE

DUNCAN

VAN DE PUTTE

On the part of the Senate

THOMPSON, SENFRONIA

CLARDY

RAYMOND

SHEETS

SIMMONS

On the part of the House

The Conference Committee Report on **HB 1951** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 359**

Senator Hinojosa submitted the following Conference Committee Report:

Austin, Texas

May 24, 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 359** 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.

HINOJOSA

GARCIA

NICHOLS

WHITMIRE

TAYLOR

On the part of the Senate

EILAND

MARTINEZ FISCHER

BOHAC

BUTTON

GONZALEZ, NAOMI

On the part of the House

**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 with representation 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 Conference Committee Report on **SB 359** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 219**

Senator Huffman submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 219** 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.

HUFFMAN

NELSON

NICHOLS

URESTI

VAN DE PUTTE

On the part of the Senate

BONNEN, DENNIS

ANCHIA

JOHNSON

KEFFER

PRICE

On the part of the House

**A BILL TO BE ENTITLED
AN ACT**

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.

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

ARTICLE 1. GENERAL PROCEDURES OF TEXAS ETHICS COMMISSION

SECTION 1.01. Subchapter B, Chapter 571, Government Code, is amended by adding Section 571.033 to read as follows:

Sec. 571.033. NOTIFICATION PROCEDURES. The commission shall adopt rules prescribing how the commission will notify any person or provide any notice required by this subtitle, Chapter 305, or Title 15, Election Code.

SECTION 1.02. Section 571.0671, Government Code, is amended by adding Subsection (d) to read as follows:

(d) Electronic report data saved in a commission temporary storage location for later retrieval and editing before the report is filed is confidential and may not be disclosed. After the report is filed, the information disclosed in the report is subject to the law requiring the filing of the report.

ARTICLE 2. INQUIRY PROCEDURES AND HEARINGS AND ENFORCEMENT
ACTIVITIES OF TEXAS ETHICS COMMISSION

SECTION 2.01. Subdivision (2), Section 571.002, Government Code, is amended to read as follows:

(2) "Complainant" means an individual who files an inquiry [~~a sworn complaint~~] with the commission.

SECTION 2.02. Subsection (a), Section 571.027, Government Code, is amended to read as follows:

(a) A member of the commission may not participate in a commission proceeding relating to any of the following actions if the member is the subject of the action:

- (1) a formal investigation by the commission;
- (2) an inquiry [~~a sworn complaint~~] filed with the commission; or
- (3) a motion adopted by vote of at least six members of the commission.

SECTION 2.03. Subsection (f), Section 571.069, Government Code, is amended to read as follows:

(f) This section may not be construed as limiting or affecting the commission's authority to, on the filing of a motion or receipt of an inquiry [~~a sworn complaint~~], review or investigate the sufficiency of a statement or report.

SECTION 2.04. Section 571.073, Government Code, is amended to read as follows:

Sec. 571.073. REPORT. On or before December 31 of each even-numbered year, the commission shall report to the governor and legislature. The report must include:

(1) each advisory opinion issued by the commission under Subchapter D in the preceding two years;

(2) a summary of commission activities in the preceding two years, including:

(A) the number of inquiries [~~sworn complaints~~] filed with the commission;

(B) the number of inquiries [~~sworn complaints~~] dismissed for noncompliance with statutory form requirements;

(C) the number of inquiries [~~sworn complaints~~] dismissed for lack of jurisdiction;

(D) the number of inquiries [~~sworn complaints~~] dismissed after a finding of no credible evidence of a violation;

(E) the number of inquiries [~~sworn complaints~~] dismissed after a finding of a lack of sufficient evidence to determine whether a violation within the jurisdiction of the commission has occurred;

(F) the number of inquiries [~~sworn complaints~~] resolved by the commission through an agreed decision [~~order~~];

(G) the number of inquiries [~~sworn complaints~~] in which the commission issued a decision [~~an order~~] finding a violation and the resulting penalties, if any; and

(H) the number and amount of civil penalties imposed for failure to timely file a statement or report, the number and amount of those civil penalties fully paid, the number and amount of those civil penalties partially paid, and the number and amount of those civil penalties no part of which has been paid, for each of the following category of statements and reports, listed separately:

- (i) financial statements required to be filed under Chapter 572;
- (ii) political contribution and expenditure reports required to be filed under Section 254.063, 254.093, 254.123, 254.153, or 254.157, Election Code;
- (iii) political contribution and expenditure reports required to be filed under Section 254.064(b), 254.124(b), or 254.154(b), Election Code;
- (iv) political contribution and expenditure reports required to be filed under Section 254.064(c), 254.124(c), or 254.154(c), Election Code;
- (v) political contribution and expenditure reports required to be filed under Section 254.038 or 254.039, Election Code; and
- (vi) political contribution and expenditure reports required to be filed under Section 254.0391, Election Code; and

(3) recommendations for any necessary statutory changes.

SECTION 2.05. Section 571.076, Government Code, is amended to read as follows:

Sec. 571.076. CONTRACT FOR ADMINISTRATION. The commission may contract with persons to administer and carry out this chapter and rules, standards, [~~and~~] orders, and decisions adopted under this chapter, excluding any enforcement authority.

SECTION 2.06. The heading to Subchapter E, Chapter 571, Government Code, is amended to read as follows:

SUBCHAPTER E. INQUIRY [~~COMPLAINT~~] PROCEDURES AND HEARINGS

SECTION 2.07. Section 571.121, Government Code, is amended to read as follows:

Sec. 571.121. GENERAL POWERS. (a) The commission may:

(1) hold hearings, on its own motion adopted by an affirmative vote of at least six commission members or on an inquiry [~~a sworn complaint~~], and render decisions on inquiries [~~complaints~~] or reports of violations as provided by this chapter; and

(2) agree to the settlement of issues.

(b) The commission may not consider an inquiry [~~a complaint~~] or vote to investigate a matter outside the commission's jurisdiction.

SECTION 2.08. Section 571.1211, Government Code, is amended to read as follows:

Sec. 571.1211. DEFINITIONS. In this subchapter, "campaign [~~:~~

[(1) "~~Campaign~~] communication" and "political advertising" have the meanings assigned by Section 251.001, Election Code.

~~[(2) "Category One violation" means a violation of a law within jurisdiction of the commission as to which it is generally not difficult to ascertain whether the violation occurred or did not occur, including:~~

~~[(A) the failure by a person required to file a statement or report to:~~

~~[(i) file the required statement or report in a manner that complies with applicable requirements; or~~

~~[(ii) timely file the required statement or report;~~

~~[(B) a violation of Section 255.001, Election Code;~~

~~[(C) a misrepresentation in political advertising or a campaign communication relating to the office held by a person in violation of Section 255.006, Election Code;~~

~~[(D) a failure to include in any written political advertising intended to be seen from a road the right of way notice in violation of Section 255.007, Election Code; or~~

~~[(E) a failure to timely respond to a written notice under Section 571.123(b).]~~

~~[(3) "Category Two violation" means a violation of a law within the jurisdiction of the commission that is not a Category One violation.]~~

SECTION 2.09. Subchapter E, Chapter 571, Government Code, is amended by adding Section 571.1213 to read as follows:

Sec. 571.1213. CATEGORIZATION OF VIOLATIONS. (a) The commission staff shall categorize, in ascending order of seriousness, each violation of law alleged in an inquiry or on a motion of the commission as:

(1) a technical, clerical, or de minimis violation;

(2) an administrative or filing violation; or

(3) a more serious violation.

(b) The commission shall adopt rules defining what violations of law are included in each category of violation.

SECTION 2.10. Subchapter E, Chapter 571, Government Code, is amended by adding Section 571.1214 to read as follows:

Sec. 571.1214. RESOLUTION OF VIOLATIONS. (a) The commission staff and the commission shall resolve an inquiry or motion in the form corresponding to the most serious category of violation alleged in the inquiry or motion as provided in this section.

(b) An inquiry or motion alleging a technical, clerical, or de minimis violation must be resolved in a letter of acknowledgment.

(c) An inquiry or motion alleging an administrative or filing violation must be resolved in a notice of administrative or filing error.

(d) An inquiry or motion alleging a more serious violation must be resolved in a notice of violation.

SECTION 2.11. Section 571.122, Government Code, as amended by Chapters 604 (H.B. 677) and 1166 (H.B. 3218), Acts of the 81st Legislature, Regular Session, 2009, is amended to read as follows:

Sec. 571.122. FILING OF INQUIRY [COMPLAINT]; CONTENTS. (a) An individual may file with the commission an inquiry [a sworn complaint] alleging that a person subject to a law administered and enforced by the commission has violated a

rule adopted by or a law administered and enforced by the commission. An inquiry [~~A sworn complaint~~] must be filed on a form prescribed by the commission. The commission shall make the inquiry [~~complaint~~] form available on the Internet. The form prescribed by the commission must require the complainant to provide the following information for both the complainant and the respondent:

- (1) the person's name;
- (2) the person's telephone number;
- (3) the person's electronic mail address, if known; and
- (4) the physical address of the person's home or business.

(b) An inquiry [~~A complaint~~] filed under this section must be in writing and under oath and must set forth in simple, concise, and direct statements:

- (1) the name of the complainant;
- (2) the street or mailing address of the complainant;
- (3) the name of each respondent;
- (4) the position or title of each respondent;
- (5) the nature of the alleged violation, including if possible the specific rule or provision of law alleged to have been violated;

(6) a statement of the facts constituting the alleged violation and the dates on which or period of time in which the alleged violation occurred; and

(7) all documents or other material available to the complainant that are relevant to the allegation, a list of all documents or other material within the knowledge of the complainant and available to the complainant that are relevant to the allegation but that are not in the possession of the complainant, including the location of the documents, if known, and a list of all documents or other material within the knowledge of the complainant that are unavailable to the complainant and that are relevant to the inquiry [~~complaint~~], including the location of the documents, if known.

(b-1) An individual must be a resident of this state to be eligible to file an inquiry [~~a sworn complaint~~] with the commission. A copy of one of the following documents must be attached to the inquiry [~~complaint~~]:

(1) the complainant's driver's license or personal identification certificate issued under Chapter 521, Transportation Code, or commercial driver's license issued under Chapter 522, Transportation Code; or

(2) a utility bill, bank statement, government check, paycheck, or other government document that:

(A) shows the name and address of the complainant; and

(B) is dated not more than 30 days before the date on which the inquiry [~~complaint~~] is filed.

(b-2) [~~(b-1)~~] To be eligible to file an inquiry [~~a sworn complaint~~] with the commission, an individual must be a resident of this state or must own real property in this state. A copy of one of the following documents must be attached to the inquiry [~~complaint~~]:

(1) the complainant's driver's license or personal identification certificate issued under Chapter 521, Transportation Code, or commercial driver's license issued under Chapter 522, Transportation Code;

(2) a utility bill, bank statement, government check, paycheck, or other government document that:

(A) shows the name and address of the complainant; and

(B) is dated not more than 30 days before the date on which the inquiry [~~complaint~~] is filed; or

(3) a property tax bill, notice of appraised value, or other government document that:

(A) shows the name of the complainant;

(B) shows the address of real property in this state; and

(C) identifies the complainant as the owner of the real property.

(c) The inquiry [~~complaint~~] must be accompanied by an affidavit stating that the information contained in the inquiry [~~complaint~~] is either correct or that the complainant has good reason to believe and does believe that the violation occurred. If the inquiry [~~complaint~~] is based on information and belief, the inquiry [~~complaint~~] shall state the source and basis of the information and belief. The complainant may swear to the facts by oath before a notary public or other authorized official.

(d) The inquiry [~~complaint~~] must state on its face an allegation that, if true, constitutes a violation of a rule adopted by or a law administered and enforced by the commission.

(e) It is not a valid basis of an inquiry [~~a complaint~~] to allege that a report required under Chapter 254, Election Code, contains the improper name or address of a person from whom a political contribution was received if the name or address in the report is the same as the name or address that appears on the check for the political contribution.

SECTION 2.12. Section 571.1221, Government Code, is amended to read as follows:

Sec. 571.1221. DISMISSAL OF INQUIRY [~~COMPLAINT~~] FILED AT DIRECTION OR URGING OF NONRESIDENT. At any stage of a proceeding under this subchapter, the commission shall dismiss the inquiry [~~complaint~~] if the commission determines that the inquiry [~~complaint~~] was filed at the direction or urging of a person who is not a resident of this state.

SECTION 2.13. Section 571.1222, Government Code, is amended to read as follows:

Sec. 571.1222. DISMISSAL OF INQUIRY [~~COMPLAINT~~] CHALLENGING CERTAIN INFORMATION IN POLITICAL REPORT. At any stage of a proceeding under this subchapter, the commission shall dismiss an inquiry [~~a complaint~~] to the extent the inquiry [~~complaint~~] alleges that a report required under Chapter 254, Election Code, contains the improper name or address of a person from whom a political contribution was received if the name or address in the report is the same as the name or address that appears on the check for the political contribution.

SECTION 2.14. Section 571.123, Government Code, is amended to read as follows:

Sec. 571.123. PROCESSING OF INQUIRY [~~COMPLAINT~~]. (a) The commission shall determine whether an inquiry [~~a sworn complaint~~] filed with the commission complies with the form requirements of Section 571.122.

(a-1) [~~(b)~~] After an inquiry [~~a complaint~~] is filed, the commission shall immediately attempt to contact and notify the respondent of the inquiry [~~complaint~~] by ~~telephone or electronic mail~~.

(b) Not later than the fifth business day after the date an inquiry [~~a complaint~~] is filed, the commission shall notify [~~send written notice to~~] the complainant and the respondent as to [~~The written notice to the complainant and the respondent must~~]:

(1) [~~state~~] whether the inquiry [~~complaint~~] complies with the form requirements of Section 571.122; and

(2) if the respondent is a candidate or officeholder, [~~state~~] the procedure by which the respondent may designate an agent with whom commission staff may discuss the inquiry [~~complaint~~]; and

~~(3) if applicable, include the information required by Section 571.124(e).~~

(c) If the commission determines that the inquiry [~~complaint~~] does not comply with the form requirements, the commission shall return [~~send~~] the inquiry [~~complaint~~] to the complainant with [~~the written notice,~~] a statement explaining how the inquiry [~~complaint~~] fails to comply[;] and a copy of the rules for filing inquiries [~~sworn complaints~~]. The commission shall provide [~~send~~] a copy of the rejected inquiry [~~complaint~~] to the respondent with [~~the written notice and~~] the statement explaining how the inquiry [~~complaint~~] fails to comply. The complainant may resubmit the inquiry [~~complaint~~] not later than the 21st day after the date the complainant is notified [~~notice~~] under Subsection (b) [~~is mailed~~]. If the commission determines that the inquiry [~~complaint~~] is not resubmitted within the 21-day period, the commission shall:

(1) dismiss the inquiry [~~complaint~~]; and

(2) not later than the fifth business day after the date of the dismissal, notify [~~send written notice to~~] the complainant and the respondent of the dismissal and the grounds for dismissal.

(d) If the commission determines that an inquiry [~~a complaint~~] is resubmitted under Subsection (c) within the 21-day period but is not in proper form, the commission shall return the inquiry to the complainant as provided in [~~send the notice required under~~] Subsection (c), and the complainant may resubmit the inquiry [~~complaint~~] under that subsection.

(e) If the commission determines that an inquiry [~~a complaint~~] returned to the complainant under Subsection (c) or (d) is resubmitted within the 21-day period and that the inquiry [~~complaint~~] complies with the form requirements, the commission shall notify the complainant and respondent [~~send the written notice~~] under Subsection (b).

SECTION 2.15. Subsection (b), Section 571.1231, Government Code, is amended to read as follows:

(b) A respondent to an inquiry [~~a complaint~~] filed against the respondent may by writing submitted to the commission designate an agent with whom the commission staff may communicate regarding the inquiry [~~complaint~~].

SECTION 2.16. Section 571.124, Government Code, is amended to read as follows:

Sec. 571.124. PRELIMINARY REVIEW: INITIATION. (a) The commission staff shall promptly conduct a preliminary review on receipt of a written inquiry [~~complaint~~] that is in compliance with the form requirements of Section 571.122.

(b) On a motion adopted by an affirmative vote of at least six commission members, the commission staff, without an inquiry [~~a sworn complaint~~], may undertake [~~initiate~~] a preliminary review of the matter that is the subject of the motion.

(c) The executive director shall determine in writing whether the commission has jurisdiction over the violation of law alleged in an inquiry [~~a sworn complaint~~] processed under Section 571.123.

(e) If the executive director determines that the commission has jurisdiction, the notification [~~notice~~] under Section 571.123(b) must include:

(1) a statement that the commission has jurisdiction over the violation of law alleged in the inquiry [~~complaint~~];

(2) a statement of whether the inquiry [~~complaint~~] will be processed as a technical, clerical, or de minimis violation, an administrative or filing violation, or a more serious violation [~~Category One violation or a Category Two violation, subject to reconsideration as provided for by Section 571.1212~~];

(3) the date by which the respondent is required to respond to the notification [~~notice~~];

(4) a copy of the inquiry [~~complaint~~] and the rules of procedure of the commission;

(5) a statement of the rights of the respondent;

(6) a statement inviting the respondent to provide to the commission any information relevant to the inquiry [~~complaint~~]; and

(7) a statement that a failure to timely respond to the notification [~~notice~~] will be treated as a separate violation.

(f) If the executive director determines that the commission does not have jurisdiction over the violation alleged in the inquiry [~~complaint~~], the executive director shall:

(1) dismiss the inquiry [~~complaint~~]; and

(2) not later than the fifth business day after the date of the dismissal, notify [~~send to~~] the complainant and the respondent [~~written notice~~] of the dismissal and the grounds for the dismissal.

SECTION 2.17. Subsections (a) and (c), Section 571.1241, Government Code, are amended to read as follows:

(a) If the executive director determines that the commission does not have jurisdiction over the violation alleged in the inquiry [~~complaint~~], the complainant may request that the commission review the determination. A request for review under this section must be filed not later than the 30th day after the date the complainant receives the executive director's determination.

(c) Not later than the fifth business day after the date of the commission's determination under this section, the commission shall notify [~~send written notice to~~] the complainant and the respondent as to [~~stating~~] whether the commission has jurisdiction over the violation alleged in the inquiry [~~complaint~~]. If the commission determines that the commission has jurisdiction, the notification [~~notice~~] must include the items listed in Section 571.124(e).

SECTION 2.18. Section 571.1242, Government Code, is amended to read as follows:

Sec. 571.1242. PRELIMINARY REVIEW: RESPONSE BY RESPONDENT.

(a) If the alleged violation is a technical, clerical, or de minimis [~~Category One~~] violation:

(1) the respondent must respond to the notification [~~notice~~] required by Section 571.123(b) not later than the 10th business day after the date the respondent is notified [~~receives the notice~~]; and

(2) if the matter is not resolved by agreement between the commission and the respondent before the 30th business day after the date the respondent is notified [~~receives the notice~~] under Section 571.123(b), the commission shall set the matter for a preliminary review hearing [~~to be held at the next commission meeting for which notice has not yet been posted~~].

(b) If the alleged violation is an administrative or filing violation or a more serious [~~a Category Two~~] violation:

(1) the respondent must respond to the notification [~~notice~~] required by Section 571.123(b) not later than the 25th business day after the date the respondent is notified [~~receives the notice~~] under Section 571.123(b); and

(2) if the matter is not resolved by agreement between the commission and the respondent before the 75th business day after the date the respondent is notified [~~receives the notice~~] under Section 571.123(b), the commission shall set the matter for a preliminary review hearing [~~to be held at the next commission meeting for which notice has not yet been posted~~].

(c) A respondent's failure to timely respond as required by Subsection (a)(1) or (b)(1) is a [~~Category One~~] violation.

(d) The response required to the notification under Section 571.123(b) [~~by Subsection (a) or (b)~~] must include any challenge the respondent seeks to raise to the commission's exercise of jurisdiction. In addition, the respondent may:

(1) acknowledge the occurrence or commission of a violation;

(2) deny the allegations contained in the inquiry [~~complaint~~] and provide evidence supporting the denial; or

(3) agree to enter into a letter of acknowledgment [~~an assurance of voluntary compliance~~] or other agreed decision [~~order~~], which may include an agreement to immediately cease and desist.

[~~(e) If the commission sets the matter for a preliminary review hearing, the commission shall promptly send to the complainant and the respondent written notice of the date, time, and place of the preliminary review hearing.~~]

SECTION 2.19. Subchapter E, Chapter 571, Government Code, is amended by adding Section 571.12421 to read as follows:

Sec. 571.12421. PRELIMINARY REVIEW: PROCEDURE. (a) The commission shall adopt procedures by rule for the conduct of:

(1) a preliminary review of an inquiry or motion that alleges a technical, clerical, or de minimis violation;

(2) a preliminary review of an inquiry or motion that alleges an administrative or filing violation; and

(3) a preliminary review of an inquiry or motion that alleges a more serious violation.

(b) If an inquiry or motion alleges violations of different categories, the commission staff shall conduct a preliminary review of the inquiry or motion according to the procedure for the most serious category of violation alleged in the inquiry or motion.

(c) If, in the course of conducting a preliminary review, the commission staff determines that the violation alleged in the inquiry or motion was initially categorized incorrectly, the commission staff shall continue conducting the preliminary review according to the procedure for the correct category of violation.

(d) If an inquiry or motion alleges more than one violation, the commission staff may conduct a single preliminary review of the alleged violations or conduct a separate preliminary review for each violation.

SECTION 2.20. Subchapter E, Chapter 571, Government Code, is amended by adding Section 571.12431 to read as follows:

Sec. 571.12431. PRELIMINARY REVIEW: RESOLUTION. (a) After conducting a preliminary review of an inquiry or motion, the commission staff shall propose a resolution of the inquiry or motion to the respondent in the form corresponding to the category of violation alleged in the inquiry or motion or, if the inquiry or motion alleges multiple violations, in the form corresponding to the most serious category of violation.

(b) Except as provided by other law or commission rule, if the respondent accepts the resolution, the commission staff shall submit to the commission for approval the letter of acknowledgment, notice of administrative or filing error, or notice of violation in which the resolution was proposed to the respondent.

(c) If the respondent rejects the resolution, the commission shall set the inquiry or motion for a preliminary review hearing.

SECTION 2.21. Section 571.1244, Government Code, is amended to read as follows:

Sec. 571.1244. PRELIMINARY REVIEW AND PRELIMINARY REVIEW HEARING PROCEDURES. (a) The commission shall adopt procedures for the conduct of preliminary reviews and preliminary review hearings. The procedures must include:

(1) a reasonable time for responding to questions submitted by the commission and commission staff and subpoenas issued by the commission; and

(2) the tolling or extension of otherwise applicable deadlines where:

(A) the commission issues a subpoena and the commission's meeting schedule makes it impossible both to provide a reasonable time for response and to comply with the otherwise applicable deadlines; or

(B) the commission determines that, despite commission staff's diligence and the reasonable cooperation of the respondent, a matter is too complex to resolve within the otherwise applicable deadlines without compromising either the commission staff's investigation or the rights of the respondent.

(b) The commission by rule shall adopt procedures for the commission's review of a letter of acknowledgment, a notice of administrative or filing error, or a notice of violation submitted to the commission under Section 571.12431(b) or 571.126(f).

(c) The commission by rule shall adopt procedures for the disposition of an inquiry or motion if the respondent does not respond to a resolution of the inquiry or motion proposed to the respondent under Section 571.12431 or 571.126.

SECTION 2.22. Section 571.125, Government Code, is amended to read as follows:

Sec. 571.125. PRELIMINARY REVIEW HEARING: PROCEDURE. (a) A panel of two members of the [The] commission shall conduct a preliminary review hearing if:

(1) following the preliminary review, the [~~commission and the~~] respondent does not [~~cannot~~] agree to the resolution of the inquiry or motion proposed by the commission staff [~~disposition of the complaint or motion~~]; or

(2) the respondent in writing requests a hearing.

(b) The commission shall notify [~~provide written notice to~~] the complainant, if any, and the respondent of the date, time, and place the panel [~~commission~~] will conduct the preliminary review hearing.

(c) At or after the time the commission notifies the complainant, if any, and the respondent [~~provides notice~~] of a preliminary review hearing, the commission may submit to the complainant and the respondent written questions and require those questions to be answered under oath within a reasonable time.

(d) During a preliminary review hearing, the panel [~~commission~~]:

(1) may consider all submitted evidence related to the inquiry [~~complaint~~] or to the subject matter of a motion under Section 571.124(b);

(2) may review any documents or material related to the inquiry [~~complaint~~] or to the motion; and

(3) shall determine whether there is credible evidence that provides cause for the panel [~~commission~~] to conclude that a violation within the jurisdiction of the commission has occurred.

(e) During a preliminary review hearing, the respondent may appear before the panel [~~commission~~] with the assistance of counsel, if desired by the respondent, and present any relevant evidence, including a written statement.

SECTION 2.23. Subchapter E, Chapter 571, Government Code, is amended by adding Section 571.1251 to read as follows:

Sec. 571.1251. SELECTION OF PANEL TO CONDUCT PRELIMINARY REVIEW HEARING. The commission shall adopt rules for the selection of members of the commission to serve on panels to conduct preliminary review hearings. The rules shall ensure that:

(1) a panel is composed of two members of the commission; and

(2) each member of the panel is a member of a different political party.

SECTION 2.24. Section 571.126, Government Code, is amended to read as follows:

Sec. 571.126. PRELIMINARY REVIEW HEARING: RESOLUTION. (a) Except as provided in Subsection (e), as [~~As~~] soon as practicable after the completion of a preliminary review hearing, the panel [~~commission~~] by vote shall issue a decision stating:

(1) whether there is credible evidence for the panel [~~commission~~] to determine that a violation within the jurisdiction of the commission has occurred and whether the violation is a technical, clerical, or de minimis violation, an administrative or filing violation, or a more serious violation; or

(2) that there is insufficient evidence for the panel [~~commission~~] to determine whether a violation within the jurisdiction of the commission has occurred.

(b) If the panel [~~commission~~] determines that there is credible evidence for the panel [~~commission~~] to determine that a violation within the jurisdiction of the commission has occurred, the panel [~~commission~~] shall prepare a resolution of the inquiry or motion to propose to the respondent [resolve and settle the complaint or motion] to the extent possible. If the panel [~~commission~~] successfully prepares a resolution [resolves and settles the complaint or motion], not later than the fifth business day after the date the panel prepares the resolution [~~of the final resolution of the complaint or motion~~], the commission shall provide [send to the complainant, if any, and] the respondent a copy of the decision stating the panel's [commission's] determination and the panel's proposed resolution of the inquiry or motion in the appropriate form [written notice of the resolution and the terms of the resolution]. If the panel [~~commission~~] is unsuccessful in preparing a resolution or the respondent rejects the resolution [resolving and settling the complaint or motion], the panel [~~commission~~] shall:

(1) order a formal hearing to be held in accordance with Sections 571.127 [571.129] through 571.132; and

(2) not later than the fifth business day after, as applicable, the date the panel determines that there is credible evidence to determine that a violation has occurred or the date the respondent rejects a resolution prepared by the panel, provide [of the decision, send to] the complainant, if any, and the respondent with:

- (A) a copy of the decision;
- (B) [~~written~~] notice of the date, time, and place of the formal hearing;
- (C) a statement of the nature of the alleged violation;
- (D) a description of the evidence of the alleged violation;
- (E) a copy of the inquiry [~~complaint~~] or motion;
- (F) a copy of the commission's rules of procedure; and
- (G) a statement of the rights of the respondent.

(c) If the panel [~~commission~~] determines that there is credible evidence for the panel [~~commission~~] to determine that a violation within the jurisdiction of the commission has not occurred [~~, the commission shall~~]:

- (1) the panel shall dismiss the inquiry [~~complaint~~] or motion; and
- (2) the commission shall, not later than the fifth business day after the date of the dismissal, provide [send to] the complainant, if any, and the respondent with a copy of the decision stating the panel's [commission's] determination and [written] notice of the dismissal and the grounds for dismissal.

(d) If the panel [~~commission~~] determines that there is insufficient credible evidence for the panel [~~commission~~] to determine that a violation within the jurisdiction of the commission has occurred, the panel [~~commission~~] may dismiss the inquiry [~~complaint~~] or motion or promptly order [~~conduct~~] a formal hearing to be held under Sections 571.127 [571.129] through 571.132. Not later than the fifth business

day after the date of the panel's [~~commission's~~] determination under this subsection, the commission shall provide [~~send to~~] the complainant, if any, and the respondent with a copy of the decision stating the panel's [~~commission's~~] determination and [~~written~~] notice of the grounds for the determination.

(e) If, because of a tie vote, the panel cannot issue a decision under Subsection (a), the panel shall order a formal hearing to be held under Sections 571.127 through 571.132. Not later than the fifth business day after the date of the vote, the commission shall notify the complainant, if any, and the respondent of the date, time, and place of the hearing.

(f) Except as provided by other law or commission rule, if the respondent accepts the resolution in Subsection (b), the panel shall submit to the commission for approval the letter of acknowledgment, notice of administrative or filing error, or notice of violation in which the resolution was proposed to the respondent.

(g) If an inquiry is finally resolved under this section, the commission shall provide the complainant a copy of the decision stating the panel's determination and the resolution of the inquiry.

SECTION 2.25. Subchapter E, Chapter 571, Government Code, is amended by adding Section 571.127 to read as follows:

Sec. 571.127. FORMAL HEARING: CONDUCT. The commission may conduct a formal hearing under this subchapter or may delegate to the State Office of Administrative Hearings the responsibility of conducting a formal hearing under this subchapter.

SECTION 2.26. Subsections (a) and (c), Section 571.132, Government Code, are amended to read as follows:

(a) Not later than the 30th business day after the date the State Office of Administrative Hearings issues a proposal for decision, the commission shall convene a meeting and by motion shall issue:

(1) a final decision stating the resolution of the formal hearing in the form corresponding to the category of violation alleged in the inquiry or motion that was the subject of the hearing; and

(2) a written report stating in detail the commission's findings of fact, conclusions of law, and recommendation of criminal referral or imposition of a civil penalty, if any.

(c) Not later than the fifth business day after the date the commission issues the final decision and written report, the commission shall:

(1) provide [~~send~~] a copy of the decision and report to the complainant, if any, and to the respondent; and

(2) make a copy of the decision and report available to the public during reasonable business hours.

SECTION 2.27. Section 571.134, Government Code, is amended to read as follows:

Sec. 571.134. DELAY OF REFERRAL. If an alleged violation involves an election in which the alleged violator is a candidate, a candidate's campaign treasurer, or the campaign treasurer of a political committee supporting or opposing a candidate and the inquiry [~~complaint~~] is filed within 60 days before the date of the election, the commission shall delay referral until:

- (1) the day after election day;
- (2) the day after runoff election day if an ensuing runoff involving the alleged violator is held; or
- (3) the day after general election day if the election involved in the violation is a primary election and the alleged violator is involved in the succeeding general election.

SECTION 2.28. Subsection (b), Section 571.135, Government Code, is amended to read as follows:

(b) The materials must include:

- (1) a description of:
 - (A) the commission's responsibilities;
 - (B) the types of conduct that constitute a violation of a law within the jurisdiction of the commission;
 - (C) the types of sanctions the commission may impose;
 - (D) the commission's policies and procedures relating to inquiry [~~complaint~~] investigation and resolution; and
 - (E) the duties of a person filing an inquiry [~~a complaint~~] with the commission; and
- (2) a diagram showing the basic steps in the commission's procedures relating to inquiry [~~complaint~~] investigation and resolution.

SECTION 2.29. Section 571.1351, Government Code, is amended to read as follows:

Sec. 571.1351. STATUS OF INQUIRY [~~COMPLAINT~~]. (a) The commission shall keep an information file about each inquiry [~~sworn or other complaint~~] filed with the commission. The file must include:

- (1) the name of the person who filed the inquiry [~~complaint~~];
- (2) the date the inquiry [~~complaint~~] is received by the commission;
- (3) the subject matter of the inquiry [~~complaint~~];
- (4) the name of each person contacted in relation to the inquiry [~~complaint~~];
- (5) a summary of the results of the review or investigation of the inquiry [~~complaint~~]; and
- (6) an explanation of the reason the file was closed, if the commission closed the file without taking action other than to investigate the inquiry [~~complaint~~].

(b) The commission shall provide to the person filing the inquiry [~~complaint~~] and to each person who is a subject of the inquiry [~~complaint~~] a copy of the commission's policies and procedures relating to inquiry [~~complaint~~] investigation and resolution.

(c) In addition to the notice required by Sections 571.123 through 571.132, the commission, at least quarterly until final disposition of an inquiry [~~a complaint~~], shall notify the person who filed the inquiry [~~complaint~~] and each person who is a subject of the inquiry [~~complaint~~], if any, of the status of the inquiry [~~sworn or other complaint~~].

SECTION 2.30. Section 571.136, Government Code, is amended to read as follows:

Sec. 571.136. EXTENSION OF DEADLINE. The commission may, on its own motion or on the reasonable request of a respondent, extend any deadline for action relating to an inquiry [~~a sworn complaint~~], motion, preliminary review hearing, or formal hearing.

SECTION 2.31. Subsection (a), Section 571.137, Government Code, is amended to read as follows:

(a) In connection with a formal hearing, the commission, as authorized by this chapter, may subpoena and examine witnesses and documents that directly relate to an inquiry [~~a sworn complaint~~].

SECTION 2.32. Section 571.139, Government Code, is amended to read as follows:

Sec. 571.139. APPLICABILITY OF OTHER ACTS. (a) Except as provided by Section 571.140(b), Chapter 552 does not apply to documents or any additional evidence relating to the processing, preliminary review, preliminary review hearing, or resolution of an inquiry [~~a sworn complaint~~] or motion.

(b) Chapter 551 does not apply to the processing, preliminary review, preliminary review hearing, or resolution of an inquiry [~~a sworn complaint~~] or motion, but does apply to a formal hearing held under Sections 571.127 [~~571.129~~] through 571.131.

(c) Subchapters C through H, Chapter 2001, apply only to a formal hearing under this subchapter, the resolution of a formal hearing, and the appeal of a final decision [~~order~~] of the commission, and only to the extent consistent with this chapter.

SECTION 2.33. Subsections (a), (b), and (b-1), Section 571.140, Government Code, are amended to read as follows:

(a) Except as provided by Subsection (b) or (b-1) or by Section 571.171, proceedings at a preliminary review hearing performed by a panel of members of the commission, an inquiry [~~a sworn complaint~~], and documents and any additional evidence relating to the processing, preliminary review, preliminary review hearing, or resolution of an inquiry [~~a sworn complaint~~] or motion are confidential and may not be disclosed unless entered into the record of a formal hearing or a judicial proceeding, except that a document or statement that was previously public information remains public information.

(b) A notice of administrative or filing error or a notice of violation approved [~~An order issued~~] by the commission under Section 571.12431(b) or 571.126(f) after the completion of a preliminary review or hearing [~~determining that a violation other than a technical or de minimis violation has occurred~~] is not confidential. A letter of acknowledgment approved by the commission under Section 571.12431(b) or 571.126(f) after the completion of a preliminary review or hearing is confidential.

(b-1) A commission employee may, for the purpose of investigating an inquiry [~~a sworn complaint~~] or motion, disclose to the complainant, the respondent, or a witness information that is otherwise confidential and relates to the inquiry [~~sworn complaint~~] if:

(1) the employee makes a good faith determination that the disclosure is necessary to conduct the investigation;

(2) the employee's determination under Subdivision (1) is objectively reasonable;

- (3) the executive director authorizes the disclosure; and
- (4) the employee discloses only the information necessary to conduct the investigation.

SECTION 2.34. Section 571.141, Government Code, is amended to read as follows:

Sec. 571.141. AVAILABILITY OF CERTAIN NOTICES AND DECISIONS [COMMISSION ORDERS] ON INTERNET. (a) As soon as practicable following a preliminary review, preliminary review hearing, or formal hearing at which the commission staff, a panel of members of the commission, or the commission determines that a person has committed a violation within the commission's jurisdiction, the commission shall make available on the Internet:

(1) a copy of the notice of administrative or filing error or notice of violation approved or issued by the commission [~~commission's order stating the determination~~]; or

(2) a summary of the notice [~~commission's order~~].

(b) This section does not apply to a letter of acknowledgment [~~determination of a violation that is technical or de minimis~~].

(c) If at a preliminary review, preliminary review hearing, or formal hearing, the commission staff, a panel of members of the commission, or the commission does not find that a person has committed a violation within the commission's jurisdiction or dismisses the inquiry or motion at issue, the commission shall, on the person's request and waiver of confidentiality, make available on the Internet a copy of the decision or notice of dismissal.

SECTION 2.35. Section 571.142, Government Code, is amended to read as follows:

Sec. 571.142. LIABILITY FOR RESPONDENT'S COSTS. (a) This section applies only to an inquiry [~~a sworn complaint~~] if:

(1) the inquiry [~~complaint~~] was filed after the 30th day before the date of an election;

(2) the respondent is a candidate in the election; and

(3) the inquiry [~~complaint~~] alleges an administrative or filing [~~a~~] violation or a more serious violation [~~other than a technical or clerical violation~~].

(b) If, in disposing of an inquiry [~~a sworn complaint~~] to which this section applies, the commission determines that a violation within the commission's jurisdiction has not occurred, the complainant is liable for the respondent's reasonable and necessary attorney's fees and other costs incurred in defending against the inquiry [~~complaint~~].

(c) This section does not apply to an inquiry [~~a sworn complaint~~] regarding a reporting omission required by law.

SECTION 2.36. Subsection (b), Section 571.171, Government Code, is amended to read as follows:

(b) On receipt of an inquiry [~~a sworn complaint~~], if the executive director reasonably believes that the person who is the subject of the inquiry [~~complaint~~] has violated Chapter 36 or 39, Penal Code, the executive director may refer the matter to the appropriate prosecuting attorney for criminal prosecution.

SECTION 2.37. Section 571.173, Government Code, is amended to read as follows:

Sec. 571.173. CIVIL PENALTY FOR DELAY OR VIOLATION. (a) The commission and the commission staff may impose a civil penalty of not more than \$5,000 or triple the amount at issue under a law administered and enforced by the commission, whichever amount is more, for a delay in complying with a commission order or decision or for a violation of a law administered and enforced by the commission.

(b) The commission shall adopt guidelines for the commission and the commission staff to follow when imposing a civil penalty under this section. The guidelines must direct the commission or the commission staff to consider the factors described by Section 571.177.

(c) The commission or the commission staff shall impose a civil penalty on a respondent who accepts or is issued a notice of administrative or filing error or a notice of violation under this chapter.

(d) When imposing a civil penalty under Subsection (c), the commission is not required to consider any penalties previously proposed to the respondent at an earlier stage of review.

(e) The commission or the commission staff may not impose a civil penalty on a respondent who accepts or is issued a letter of acknowledgment under this chapter.

SECTION 2.38. Section 571.176, Government Code, is amended to read as follows:

Sec. 571.176. CIVIL PENALTY FOR FRIVOLOUS OR BAD-FAITH INQUIRY [~~COMPLAINT~~]. (a) The commission may impose a civil penalty of not more than \$10,000 for the filing of a frivolous or bad-faith inquiry [~~complaint~~]. In this subsection, "frivolous inquiry [~~complaint~~]" means an inquiry [~~a complaint~~] that is groundless and brought in bad faith or is groundless and brought for the purpose of harassment.

(b) In addition to other penalties, a person who files a frivolous inquiry [~~complaint~~] is civilly liable to the respondent in an amount equal to the greater of \$10,000 or the amount of actual damages incurred by the respondent, including court costs and attorney fees.

(c) A person may file an inquiry [~~a sworn complaint~~] with the commission, in accordance with Section 571.122, alleging that an inquiry [~~a complaint~~] relating to that person filed with the commission is frivolous or brought in bad faith. An inquiry [~~A complaint~~] may be filed under this subsection without regard to whether the inquiry [~~complaint~~] alleged to be frivolous or brought in bad faith is pending before the commission or has been resolved. The commission shall act on an inquiry [~~a complaint~~] made under this subsection as provided by Subchapter E.

SECTION 2.39. Section 571.177, Government Code, is amended to read as follows:

Sec. 571.177. FACTORS CONSIDERED FOR ASSESSMENT OF SANCTION. The commission or the commission staff shall consider the following factors in assessing a sanction:

(1) the seriousness of the violation, including the nature, circumstances, consequences, extent, and gravity of the violation;

- (2) the history and extent of previous violations;
- (3) the demonstrated good faith of the violator, including actions taken to rectify the consequences of the violation;
- (4) the penalty necessary to deter future violations; and
- (5) any other matters that justice may require.

SECTION 2.40. (a) Not later than December 1, 2013, the Texas Ethics Commission shall adopt any rules necessary to implement the changes in law made by this article.

(b) The changes in law made by this article apply only to an inquiry filed with the Texas Ethics Commission under Section 571.122, Government Code, or a motion adopted by the commission under Subsection (b), Section 571.124, Government Code, on or after December 1, 2013. A sworn complaint filed with the Texas Ethics Commission under Section 571.122, Government Code, or a motion adopted by the commission under Subsection (b), Section 571.124, Government Code, before that date is governed by the law in effect on the date the complaint is filed or the motion is adopted, and the former law is continued in effect for that purpose.

ARTICLE 3. PERSONAL FINANCIAL STATEMENTS

SECTION 3.01. Section 571.0671, Government Code, is amended to read as follows:

Sec. 571.0671. REQUIREMENTS FOR ELECTRONIC FILING SOFTWARE.

(a) Computer software provided or approved by the commission for use under Section 254.036(b), Election Code, or Section 302.013, ~~[œ]~~ 305.0064, or 572.0291 must:

- (1) use a standardized format for the entry of names, addresses, and zip codes;
- (2) provide for secure and encoded transmission of data from the computer of a person filing a report to the computers used by the commission;
- (3) be capable of being used by a person with basic computing skills;
- (4) provide confirmation to a person filing a report that the report was properly received; and

(5) permit a person using a computer to prepare a report or to retrieve information from a report to import information to the report from a variety of computer software applications that meet commission specifications for a standard file format or export information from the report to a variety of computer software applications that meet commission specifications for a standard file format without the need to reenter information.

(b) Before determining the specifications for computer software developed, purchased, or licensed for use under Section 254.036, Election Code, or Section 302.013, ~~[œ]~~ 305.0064, or 572.0291, the commission shall conduct at least one public hearing to discuss the specifications. For at least 10 days following the hearing, the commission shall accept public comments concerning the software specifications.

(c) The commission may provide software for use under Section 254.036(b), Election Code, or Section 302.013, ~~[œ]~~ 305.0064, or 572.0291 by making the software available on the Internet. If the commission makes the software available on the Internet, the commission is not required to provide the software on computer diskettes, CD-ROMs, or other storage media without charge to persons required to file

reports under that section, but may charge a fee for providing the software on storage media. A fee under this subsection may not exceed the cost to the commission of providing the software.

SECTION 3.02. Subchapter B, Chapter 572, Government Code, is amended by adding Section 572.0291 to read as follows:

Sec. 572.0291. ELECTRONIC FILING REQUIRED. A financial statement filed with the commission must be filed by computer diskette, modem, or other means of electronic transfer, using computer software provided by the commission or computer software that meets commission specifications for a standard file format.

SECTION 3.03. Subchapter B, Chapter 572, Government Code, is amended by adding Section 572.0292 to read as follows:

Sec. 572.0292. PREPARATION OF FORMS. The commission shall design forms that may be used for filing a financial statement with an authority other than the commission.

SECTION 3.04. The heading to Section 572.030, Government Code, is amended to read as follows:

Sec. 572.030. NOTIFICATION OF FILING REQUIREMENT [PREPARATION AND MAILING OF FORMS].

SECTION 3.05. Subsections (b) and (c), Section 572.030, Government Code, are amended to read as follows:

(b) The commission shall notify ~~[mail to]~~ each individual required to file under this subchapter of ~~[a notice that]~~:

(1) the requirement ~~[states]~~ that the individual ~~[is required to]~~ file a financial statement under this subchapter;

(2) ~~[identifies]~~ the filing dates for the financial statement as provided by Sections 572.026 and 572.027; and

(3) ~~[describes]~~ the manner in which the individual may electronically file the financial statement and access instructions for filing financial statements on ~~[obtain the financial statement forms and instructions from]~~ the commission's Internet website~~;~~

~~[(4) states that on request of the individual, the commission will mail to the individual a copy of the financial statement forms and instructions; and~~

~~[(5) states, if applicable, the fee for mailing the forms and instructions and the manner in which the individual may pay the fee].~~

(c) The notification ~~[notice]~~ required by Subsection (b) must be provided ~~[mailed]~~:

(1) before the 30th day before the deadline for filing the financial statement under Section 572.026(a) or (c), except as otherwise provided by this subsection;

(2) not later than the 15th day after the applicable deadline for filing an application for a place on the ballot or a declaration of write-in candidacy for candidates required to file under Section 572.027(a), (b), or (c);

(3) not later than the seventh day after the date of appointment for individuals required to file under Section 572.026(b), or if the legislature is in session, sooner if possible; and

(4) not later than the fifth day after the date the certificate of nomination is filed for candidates required to file under Section 572.027(d) ~~[574.027(d)]~~.

SECTION 3.06. Subsection (b), Section 572.031, Government Code, is amended to read as follows:

(b) If the commission determines that an individual has failed to file the statement in compliance with this subchapter, the commission shall notify ~~send a written statement of the determination to~~ the appropriate prosecuting attorney for ~~attorneys of~~ the state of the determination.

SECTION 3.07. Section 572.032, Government Code, is amended by amending Subsection (a-1) and adding Subsection (a-2) to read as follows:

(a-1) The commission shall remove the home address of a judge, ~~or~~ justice, or district attorney from a financial statement filed under this subchapter before:

- (1) permitting a member of the public to view the statement; or
- (2) providing a copy of the statement to a member of the public.

(a-2) The commission shall remove the home address of an individual from a financial statement filed by the individual under this subchapter before:

- (1) permitting a member of the public to view the statement; or
- (2) providing a copy of the statement to a member of the public.

SECTION 3.08. Subsections (a) and (b), Section 572.033, Government Code, are amended to read as follows:

(a) The commission shall determine from any available evidence whether a statement required to be filed under this subchapter is late. On making a determination that the statement is late, the commission shall notify ~~immediately mail a notice of the determination to~~ the individual responsible for filing the statement and ~~to~~ the appropriate prosecuting attorney for the state of the determination.

(b) If a statement is determined to be late, the individual responsible for filing the statement is liable to the state for a civil penalty of \$500. If a statement is more than 30 days late, the commission shall issue a warning of liability ~~by registered mail~~ to the individual responsible for the filing. If the penalty is not paid before the 10th day after the date on which the warning is received, the individual is liable for a civil penalty in an amount determined by commission rule, but not to exceed \$10,000.

SECTION 3.09. Section 145.003, Local Government Code, is amended by adding Subsection (c) to read as follows:

(c) The statement may be filed with the clerk or secretary by electronic mail. The clerk or secretary may prescribe guidelines for filing by electronic mail.

SECTION 3.10. Subsection (d), Section 145.004, Local Government Code, is amended to read as follows:

(d) The timeliness of the filing is governed by Section 572.029, Government Code. In addition, a financial statement that is not filed by electronic mail is timely filed if it is properly addressed and placed in the United States post office or in the hands of a common or contract carrier not later than the last day for filing the financial statement. The post office cancellation mark or the receipt mark of a common or contract carrier is prima facie evidence of the date the statement was deposited with the post office or carrier. The individual filing the statement may show by competent evidence that the actual date of posting was different from that shown by the mark.

SECTION 3.11. Section 159.003, Local Government Code, is amended by adding Subsection (c) to read as follows:

(c) The statement may be filed with the county clerk by electronic mail. The county clerk may prescribe guidelines for filing by electronic mail.

SECTION 3.12. Subsection (b), Section 159.004, Local Government Code, is amended to read as follows:

(b) The timeliness of the filing is governed by Section 572.029, Government Code. In addition, a financial statement that is not filed by electronic mail is timely filed if it is properly addressed and placed in the United States post office or in the hands of a common or contract carrier not later than the last day for filing the financial statement. The post office cancellation mark or the receipt mark of a common or contract carrier is prima facie evidence of the date the statement was deposited with the post office or carrier. The individual filing the statement may show by competent evidence that the actual date of posting was different from that shown by the mark.

SECTION 3.13. Section 159.034, Local Government Code, is amended by adding Subsection (d) to read as follows:

(d) A report filed under this subchapter may be filed by electronic mail. The authority with whom the report is filed may prescribe guidelines for filing by electronic mail.

SECTION 3.14. Section 159.052, Local Government Code, is amended by adding Subsection (c) to read as follows:

(c) A financial statement filed with the county clerk may be filed by electronic mail. The county clerk may prescribe guidelines for filing by electronic mail under this subsection.

SECTION 3.15. Subsection (b), Section 159.053, Local Government Code, is amended to read as follows:

(b) The timeliness of the filing is governed by Section 572.029, Government Code. In addition, a financial statement that is not filed by electronic mail is timely filed if it is properly addressed and placed in the United States post office or in the hands of a common or contract carrier not later than the last day for filing the financial statement. The post office cancellation mark or the receipt mark of a common or contract carrier is prima facie evidence of the date the statement was deposited with the post office or carrier. The individual filing the statement may show by competent evidence that the actual date of posting was different from that shown by the mark.

SECTION 3.16. As soon as practicable after the effective date of this Act, the Texas Ethics Commission shall develop or approve the computer software that a person may use to electronically file a financial statement under Chapter 572, Government Code, as provided by the changes in law made by this article.

SECTION 3.17. Subsection (a-1), Section 572.032, Government Code, as amended by this Act, applies to any financial statement filed under Subchapter B, Chapter 572, Government Code, that the Texas Ethics Commission maintains on file and that is accessible to the public on or after the effective date of this Act.

SECTION 3.18. Subsection (a-2), Section 572.032, Government Code, as added by this Act, applies only to a financial statement filed under Subchapter B, Chapter 572, Government Code, on or after the date the Texas Ethics Commission determines that the computer software that a person is required to use to electronically file a financial statement includes features that allow the commission to easily and quickly

redact information in the statement. A financial statement filed before that date is governed by the law in effect on the date of filing, and the former law is continued in effect for that purpose.

ARTICLE 4. CAMPAIGN FINANCE

SECTION 4.01. Subdivision (16), Section 251.001, Election Code, is amended to read as follows:

(16) "Political advertising" means a communication supporting or opposing a candidate for nomination or election to a public office or office of a political party, a political party, a public officer, or a measure that:

(A) in return for consideration, is published in a newspaper, magazine, or other periodical or is broadcast by radio or television; ~~or~~

(B) is transmitted by an automated dial announcing device, as defined by Section 55.121, Utilities Code; or

(C) appears:

(i) in a pamphlet, circular, flier, billboard or other sign, bumper sticker, or similar form of written communication; or

(ii) on an Internet website.

SECTION 4.02. Section 251.003, Election Code, is amended to read as follows:

Sec. 251.003. ~~[PROHIBITION OF]~~ DOCUMENT FILING FEE. (a) A candidate, an officeholder other than the secretary of state, and a political committee shall pay an annual fee for each year in which the candidate, officeholder, or political committee files [A charge may not be made for filing] a document required to be filed under this title.

(b) This section does not apply to:

(1) a candidate, officeholder, or specific-purpose committee who files reports under this title with an authority other than the commission;

(2) a candidate who filed a petition in lieu of the filing fee with the candidate's application for a place on the ballot; or

(3) an officeholder who filed a petition in lieu of the filing fee with the application for a place on the ballot as a candidate for the office held by the officeholder.

(c) The commission shall by rule determine the amount of the annual fee under this section in an amount, not to exceed \$100, that the commission determines necessary for the administration of this title.

(d) The commission shall adopt rules to implement this section.

SECTION 4.03. The heading to Chapter 252, Election Code, is amended to read as follows:

CHAPTER 252. CAMPAIGN TREASURER, LEGISLATIVE CAUCUS CHAIR, AND PRINCIPAL POLITICAL COMMITTEE

SECTION 4.04. Chapter 252, Election Code, is amended by designating Sections 252.001 through 252.015 as Subchapter A and adding a subchapter heading to read as follows:

SUBCHAPTER A. CAMPAIGN TREASURER

SECTION 4.05. Section 252.001, Election Code, is amended to read as follows:

Sec. 252.001. APPOINTMENT OF CAMPAIGN TREASURER REQUIRED. Except as provided in Subchapter C, each ~~[Each]~~ candidate and each political committee shall appoint a campaign treasurer as provided by this subchapter ~~[chapter]~~.

SECTION 4.06. Subchapter A, Chapter 252, Election Code, is amended by adding Section 252.00311 to read as follows:

Sec. 252.00311. CERTAIN USE OF CANDIDATE'S NAME BY POLITICAL COMMITTEE PROHIBITED. (a) Notwithstanding Section 252.0031(b), the name of a political committee may not include the name of any candidate that the committee supports if the candidate has not previously consented to and approved of the committee's formation.

(b) A violation of this section is a deceptive trade practice under Subchapter E, Chapter 17, Business & Commerce Code, and is actionable under that subchapter.

SECTION 4.07. Chapter 252, Election Code, is amended by adding Subchapters B and C to read as follows:

SUBCHAPTER B. LEGISLATIVE CAUCUS CHAIR

Sec. 252.051. APPOINTMENT OF LEGISLATIVE CAUCUS CHAIR REQUIRED. Each legislative caucus, as defined by Section 253.0341, shall appoint a caucus chair as required by this subchapter.

Sec. 252.052. CONTENTS OF APPOINTMENT; AUTHORITY WITH WHOM FILED. (a) A legislative caucus chair appointment must be in writing and must include:

- (1) the caucus's full name;
- (2) the caucus chair's name;
- (3) the caucus's mailing address;
- (4) the caucus's telephone number; and
- (5) the name of the person making the appointment.

(b) A legislative caucus must file its caucus chair appointment with the commission.

(c) A legislative caucus must notify the commission in writing of any change in the caucus's mailing address not later than the 10th day after the date on which the change occurs.

SUBCHAPTER C. PRINCIPAL POLITICAL COMMITTEE

Sec. 252.101. DESIGNATION OF PRINCIPAL POLITICAL COMMITTEE. (a) A candidate required to file a campaign treasurer appointment with the commission or an officeholder of an office for which a candidate is required to file a campaign treasurer appointment with the commission may designate a specific-purpose committee as the principal political committee for the candidate or officeholder with the responsibility of reporting any activity of the candidate or officeholder for which the candidate or officeholder would otherwise be required to file a report under Chapter 254.

(b) A candidate who designates a principal political committee under this subchapter is not required to appoint a campaign treasurer under Subchapter A.

(c) A designation of a principal political committee must be in writing and filed with the commission.

Sec. 252.102. LIMITATION ON DESIGNATION OF AND AS PRINCIPAL POLITICAL COMMITTEE. (a) A candidate or officeholder may designate only one specific-purpose committee as the candidate's or officeholder's principal political committee.

(b) A specific-purpose committee may be designated as the principal political committee for only one candidate or officeholder.

SECTION 4.08. Subchapter A, Chapter 253, Election Code, is amended by adding Section 253.006 to read as follows:

Sec. 253.006. CERTAIN CONTRIBUTIONS AND EXPENDITURES BY LOBBYISTS RESTRICTED. (a) In this section, "administrative action," "communicates directly with," "legislation," "member of the executive branch," and "member of the legislative branch" have the meanings assigned by Section 305.002, Government Code.

(b) Notwithstanding any other provision of law and except as provided by Subsection (c), a person required to register under Chapter 305, Government Code, may not, before the second anniversary of the date the last term for which the person was elected ends, knowingly make or authorize a political contribution or political expenditure from political contributions accepted by the person as a candidate or officeholder.

(c) Subsection (b) does not apply to a person who:

(1) communicates directly with a member of the legislative or executive branch only to influence legislation or administrative action on behalf of:

(A) a nonprofit organization exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code;

(B) a group of low-income individuals; or

(C) a group of individuals with disabilities; and

(2) does not receive compensation other than reimbursement for actual expenses for engaging in communication described by Subdivision (1).

(d) A person who violates this section commits an offense. An offense under this section is a Class A misdemeanor.

SECTION 4.09. Subchapter B, Chapter 253, Election Code, is amended by adding Section 253.044 to read as follows:

Sec. 253.044. AUTOMATIC RESIGNATION FROM CERTAIN OFFICES.

(a) In this section, "railroad commissioner" means a member of the Railroad Commission of Texas.

(b) If a person who is a railroad commissioner announces the person's candidacy, or in fact becomes a candidate, in any general, special, or primary election for any elective office other than the office of railroad commissioner, that announcement or that candidacy constitutes an automatic resignation of the office of railroad commissioner.

SECTION 4.10. Subsection (a), Section 253.158, Election Code, is amended to read as follows:

(a) For purposes of Sections 253.155 and 253.157, a contribution by the [spouse or] child of an individual is considered to be a contribution by the individual.

SECTION 4.11. Subsections (a), (c), (d), and (g), Section 254.0311, Election Code, are amended to read as follows:

(a) A legislative caucus's caucus chair shall file a report of contributions and expenditures as required by this section.

(c) If no reportable activity occurs during a reporting period, the legislative caucus chair shall indicate that fact in the report.

(d) A legislative caucus's caucus chair shall file with the commission two reports for each year.

(g) A legislative caucus's caucus chair shall maintain a record of all reportable activity under this section and shall preserve the record for at least two years beginning on the filing deadline for the report containing the information in the record.

SECTION 4.12. Section 254.036, Election Code, is amended by amending Subsections (c) and (c-1) and adding Subsections (d) and (d-1) to read as follows:

(c) A candidate, officeholder, or political committee that is required to file reports with the commission may file reports that comply with Subsection (a) if:

(1) the candidate, officeholder, or campaign treasurer of the committee files with the commission an affidavit stating that the candidate, officeholder, or committee, an agent of the candidate, officeholder, or committee, or a person with whom the candidate, officeholder, or committee contracts does not use computer equipment to keep the current records of political contributions, political expenditures, or persons making political contributions to the candidate, officeholder, or committee; and

(2) the candidate, officeholder, or committee has never [~~does not~~], in a calendar year, accepted [~~accept~~] political contributions that in the aggregate exceeded [~~exceed~~] \$20,000 or made [~~make~~] political expenditures that in the aggregate exceeded [~~exceed~~] \$20,000.

(c-1) An affidavit under Subsection (c) must be filed with each report filed under Subsection (a). The affidavit must include a statement that the candidate, officeholder, or political committee understands that the candidate, officeholder, or committee shall file reports as required by Subsection (b) if:

(1) the candidate, officeholder, or committee, a consultant of the candidate, officeholder, or committee, or a person with whom the candidate, officeholder, or committee contracts uses computer equipment for a purpose described by Subsection (c); or

(2) the candidate, officeholder, or committee ever exceeds \$20,000 in political contributions or political expenditures in a calendar year.

(d) A legislative caucus may file reports that comply with Subsection (a) if:

(1) the legislative caucus chair files with the commission an affidavit stating that the caucus, an agent of the caucus, or a person with whom the caucus contracts does not use computer equipment to keep the current records of contributions, expenditures, or persons making contributions to the caucus; and

(2) the caucus has never, in a calendar year, accepted contributions that in the aggregate exceeded \$20,000 or made expenditures that in the aggregate exceeded \$20,000.

(d-1) An affidavit under Subsection (d) must be filed with each report filed under Subsection (a). The affidavit must include a statement that the legislative caucus understands that the caucus shall file reports as required by Subsection (b) if:

(1) the caucus, a consultant of the caucus, or a person with whom the caucus contracts uses computer equipment for a purpose described by Subsection (d); or

(2) the caucus ever exceeds \$20,000 in contributions or expenditures in a calendar year.

SECTION 4.13. Subsection (c), Section 254.0405, Election Code, is amended to read as follows:

(c) A semiannual report that is amended on or after the eighth day after the original report was filed is considered to have been filed on the date on which the original report was filed if:

(1) the amendment is made before any inquiry [~~complaint~~] is filed with regard to the subject of the amendment; and

(2) the original report was made in good faith and without an intent to mislead or to misrepresent the information contained in the report.

SECTION 4.14. Subsections (a) and (b), Section 254.042, Election Code, are amended to read as follows:

(a) The commission shall determine from any available evidence whether a report required to be filed with the commission under this chapter is late. On making that determination, the commission shall immediately notify [~~mail a notice of the determination to~~] the person required to file the report of the determination.

(b) If a report other than a report under Section 254.064(c), 254.124(c), or 254.154(c) or the first report under Section 254.063 or 254.123 that is required to be filed following the primary or general election is determined to be late, the person required to file the report is liable to the state for a civil penalty of \$500. If a report under Section 254.064(c), 254.124(c), or 254.154(c) or the first report under Section 254.063 or 254.153 that is required to be filed following the primary or general election is determined to be late, the person required to file the report is liable to the state for a civil penalty of \$500 for the first day the report is late and \$100 for each day thereafter that the report is late. If a report is more than 30 days late, the commission shall issue a warning of liability [~~by registered mail~~] to the person required to file the report. If the penalty is not paid before the 10th day after the date on which the warning is received, the person is liable for a civil penalty in an amount determined by commission rule, but not to exceed \$10,000.

SECTION 4.15. Subchapter C, Chapter 254, Election Code, is amended by adding Section 254.067 to read as follows:

Sec. 254.067. REPORT NOT REQUIRED. If during any reporting period prescribed by this subchapter a candidate designates a specific-purpose committee as the candidate's principal political committee as provided by Section 252.101, the candidate is not required to file a report covering that period if the candidate's principal political committee reports all of the activity that would otherwise be required to be included in the report, including:

(1) the amount of any political contribution, including any loan, made by the candidate to the principal political committee; and

(2) the amount of any political expenditure made by the candidate from personal funds and whether the candidate intends to seek reimbursement of the expenditure from the principal political committee.

SECTION 4.16. Section 254.095, Election Code, is amended to read as follows:

Sec. 254.095. REPORT NOT REQUIRED. (a) If at the end of any reporting period prescribed by this subchapter an officeholder who is required to file a report with an authority other than the commission has not accepted political contributions that in the aggregate exceed \$500 or made political expenditures that in the aggregate exceed \$500, the officeholder is not required to file a report covering that period.

(b) If during any reporting period prescribed by this subchapter an officeholder designates a specific-purpose committee as the officeholder's principal political committee as provided by Section 252.101, the officeholder is not required to file a report covering that period if the officeholder's principal political committee reports all of the activity that would otherwise be required to be included in the report, including:

(1) the amount of any political contribution, including any loan, made by the officeholder to the principal political committee; and

(2) the amount of any political expenditure made by the officeholder from personal funds and whether the officeholder intends to seek reimbursement of the expenditure from the principal political committee.

SECTION 4.17. Section 254.157, Election Code, is amended to read as follows:

Sec. 254.157. MONTHLY REPORTING SCHEDULE. (a) The campaign treasurer of a general-purpose committee filing monthly reports shall file a report not later than the 10th ~~5th~~ day of the month following the period covered by the report. A report covering the month preceding an election in which the committee is involved must be received by the commission ~~[authority with whom the report is required to be filed]~~ not later than the 10th ~~5th~~ day of the month following the period covered by the report.

(b) A monthly report covers the period beginning the first calendar [26th] day of each month and continuing through the last calendar [25th] day of that [the following] month[~~], except that the period covered by the first report begins January 1 and continues through January 25].~~

SECTION 4.18. Section 254.158, Election Code, is amended to read as follows:

Sec. 254.158. EXCEPTION TO MONTHLY REPORTING SCHEDULE. If the campaign treasurer appointment of a general-purpose committee filing monthly reports is filed after January 1 of the year in which monthly reports are filed, the period covered by the first monthly report begins the day the appointment is filed and continues through the last calendar [25th] day of the month in which the appointment is filed unless the appointment is filed the last calendar [25th or a succeeding] day of the month. In that case, the period continues through the last calendar [25th] day of the month following the month in which the appointment is filed.

SECTION 4.19. Subchapter J, Chapter 254, Election Code, is amended by adding Section 254.2611 to read as follows:

Sec. 254.2611. CERTAIN NONPROFIT MEMBERSHIP ASSOCIATIONS NOT ACTING IN CONCERT. For purposes of Section 254.261, a person is not considered to be acting in concert with another person if the person:

(1) is a nonprofit membership association subject to Subchapter D, Chapter 253;

(2) is part of a multi-tiered local, state, and national nonprofit membership association structure; and

(3) communicates with any entity within the multi-tiered association structure to make a direct campaign expenditure in this state.

SECTION 4.20. Subchapter J, Chapter 254, Election Code, is amended by adding Section 254.263 to read as follows:

Sec. 254.263. APPLICABILITY OF PRIVILEGE TO CERTAIN PERSONS MAKING DIRECT CAMPAIGN EXPENDITURES. The privilege established under Subchapter C, Chapter 22, Civil Practice and Remedies Code, does not apply to:

(1) a person who is required to file a report under Section 254.261, who controls a political committee, or who makes a political expenditure described by Section 253.100(a);

(2) a person who is required to be disclosed on federal Internal Revenue Service Form 990 as an entity related to a person described by Subdivision (1); or

(3) a person who is an employee or contractor of, who acts under the control of, or who acts on behalf of a person described by Subdivision (1) or (2).

SECTION 4.21. Section 255.001, Election Code, is amended by amending Subsections (a) and (d) and adding Subsections (a-1) and (a-2) to read as follows:

(a) A person may not knowingly cause to be published, distributed, or broadcast political advertising containing express advocacy that does not include [~~indicate~~] in the advertising:

(1) an indication that it is political advertising; [~~and~~

(2) the full name of:

(A) the person who paid for the political advertising;

(B) the political committee authorizing the political advertising; or

(C) the candidate or specific-purpose committee supporting the candidate, if the political advertising is authorized by the candidate;

(3) if the political advertising is authorized by the candidate:

(A) for advertising transmitted through radio, an audio statement made by the candidate that identifies the candidate and states that the candidate has approved the communication; and

(B) for advertising transmitted through television:

(i) a clearly identifiable photographic or similar image of the candidate; and

(ii) a statement in writing identifying the candidate and stating that the candidate has approved the communication that appears:

(a) at the end of the communication for not less than four seconds; and

(b) in letters that are at least four percent of the vertical screen height; and

(4) if the political advertising is not authorized by the candidate:

(A) for advertising transmitted through radio, an audio statement of the name of the person who paid for the advertising, made by an individual named in the statement or by a representative of a person named in the statement who is not an individual; and

(B) for advertising transmitted through television, a written statement that contains the name of the person who paid for the advertising and that appears:

(i) at the end of the communication for not less than four seconds;
and

(ii) in letters that are at least four percent of the vertical screen height.

(a-1) An Internet website containing political advertising must contain the disclosure required by this section on each page of the website containing the political advertising. The disclosure must appear:

(1) in a printed box set apart from the rest of the contents of the page;

(2) in a font size that is at least 12 pixels; and

(3) in black text on a white background or in a text color so that the degree of contrast between the background color and the disclosure text color is at least as great as the degree of contrast between the background color and the color of the largest text on the page.

(a-2) If political advertising appears on a social media website, a disclosure that complies with Subsection (a-1) must appear on the appropriate social media profile page. If political advertising on an Internet website, including a social media profile page, is too small to include the disclosure in a manner that complies with Subsection (a-1), the disclosure satisfies the requirements of Subsection (a-1) if the disclosure links to another Internet website page that displays the full disclosure and is operational and freely accessible during the time the advertisement is visible. Internet advertising that is too small to include a disclosure complying with Subsection (a-1) includes an advertisement classified as a micro bar or button according to applicable advertising standards, an advertisement that has 200 or fewer characters, and a graphic or picture link in which including the disclosure is not reasonably practical because of the size of the graphic or picture link.

(d) This section does not apply to:

(1) tickets or invitations to political fund-raising events;

(2) campaign buttons, pins, hats, or similar campaign materials; [or]

(3) circulars or flyers that cost in the aggregate less than \$500 to publish and distribute; or

(4) political advertising distributed by sending a text message using a mobile communications service.

SECTION 4.22. Section 257.003, Election Code, is amended by amending Subsection (a) and adding Subsection (e) to read as follows:

(a) A political party that accepts contributions authorized by Section 253.104 shall report all contributions and expenditures made to and from the account required by Section 257.002, except as provided by Subsection (e).

(e) A county executive committee of a political party is not required to file a report under this section if the committee:

(1) has less than \$250 in one or more accounts maintained by the committee in which contributions authorized by Section 253.104 are deposited, as of the last day of the preceding reporting period;

(2) has not accepted any contributions authorized by Section 253.104 during the reporting period to be covered by the report; and

(3) has not made an expenditure from contributions authorized by Section 253.104 during the reporting period to be covered by the report.

SECTION 4.23. Subchapter B, Chapter 305, Government Code, is amended by adding Section 305.030 to read as follows:

Sec. 305.030. EXPENDITURES FROM POLITICAL CONTRIBUTIONS RESTRICTED. (a) In this section, "political contribution" has the meaning assigned by Section 251.001, Election Code.

(b) Notwithstanding any other provision of law and except as provided by Subsection (c), a person required to register under this chapter may not, before the second anniversary of the date the last term for which the person was elected ends, knowingly make or authorize an expenditure under this chapter from political contributions accepted by the person as a candidate or officeholder.

(c) Subsection (b) does not apply to a person who:

(1) communicates directly with a member of the legislative or executive branch only to influence legislation or administrative action on behalf of:

(A) a nonprofit organization exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code;

(B) a group of low-income individuals; or

(C) a group of individuals with disabilities; and

(2) does not receive compensation other than reimbursement for actual expenses for engaging in communication described by Subdivision (1).

SECTION 4.24. Section 253.006, Election Code, as added by this article, and Section 305.030, Government Code, as added by this article, apply to a political contribution, political expenditure, or lobbying expenditure made on or after September 1, 2013, from funds accepted as a political contribution, regardless of the date the funds were accepted.

SECTION 4.25. Section 253.158, Election Code, as amended by this Act, applies only to a political contribution accepted on or after the effective date of this Act. A contribution accepted before the effective date of this Act is governed by the law in effect on the date the contribution was accepted or the expenditure was made, and the former law is continued in effect for that purpose.

SECTION 4.26. The changes in law made by this article apply only to a report required to be filed under Chapter 254, Election Code, on or after the effective date of this Act. A report required to be filed under Chapter 254, Election Code, before the effective date of this Act is governed by the law in effect on the date the report is due, and the former law is continued in effect for that purpose.

SECTION 4.27. (a) Not later than September 15, 2013, each legislative caucus in existence on September 1, 2013, shall appoint a caucus chair and file a caucus chair appointment with the Texas Ethics Commission as required by Subchapter B, Chapter 252, Election Code, as added by this Act. Notwithstanding Section 254.0311, Election Code, as amended by this Act:

(1) not later than October 1, 2013, a legislative caucus shall file a report under Section 254.0311, Election Code, as that section existed before amendment by this Act, that covers the period beginning July 1, 2013, or the day the caucus is organized, as applicable, and continuing through September 15, 2013; and

(2) not later than January 15, 2014, a legislative caucus chair appointed under this subsection shall file a report under Section 254.0311, Election Code, as amended by this Act, that covers the period beginning September 15, 2013, and continuing through December 31, 2013.

(b) A legislative caucus chair appointed under Subsection (a) of this section is not responsible for:

(1) reporting caucus activity that occurs before September 15, 2013; or

(2) maintaining records of caucus activity that occurs before September 15, 2013.

ARTICLE 5. LOBBYING

SECTION 5.01. Section 305.002, Government Code, is amended by adding Subdivision (2-a) to read as follows:

(2-a) "Communicates directly with a member of the legislative or executive branch to influence legislation or administrative action" or any variation of the phrase includes establishing goodwill with the member for the purpose of later communicating with the member to influence legislation or administrative action.

SECTION 5.02. Subsection (b), Section 305.0021, Government Code, is amended to read as follows:

(b) For purposes of Section 36.02 or 36.10, Penal Code, a person described by Subsection (a)(2)(A) is not considered to have made an expenditure ~~[the amount of a joint expenditure that is attributed to a person who is not a registrant is not an expenditure made and reported]~~ in accordance with this chapter.

SECTION 5.03. Section 305.003, Government Code, is amended by adding Subsections (b-3) and (b-4) to read as follows:

(b-3) Subsection (a)(2) does not require a person to register if the person spends not more than 26 hours, or another amount of time determined by the commission, for which the person is compensated or reimbursed during the calendar quarter engaging in activity, including preparatory activity as defined by the commission, to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action.

(b-4) If a person spends more than eight hours in a single day engaging in activity to communicate directly with a member of the legislative or executive branch to influence legislation or administrative action, the person is considered to have engaged in the activity for only eight hours during that day for purposes of Subsection (b-3).

SECTION 5.04. Subsections (a) and (d), Section 305.0062, Government Code, are amended to read as follows:

(a) The report filed under Section 305.006 must also contain the total expenditures described by Section 305.006(b) that are directly attributable to members of the legislative or executive branch. The expenditures must be stated in only one of the following categories:

- (1) state senators;
- (2) state representatives;
- (3) elected or appointed state officers, other than those described by Subdivision (1) or (2);
- (4) legislative agency employees;
- (5) executive agency employees;
- (6) the immediate family of a member of the legislative or executive branch;
- (7) guests, when invited by an individual described by Subdivision (1), (2), (3), (4), or (5); and
- (8) events to which:
 - (A) all legislators are invited;
 - (B) a legislative committee and the staff of the legislative committee are invited;
 - (C) all state senators and the staff of state senators are invited;
 - (D) all state representatives and the staff of state representatives are invited; or
 - (E) all legislative staff are invited.

(d) If a registrant cannot reasonably determine the amount of an expenditure under Section 305.006(b) that is directly attributable to a member of the legislative or executive branch as required by Subsection (a), the registrant shall apportion the expenditure made by that registrant or by others on the registrant's behalf and with the registrant's consent or ratification according to the total number of persons in attendance. However, if an expenditure is for an event described by Subsection (a)(8) [to which all legislators are invited], the registrant shall report the expenditure under Subsection (a)(8) and not under any other subdivision of that subsection or any other provision of this chapter.

SECTION 5.05. Section 305.0064, Government Code, is amended by adding Subsection (c) to read as follows:

(c) The rules adopted by the commission under Subsection (b) may not allow a registrant to file a paper registration or report if the registrant has ever used the electronic filing system under Subsection (a).

SECTION 5.06. Subsection (c), Section 305.0065, Government Code, is amended to read as follows:

(c) An [The] amended registration filed under Subsection (b) must be written and verified and must contain the information required in Sections 305.005(f)(3), (4), and (6) [Section 305.005].

SECTION 5.07. Section 305.027, Government Code, is amended by adding Subsection (f) to read as follows:

(f) In this section, "legislative advertising" does not include material that is printed or published by a member of the legislative branch and that is only disseminated by a member of the legislature on the floor of either house of the legislature.

SECTION 5.08. Subsection (g), Section 305.028, Government Code, is amended to read as follows:

(g) The commission may receive inquiries ~~[complaints]~~ regarding a violation of this section. If the commission determines a violation of this section has occurred, the commission, after notice and hearing:

(1) shall impose a civil penalty in an amount not to exceed \$2,000; and

(2) may rescind the person's registration and may prohibit the person from registering with the commission for a period not to exceed two years from the date of the rescission of the person's registration.

SECTION 5.09. Subsections (a) and (c), Section 305.033, Government Code, are amended to read as follows:

(a) The commission shall determine from any available evidence whether a registration or report required to be filed with the commission under this chapter is late. A registration filed without the fee required by Section 305.005 is considered to be late. On making a determination that a required registration or report is late, the commission shall immediately notify ~~[mail a notice of the determination to]~~ the person responsible for the filing~~[, to the commission,]~~ and ~~[to]~~ the appropriate attorney for the state of the determination.

(c) If a registration or report is more than 30 days late, the commission shall issue a warning of liability ~~[by registered mail]~~ to the person responsible for the filing. If the penalty is not paid before the 10th day after the date on which the warning is received, the person is liable for a penalty in an amount determined by commission rule, but not to exceed \$10,000.

SECTION 5.10. Subsection (b), Section 305.034, Government Code, is amended to read as follows:

(b) Whenever the commission determines that a person has failed to file any required form, statement, or report as required by this chapter, the commission shall notify the person involved ~~[send a written statement]~~ of this finding ~~[to the person involved. Notice to the person involved must be sent by certified mail].~~

SECTION 5.11. The amendment by this article to Subsection (b), Section 305.0021, Government Code, is intended to clarify rather than change existing law.

SECTION 5.12. Section 305.003, Government Code, as amended by this article, applies only to a registration or registration renewal required to be filed under Chapter 305, Government Code, on or after the effective date of this Act. A registration or registration renewal required to be filed under Chapter 305, Government Code, before the effective date of this Act is governed by the law in effect on the date the registration or registration renewal is due, and the former law is continued in effect for that purpose.

SECTION 5.13. Section 305.0062, Government Code, as amended by this article, applies only to a report required to be filed under Section 305.006, Government Code, on or after the effective date of this Act. A report required to be filed under Section 305.006, Government Code, before the effective date of this Act is governed by the law in effect on the date the report is due, and the former law is continued in effect for that purpose.

ARTICLE 6. STUDY REGARDING PUBLIC INTEGRITY UNIT

SECTION 6.01. (a) The Texas Ethics Commission, in consultation with the Supreme Court of Texas and the Texas Court of Criminal Appeals, shall conduct a study to determine whether the law enforcement functions of the Public Integrity Unit of the district attorney for the 53rd Judicial District should be transferred to a law enforcement entity or agency to maintain separation of powers between the judicial and executive branches, prevent conflicts of interest, and ensure the administration of justice. The commission and courts shall also attempt to identify in the study any other organizations in this state having both prosecutorial and law enforcement functions.

(b) In conducting the study, the commission may make additional recommendations as the commission, in consultation with the courts, considers appropriate, including any recommendations for necessary changes in law to implement those recommendations.

SECTION 6.02. The Texas Ethics Commission shall, not later than September 1, 2014, report the results of the study conducted under this article and any additional recommendations to 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 with jurisdiction over attorneys and the judiciary.

SECTION 6.03. This article expires December 31, 2014.

ARTICLE 7. REPEALER

SECTION 7.01. (a) The following provisions are repealed:

- (1) Subsection (j), Section 254.036, Election Code;
- (2) Subsections (b) and (f), Section 254.0401, Election Code;
- (3) Section 571.032, Government Code;
- (4) Section 571.1212, Government Code;
- (5) Subsection (c), Section 572.029, Government Code;
- (6) Subsections (a), (d), and (e), Section 572.030, Government Code; and
- (7) Subsection (c), Section 572.034, Government Code.

(b) The repeal of Subsection (c), Section 572.034, Government 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 subsection, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

ARTICLE 8. EFFECTIVE DATE

SECTION 8.01. (a) Except as provided by Subsections (b) and (c) of this section, this Act takes effect September 1, 2013.

(b) Section 251.003, Election Code, as amended by this Act, takes effect September 1, 2015.

(c) Section 254.263, Election Code, as added by this Act, 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, Section 254.263, Election Code, as added by this Act, takes effect September 1, 2013.

The Conference Committee Report on **SB 219** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 2152**

Senator Lucio submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 2152** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

LUCIO
DEUELL
ELLIS
ELTIFE
SELIGER

On the part of the Senate

CALLEGARI
DUTTON
FRULLO
ORR

On the part of the House

The Conference Committee Report on **HB 2152** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 690**

Senator Ellis submitted the following Conference Committee Report:

Austin, Texas
May 23, 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 690** 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.

ELLIS
GARCIA
HINOJOSA

DUTTON
BRANCH
LEACH

TAYLOR

MILES

SANFORD

On the part of the Senate

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to 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°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°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°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°30'38" and a chord bearing and distance of North 61°04'34" East, 224.51 feet to a 5/8-inch iron rod found for a point of tangency;

North 41°49'15" East, a distance of 12.60 feet to a 5/8-inch iron rod found for corner;

South 87°24'15" West, a distance of 11.40 feet to a 5/8-inch iron rod found for corner;

North 41°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°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°45'21" and a chord bearing and distance of North 59°41'56" East, 167.56 feet to an "X" in concrete found for the end of said curve to the right;

North 87°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°51'30" East, a distance of 10.55 feet to a 5/8-inch iron rod found for angle point;

North 87°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°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°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°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°32'00" and a chord bearing and distance of North 16°54'30" East, 1,073.43 feet to the point of tangency;

THENCE, North 02°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. (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 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 690** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 3153

Senator West submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 3153** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

WEST
CARONA
DUNCAN

LEWIS
FARNEY
FARRAR

HANCOCK
LUCIO

On the part of the Senate

GOODEN
KING, KEN

On the part of the House

The Conference Committee Report on **HB 3153** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 586**

Senator Deuell submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 586** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

DEUELL
DUNCAN
ELTIFE
LUCIO

VAN DE PUTTE

On the part of the Senate

WORKMAN
FARRAR
LEACH
MENÉNDEZ

On the part of the House

The Conference Committee Report on **HB 586** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 358**

Senator Hinojosa submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 358** 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.

HINOJOSA
ELTIFE
HUFFMAN
WHITMIRE

On the part of the Senate

MUÑOZ, JR.
CARTER
HERRERO
MOODY
TOTH

On the part of the House

A BILL TO BE ENTITLED
AN ACT

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.

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

SECTION 1. Subsection (b), Section 5, Article 42.12, Code of Criminal Procedure, is amended to read as follows:

(b) On violation of a condition of community supervision imposed under Subsection (a) [~~of this section~~], the defendant may be arrested and detained as provided in Section 21 [~~of this article~~]. The defendant is entitled to a hearing limited to the determination by the court of whether it proceeds with an adjudication of guilt on the original charge. The court may not proceed with an adjudication of guilt on the original charge if the court finds that the only evidence supporting the alleged violation of a condition of community supervision is the uncorroborated results of a polygraph examination. The [This] determination to proceed with an adjudication of guilt on the original charge is reviewable in the same manner as a revocation hearing conducted under Section 21 [~~of this article~~] in a case in which an adjudication of guilt had not been deferred. After an adjudication of guilt, all proceedings, including assessment of punishment, pronouncement of sentence, granting of community supervision, and defendant's appeal continue as if the adjudication of guilt had not been deferred. A court assessing punishment after an adjudication of guilt of a defendant charged with a state jail felony may suspend the imposition of the sentence and place the defendant on community supervision or may order the sentence to be executed, regardless of whether the defendant has previously been convicted of a felony.

SECTION 2. Subsection (c), Section 21, Article 42.12, Code of Criminal Procedure, is amended to read as follows:

(c) The court may not revoke the community supervision of a defendant if, at the community supervision revocation hearing, the court finds that the only evidence supporting the alleged violation of a condition of community supervision is the uncorroborated results of a polygraph examination. In a community supervision revocation hearing at which it is alleged only that the defendant violated the conditions of community supervision by failing to pay compensation paid to appointed counsel, community supervision fees, or court costs, the state must prove by a preponderance of the evidence that the defendant was able to pay and did not pay as ordered by the judge. The court may order a community supervision and corrections department to obtain information pertaining to the factors listed under Article 42.037(h) [~~of this code~~] and include that information in the report required under Section 9(a) [~~of this article~~] or a separate report, as the court directs.

SECTION 3. Section 508.281, Government Code, is amended by adding Subsection (e) to read as follows:

(e) A parole panel or designated agent of the board may not revoke the parole or mandatory supervision of a releasee if the parole panel or designated agent finds that the only evidence supporting the alleged violation of a condition of release is the uncorroborated results of a polygraph examination.

SECTION 4. The change in law made by this Act applies to a hearing held under Section 5 or 21, Article 42.12, Code of Criminal Procedure, or Section 508.281, Government Code, 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 Conference Committee Report on **SB 358** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 2305**

Senator Watson submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 2305** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

WATSON
NICHOLS
HANCOCK
PAXTON
WEST
On the part of the Senate

RODRIGUEZ, EDDIE
HARPER-BROWN
JOHNSON
MARTINEZ, "MANDO"
WORKMAN
On the part of the House

The Conference Committee Report on **HB 2305** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1926**

Senator Hegar submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 1926** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

HEGAR
PATRICK
LUCIO
SELIGER

KING, KEN
RATLIFF
HUBERTY
VILLARREAL
DUTTON

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 1926** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1907**

Senator Hegar submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 1907** 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.

HEGAR
BIRDWELL
HUFFMAN
PATRICK
WHITMIRE

KLEINSCHMIDT
GUILLEN
MILLER, RICK
RAYMOND
SPRINGER

On the part of the Senate

On the part of the House

**A BILL TO BE ENTITLED
AN ACT**

relating to the transportation and storage of firearms and ammunition by concealed handgun license holders in private vehicles on the campuses of certain institutions of higher education.

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

SECTION 1. Subchapter H, Chapter 411, Government Code, is amended by adding SECTION 411.2032 to read as follows:

Sec. 411.2032. TRANSPORTATION AND STORAGE OF FIREARMS AND AMMUNITION BY LICENSE HOLDERS IN PRIVATE VEHICLES ON CERTAIN CAMPUSES. (a) For purposes of this section:

(1) "Campus" means all land and buildings owned or leased by an institution of higher education or private or independent institution of higher education.

(2) "Institution of higher education" and "private or independent institution of higher education" have the meanings assigned by Section 61.003, Education Code.

(b) An institution of higher education or private or independent institution of higher education in this state may not adopt or enforce any rule, regulation, or other provision or take any other action, including posting notice under Section 30.06, Penal Code, prohibiting or placing restrictions on the storage or transportation of a firearm or ammunition in a locked, privately owned or leased motor vehicle by a person, including a student enrolled at that institution, who holds a license to carry a concealed handgun under this subchapter and lawfully possesses the firearm or ammunition:

(1) on a street or driveway located on the campus of the institution; or

(2) in a parking lot, parking garage, or other parking area located on the campus of the institution.

SECTION 2. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 1907** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3520**

Senator Carona submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 3520** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

CARONA
CAMPBELL
HANCOCK

BRANCH
SHEETS
BUTTON
BURKETT
VILLALBA

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 3520** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 194**

Senator Hinojosa submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 194** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

HINOJOSA

BIRDWELL

TAYLOR

WEST

ZAFFIRINI

On the part of the Senate

FARIAS

GUILLEN

MILLER, RICK

SHEETS

MENÉNDEZ

On the part of the House

The Conference Committee Report on **HB 194** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1173**

Senator West submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 1173** 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.

WEST

CARONA

HUFFMAN

WHITE

MOODY

PARKER

PATRICK
WHITMIRE

On the part of the Senate

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to procedures for the sentencing and placement on community supervision of defendants charged with the commission of a state jail felony.

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

SECTION 1. Subsection (a), Section 9, Article 42.12, Code of Criminal Procedure, is amended to read as follows:

(a) Except as provided by Subsection (g) [~~of this section~~], before the imposition of sentence by a judge in a felony case, and except as provided by Subsection (b) [~~of this section~~], before the imposition of sentence by a judge in a misdemeanor case the judge shall direct a supervision officer to report to the judge in writing on the circumstances of the offense with which the defendant is charged, the amount of restitution necessary to adequately compensate a victim of the offense, the criminal and social history of the defendant, and any other information relating to the defendant or the offense requested by the judge. It is not necessary that the report contain a sentencing recommendation, but the report must contain a proposed client supervision plan describing programs and sanctions that the community supervision and corrections department would provide the defendant if the judge suspended the imposition of the sentence or granted deferred adjudication. If the defendant is charged with a state jail felony, the report must contain recommendations for conditions of community supervision that the community supervision and corrections department considers advisable or appropriate based on the circumstances of the offense and other factors addressed in the report.

SECTION 2. Subsection (a), Section 15, Article 42.12, Code of Criminal Procedure, is amended by amending Subdivision (2) and adding Subdivisions (2-a) and (2-b) to read as follows:

(2) On conviction of a state jail felony punished under Section 12.35(a), Penal Code, other than a state jail felony listed in Subdivision (1), subject to Subdivision (2-a), the judge may:

(A) suspend the imposition of the sentence and place the defendant on community supervision; or

(B) [~~may~~] order the sentence to be executed:

(i) in whole; or

(ii) in part, with a term of community supervision to commence immediately on release of the defendant from confinement.

(2-a) In any case in which the jury assesses the punishment, the judge must follow the recommendations of the jury in suspending the imposition of a sentence or ordering a sentence to be executed. If a jury assessing punishment does not recommend community supervision, the judge must order the sentence to be executed in whole.

(2-b) A defendant is considered to be finally convicted if the judge orders the sentence to be executed under Subdivision (2)(B), regardless of whether the judge orders the sentence to be executed in whole or only in part.

SECTION 3. Subdivision (1), Subsection (c), Section 15, Article 42.12, Code of Criminal Procedure, is amended to read as follows:

(1) Before imposing a sentence in a state jail felony case in which the judge assesses the punishment, the judge shall review the presentence investigation report prepared for the defendant under Section 9 and shall determine whether the best interests of justice require the judge to suspend the imposition of the sentence and place the defendant on community supervision or to order the sentence to be executed in whole or in part as provided by Subsection (a)(2). A judge may impose any condition of community supervision on a defendant that the judge could impose on a defendant placed on supervision for an offense other than a state jail felony and, if the judge suspends the execution of the sentence or orders the execution of the sentence only in part, shall impose conditions of community supervision consistent with the recommendations contained in the presentence investigation report prepared for the defendant.

SECTION 4. Chapter 509, Government Code, is amended by adding Section 509.017 to read as follows:

Sec. 509.017. SPECIAL ALLOCATION FOR CERTAIN DEFENDANTS PLACED ON STATE JAIL FELONY COMMUNITY SUPERVISION. Notwithstanding any other provision of this chapter, the Texas Department of Criminal Justice shall adopt policies and procedures to:

(1) determine the cost savings to the Texas Department of Criminal Justice realized through the release of defendants on community supervision under Section 15(a)(2)(B)(ii), Article 42.12, Code of Criminal Procedure; and

(2) provide 30 percent of that cost savings to the division to be allocated to individual departments and used for the same purpose that state aid is used under Section 509.011.

SECTION 5. The changes in law made by this Act apply only to the sentencing and placement on community supervision of a defendant for an offense that is committed on or after the effective date of this Act. The sentencing and placement on community supervision of a defendant for an offense that is committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and that 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.

SECTION 6. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 1173** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 3169

Senator Lucio submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 3169** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

LUCIO
DEUELL
CARONA

BOHAC
LARSON
OTTO
SHEETS
ZERWAS

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 3169** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 3648

Senator Paxton submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 3648** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

PAXTON
CAMPBELL
DAVIS

HARPER-BROWN
FLETCHER
LAUBENBERG
LAVENDER
LONGORIA

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 3648** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 460

Senator Deuell submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 460** 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.

DEUELL
PATRICK
TAYLOR
VAN DE PUTTE
ZAFFIRINI

On the part of the Senate

COLEMAN
HUBERTY
AYCOCK
DAVIS, JOHN

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to training for public school teachers in the detection and education of students at risk for suicide or with other mental or emotional disorders and the inclusion of mental health concerns in coordinated school health efforts.

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

SECTION 1. Subsection (e), Section 74.151, Civil Practice and Remedies Code, is amended to read as follows:

(e) Except as provided by this subsection, this ~~[This]~~ section does not apply to a person whose negligent act or omission was a producing cause of the emergency for which care is being administered. This subsection does not apply to liability of a school district or district school officer or employee arising from an act or omission under a program or policy or procedure adopted under Subchapter O-1, Chapter 161, Health and Safety Code, other than liability arising from wilful or intentional misconduct.

SECTION 2. Section 21.044, Education Code, is amended by adding Subsections (c-1) and (c-2) to read as follows:

(c-1) 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 training required to obtain that certificate, instruction in detection of students with mental or emotional disorders.

(c-2) The instruction under Subsection (c-1) must:

(1) be developed by a panel of experts in the diagnosis and treatment of mental or emotional disorders who are appointed by the board; and

(2) include information on:

(A) characteristics of the most prevalent mental or emotional disorders among children;

(B) identification of mental or emotional disorders;

(C) effective strategies for teaching and intervening with students with mental or emotional disorders, including de-escalation techniques and positive behavioral interventions and supports; and

(D) providing, in compliance with Section 38.010, notice and referral to a parent or guardian of a student with a mental or emotional disorder so that the parent or guardian may take appropriate action such as seeking mental health services.

SECTION 3. Subsection (c), Section 28.004, Education Code, is amended to read as follows:

(c) The local school health advisory council's duties include recommending:

(1) the number of hours of instruction to be provided in health education;

(2) policies, procedures, strategies, and curriculum appropriate for specific grade levels designed to prevent obesity, cardiovascular disease, [and] Type 2 diabetes, and mental health concerns through coordination of:

(A) health education;

(B) physical education and physical activity;

(C) nutrition services;

(D) parental involvement; [and]

(E) instruction to prevent the use of tobacco;

(F) school health services;

(G) counseling and guidance services;

(H) a safe and healthy school environment; and

(I) school employee wellness;

(3) appropriate grade levels and methods of instruction for human sexuality instruction; and

(4) strategies for integrating the curriculum components specified by Subdivision (2) with the following elements in a coordinated school health program for the district:

(A) school health services;

(B) counseling and guidance services;

(C) a safe and healthy school environment; and

(D) school employee wellness.

SECTION 4. Section 161.325, Health and Safety Code, is amended by adding Subsections (c-1) and (c-2) to read as follows:

(c-1) Except as otherwise provided by this subsection, each school district shall provide training described in the components set forth under Subsection (b) for teachers, counselors, principals, and all other appropriate personnel. A school district is required to provide the training at an elementary school campus only to the extent that sufficient funding and programs are available. A school district may implement a program on the list to satisfy the requirements of this subsection.

(c-2) If a school district provides the training under Subsection (c-1):

(1) a school district employee described under that subsection must participate in the training at least one time; and

(2) the school district shall maintain records that include the name of each district employee who participated in the training.

SECTION 5. Subchapter O-1, Chapter 161, Health and Safety Code, is amended by adding Section 161.326 to read as follows:

Sec. 161.326. IMMUNITY. This subchapter does not:

(1) waive any immunity from liability of a school district or of district school officers or employees;

(2) create any liability for a cause of action against a school district or against district school officers or employees; or

(3) waive any immunity from liability under Section 74.151, Civil Practice and Remedies Code.

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.

The Conference Committee Report on **SB 460** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1681**

Senator Zaffirini submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 1681** 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.

ZAFFIRINI
SCHWERTNER
BIRDWELL
CARONA
RODRÍGUEZ

On the part of the Senate

HARPER-BROWN
PERRY
TURNER, SCOTT
BURKETT

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to oversight and management of state contracts.

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

SECTION 1. Subchapter A, Chapter 2262, Government Code, is amended by adding Sections 2262.0015 and 2262.005 to read as follows:

Sec. 2262.0015. APPLICABILITY TO CERTAIN CONTRACTS. (a) The comptroller by rule shall establish threshold requirements that exclude small or routine contracts, including purchase orders, from the application of this chapter.

(b) This chapter does not apply to an enrollment contract described by 1 T.A.C. Section 391.183 as that section existed on November 1, 2013.

Sec. 2262.005. CONSULTATION WITH STATE AGENCIES. The comptroller shall consult with state agencies in developing forms, contract terms, and criteria required under this chapter.

SECTION 2. The heading to Section 2262.053, Government Code, is amended to read as follows:

Sec. 2262.053. TRAINING FOR CONTRACT MANAGERS.

SECTION 3. Section 2262.053, Government Code, is amended by amending Subsections (a) and (d) and adding Subsections (e) and (f) to read as follows:

(a) In coordination with the [~~comptroller,~~] Department of Information Resources, [~~and~~] state auditor, and Health and Human Services Commission, the comptroller [~~commission~~] shall develop [~~or administer~~] a training program for contract managers.

(d) The comptroller [~~Texas Building and Procurement Commission~~] shall administer [~~the~~] training [~~program~~] under this section.

(e) The comptroller shall certify contract managers who have completed the contract management training required under this section.

(f) A state agency may develop qualified contract manager training to supplement the training required under this section. The comptroller may incorporate the training developed by the agency into the training program under this section.

SECTION 4. Subchapter B, Chapter 2262, Government Code, is amended by adding Sections 2262.0535 and 2262.055 to read as follows:

Sec. 2262.0535. TRAINING FOR GOVERNING BODIES. (a) The comptroller shall adapt the program developed under Section 2262.053 to provide an abbreviated program for training the members of the governing bodies of state agencies. The training may be provided together with other required training for members of state agency governing bodies.

(b) All members of the governing body of a state agency shall complete at least one course of the training provided under this section. This subsection does not apply to a state agency that does not enter into any contracts.

Sec. 2262.055. VENDOR PERFORMANCE TRACKING SYSTEM. (a) The comptroller shall evaluate the vendor's performance based on information reported by state agencies and criteria established by the comptroller.

(b) The comptroller shall establish an evaluation process that allows vendors who receive an unfavorable performance review to protest any classification given by the comptroller.

(c) The comptroller shall include the performance reviews in a vendor performance tracking system.

SECTION 5. Section 2262.101, Government Code, is amended to read as follows:

Sec. 2262.101. CREATION; DUTIES. (a) The Contract Advisory Team is created to assist state agencies in improving contract management practices by:

(1) reviewing and making recommendations on the solicitation documents and contract documents for [~~of major~~] contracts of [~~by~~] state agencies that have a value of at least \$10 million;

(2) reviewing any findings or recommendations made by the state auditor, including those made under Section 2262.052(b), regarding a state agency's compliance with the contract management guide; ~~and~~

(3) providing recommendations to the comptroller ~~[commission]~~ regarding:

(A) the development of the contract management guide; and

(B) the training under Section 2262.053;

(4) providing recommendations and assistance to state agency personnel throughout the contract management process;

(5) coordinating and consulting with the quality assurance team established under Section 2054.158 on all contracts relating to a major information resources project; and

(6) creating and periodically performing a risk assessment to determine the appropriate level of management and oversight of contracts by state agencies.

(b) The risk assessment created and performed under Subsection (a)(6) must include the following criteria:

(1) the amount of appropriations to the agency;

(2) total contract value as a percentage of appropriations to the agency; or

(3) the impact of the functions and duties of the state agency on the health, safety, and well-being of residents.

(c) The comptroller shall oversee the activities of the team, including ensuring that the team carries out its duties under Subsection (a)(5).

(d) A state agency shall:

(1) comply with a recommendation made under Subsection (a)(1); or

(2) submit a written explanation regarding why the recommendation is not applicable to the contract under review.

(e) The team may review documents under Subsection (a)(1) only for compliance with contract management and best practices principles and may not make a recommendation regarding the purpose or subject of the contract.

(f) The team may develop an expedited process for reviewing solicitations under Subsection (a)(1) for contracts:

(1) that the team identifies as posing a low risk of loss to the state; or

(2) for which templates will be used more than once by a state agency.

SECTION 6. Section 2262.102, Government Code, is amended by amending Subsection (a) and adding Subsections (c) and (d) to read as follows:

(a) The team consists of the following six ~~[five]~~ members:

(1) one member from the Health and Human Services Commission ~~[attorney general's office];~~

(2) one member from the comptroller's office;

(3) one member from the Department of Information Resources;

(4) one member from the Texas Facilities ~~[Building and Procurement]~~ Commission; ~~and~~

(5) one member from the governor's office; and

(6) one member from a small state agency.

(c) The attorney general's office shall provide legal assistance to the team.

(d) In this section, "small state agency" means a state agency with fewer than 100 employees.

SECTION 7. Chapter 2262, Government Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. CONTRACT FORMS AND PROVISIONS

Sec. 2262.151. CONTRACT TERMS RELATING TO NONCOMPLIANCE.

(a) The comptroller shall develop recommendations for contract terms regarding remedies for noncompliance by contractors, including remedies for noncompliance with any required disclosure of conflicts of interest by contractors. The comptroller may develop recommended contract terms that are generally applicable to state contracts and terms that are applicable to important types of state contracts.

(b) A state agency may include applicable recommended terms in a contract entered into by the agency.

Sec. 2262.152. UNIFORM FORMS. The comptroller shall develop and make available a uniform and automated set of forms that a state agency may use in the different stages of the contracting process.

Sec. 2262.153. FORMS FOR REPORTING CONTRACTOR PERFORMANCE. As part of the uniform forms published under Section 2262.152, the comptroller shall develop forms for use by state agencies in reporting a contractor's performance for use in the vendor performance tracking system under Section 2262.055.

SECTION 8. Section 2262.003, Government Code, is transferred to Subchapter D, Chapter 2262, Government Code, as added by this Act, redesignated as Section 2262.154, Government Code, and amended to read as follows:

Sec. 2262.154 [~~2262.003~~]. REQUIRED [CONTRACT] PROVISION RELATING TO AUDITING. (a) Each state agency shall include in each of its contracts a term that provides that:

(1) the state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the contract or indirectly through a subcontract under the contract;

(2) acceptance of funds directly under the contract or indirectly through a subcontract under the contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds; and

(3) under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

(b) The state auditor shall provide assistance to a state agency in developing the contract provisions.

SECTION 9. Subsection (f), Section 2262.051, Government Code, is repealed.

SECTION 10. Not later than May 1, 2014, the comptroller of public accounts shall develop the training program required by Section 2262.053, Government Code, as amended by this Act, and Section 2262.0535, Government Code, as added by this Act.

SECTION 11. A member of a governing body of a state agency is not required to complete the training provided under Section 2262.0535, Government Code, as added by this Act, until September 1, 2015.

SECTION 12. The comptroller of public accounts shall use the vendor performance tracking system established by the comptroller before the effective date of this Act in carrying out the comptroller's duties under Section 2262.055, Government Code, as added by this Act.

SECTION 13. A contract manager is not required to be certified under Chapter 2262, Government Code, as amended by this Act, until September 1, 2015.

SECTION 14. As soon as practicable, and not later than May 1, 2014, the comptroller of public accounts and Contract Advisory Team shall develop the forms and recommendations required by this Act, including Sections 2262.151, 2262.152, and 2262.153, Government Code, as added by this Act.

SECTION 15. This Act takes effect November 1, 2013.

The Conference Committee Report on **SB 1681** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 3106

Senator Carona submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 3106** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

CARONA
ELTIFE
HANCOCK
LUCIO

VAN DE PUTTE
On the part of the Senate

MORRISON
ASHBY
DARBY
PITTS

MENÉNDEZ
On the part of the House

The Conference Committee Report on **HB 3106** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 1596

Senator Zaffirini submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 1596** 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.

ZAFFIRINI
FRASER
HINOJOSA
NICHOLS

On the part of the Senate

RODRIGUEZ, EDDIE
PEREZ
WORKMAN

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to emergency services districts.

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

SECTION 1. Subsections (a) and (c), Section 775.022, Health and Safety Code, are amended to read as follows:

(a) If a municipality completes all other procedures necessary to annex territory in a district and if the municipality intends to remove the territory from the district and be the sole provider of [provide] emergency services to the territory by the use of municipal personnel or by some method other than by use of the district, the municipality shall send written notice of those facts [that fact] to the board. The municipality must send the notice to the secretary of the board by certified mail, return receipt requested. The territory remains part of the district and does not become part of the municipality until the secretary of the board receives the notice. On receipt of the notice, the board shall immediately change its records to show that the territory has been disannexed from the district and shall cease to provide further services to the residents of that territory. This subsection does not require a municipality to remove from a district territory the municipality has annexed.

(c) If a municipality removes [annexes] territory from [it] a district that the municipality has annexed, the municipality shall compensate the district immediately after disannexation of the territory under Subsection (a) in an amount equal to the annexed territory's pro rata share of the district's bonded and other indebtedness as computed according to the formula in Subsection (e). The district shall apply compensation received from a municipality under this subsection exclusively to the payment of the annexed territory's pro rata share of the district's bonded and other indebtedness.

SECTION 2. Subchapter C, Chapter 775, Health and Safety Code, is amended by adding Section 775.045 to read as follows:

Sec. 775.045. APPLICABILITY OF CERTAIN LAWS. (a) Except as provided by Subsection (b), notwithstanding any other law:

(1) Section 1301.551(i), Occupations Code, applies to a district as if the district were a municipality; and

(2) Section 233.062, Local Government Code, applies to a district as if the district were in an unincorporated area of a county.

(b) Subsection (a) does not apply to a district:

(1) that before February 1, 2013, has adopted a fire code, fire code amendments, or other requirements in conflict with Subsection (a); and

(2) whose territory is located:

(A) in or adjacent to a general law municipality with a population of less than 4,000 that is served by a water control and improvement district governed by Chapter 51, Water Code; and

(B) in a county that has a population of more than one million and is adjacent to a county with a population of more than 420,000.

SECTION 3. Section 43.056, Local Government Code, is amended by amending Subsection (f) and adding Subsections (p) and (q) to read as follows:

(f) A service plan may not:

(1) require the creation of another political subdivision;

(2) require a landowner in the area to fund the capital improvements necessary to provide municipal services in a manner inconsistent with Chapter 395 unless otherwise agreed to by the landowner; ~~or~~

(3) provide services in the area in a manner that would have the effect of reducing by more than a negligible amount the level of fire and police protection and emergency medical services provided within the corporate boundaries of the municipality before annexation;

(4) provide services in the area in a manner that would have the effect of reducing by more than a negligible amount the level of fire and police protection and emergency medical services provided within the area before annexation; or

(5) cause a reduction in fire and police protection and emergency medical services within the area to be annexed below that of areas within the corporate boundaries of the municipality with similar topography, land use, and population density.

(p) This subsection applies only to a municipality in a county with a population of more than one million and less than 1.5 million. For a municipality that has adopted Chapter 143 and directly employs firefighters, a service plan that includes the provision of services to an area that, at the time the service plan is adopted, is located in the territory of an emergency services district:

(1) must require the municipality's fire department to provide initial response to the annexed territory that is equivalent to that provided to other areas within the corporate boundaries of the municipality with similar topography, land use, and population density;

(2) may not provide for municipal fire services to the annexed area solely or primarily by means of an automatic aid or mutual aid agreement with the affected emergency services district or other third-party provider of services; and

(3) may authorize the emergency services district to provide supplemental fire and emergency medical services to the annexed area by means of an automatic aid or mutual aid agreement.

(q) This chapter does not affect the obligation of a municipality that has adopted Chapter 143 to provide police, fire, or emergency medical services within the municipality's corporate boundaries by means of personnel classified in accordance with that chapter.

SECTION 4. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 1596** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1373**

Senator Hinojosa submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 1373** 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.

HINOJOSA
BIRDWELL
CAMPBELL
URESTI
WHITMIRE

On the part of the Senate

MILLER, RICK
THOMPSON, SENFRONIA
ZEDLER
SHEETS
MENÉNDEZ

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to display of the Honor and Remember flag.

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

SECTION 1. Subchapter A, Chapter 2165, Government Code, is amended by adding Section 2165.0065 to read as follows:

Sec. 2165.0065. DISPLAY OF HONOR AND REMEMBER FLAG. (a) In this section, "Honor and Remember flag" means the Honor and Remember, Inc., flag.

(b) The Honor and Remember flag may be displayed at each state office building, at the State Cemetery under Section 2165.256, and at each veterans cemetery managed by the Veterans' Land Board on:

- (1) the third Saturday in May, "Armed Forces Day";
- (2) the last Monday in May, "Memorial Day";
- (3) the last Sunday in September, "Gold Star Mother's Day";
- (4) the 11th day of November, "Veterans Day"; and

(5) any date on which a resident of this state is killed while serving on active duty in the armed forces of the United States.

SECTION 2. The Honor and Remember flag is designated as the symbol of our state's concern and commitment to honoring and remembering the lives of all members of the United States armed forces who have lost their lives while serving or as a result of service and their families.

SECTION 3. The Honor and Remember flag's red field represents the blood shed by brave men and women who sacrificed their lives for freedom, and the flag's white border recognizes the purity of that sacrifice. The flag's blue star is a symbol of active service in military conflict that dates back to World War I. The flag's gold star signifies the ultimate sacrifice of a warrior in active service who is not returning home and reflects the value of the life given. The folded flag element highlights this nation's final tribute to a fallen service member and a family's sacrifice. The flag's flame symbolizes the eternal spirit of the departed.

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 1373** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 3361

Senator Birdwell submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 3361** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

BIRDWELL
HINOJOSA
NICHOLS
PATRICK
ELLIS

On the part of the Senate

DUTTON
ALVARADO
KING, KEN
RIDDLE

On the part of the House

The Conference Committee Report on **HB 3361** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 2012**

Senator Patrick submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 2012** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

PATRICK
LUCIO
SELIGER
TAYLOR
WEST

On the part of the Senate

VILLARREAL
AYCOCK
KING, KEN
FARNEY
HOWARD

On the part of the House

The Conference Committee Report on **HB 2012** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 2**

Senator Patrick submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 2** 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
CAMPBELL
LUCIO
TAYLOR
WEST

On the part of the Senate

AYCOCK
FARNEY
HARLESS
OTTO

On the part of the House

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. Subsection (a), Section 12.052, 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 of the board of trustees or governing body, 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 3. Subchapter C, Chapter 12, Education Code, is amended by adding Section 12.0522 to read as follows:

Sec. 12.0522. DISTRICT CHARTER AUTHORIZATION. (a) Notwithstanding Section 12.052, in the manner provided by this section, the board of trustees of a school district or the governing body of a home-rule school district may grant a district charter to a campus to the extent authorized under this section.

(b) Except as otherwise provided by this subsection or Subsection (c), a district charter may be granted under this section only to one or more campuses serving in total a percentage of the district's student enrollment equal to not more than 15 percent of the district's student enrollment for the preceding school year. The

percentage limit may not prevent a district from granting a district charter to at least one feeder pattern of schools, including an elementary, middle or junior high, and high school.

(c) A district charter may be granted to any campus that has received the lowest performance rating under Subchapter C, Chapter 39.

(d) Subchapter D applies to a campus granted a district charter under this section as though the campus were granted a charter under Subchapter D, and the campus is considered an open-enrollment charter school.

(e) A charter granted under this section is not considered for purposes of the limit on the number of charters for open-enrollment charter schools imposed by Section 12.101.

(f) The commissioner may adopt rules as necessary for the administration of this section.

SECTION 4. Subchapter C, Chapter 12, Education Code, is amended by adding Sections 12.0531 and 12.0532 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 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.

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.

SECTION 5. 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 6. 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 7. 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 8. 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 commissioner [~~State Board of Education~~] rule, in the Public Education Information Management System (PEIMS).

SECTION 9. Section 12.101, Education Code, is amended by amending Subsections (a) and (b) and adding Subsections (b-0), (b-1), (b-2), (b-3), (b-4), (b-5), (b-6), (b-7), and (b-8) to read as follows:

(a) In accordance with this subchapter, the commissioner [~~State Board of Education~~] may grant a charter on the application of an eligible entity for an open-enrollment charter school to operate in a facility of a commercial or nonprofit entity, an eligible entity, or a school district, including a home-rule school district. In this subsection, "eligible entity" means:

(1) an institution of higher education as defined under Section 61.003;

(2) a private or independent institution of higher education as defined under Section 61.003;

(3) an organization that is exempt from taxation under Section 501(c)(3), Internal Revenue Code of 1986 (26 U.S.C. Section 501(c)(3)); or

(4) a governmental entity.

(b) After thoroughly investigating and evaluating an applicant, the commissioner, in coordination with a member of the [~~The~~] State Board of Education designated for the purpose by the chair of the board, 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 commissioner 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, denied renewal, or returned; 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, denied renewal, or returned.

(b-0) The commissioner shall notify the State Board of Education of each charter the commissioner proposes to grant under this subchapter. Unless, before the 90th day after the date on which the board receives the notice from the commissioner, a majority of the members of the board present and voting vote against the grant of

that charter, the commissioner's proposal to grant the charter takes effect. The board may not deliberate or vote on any grant of a charter that is not proposed by the commissioner.

(b-1) In granting charters for open-enrollment charter schools, the commissioner [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) 240 charters beginning September 1, 2015;

(4) 255 charters beginning September 1, 2016;

(5) 270 charters beginning September 1, 2017; and

(6) 285 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 305 charters.

(b-3) The commissioner may not grant more than one charter for an open-enrollment charter school to any charter holder. The commissioner 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 if the requirements of this subsection, including the absence of commissioner disapproval under Subdivision (3), are satisfied. 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, or at least 50 percent of the students in the grades assessed having been enrolled in the school for at least three school years 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.

(b-7) A charter granted under this section for a dropout recovery school is not considered for purposes of the limit on the number of charters for open-enrollment charter schools imposed by this section. For purposes of this subsection, an open-enrollment charter school is considered to be a dropout recovery school if the school meets the criteria for designation as a dropout recovery school under Section 12.1141(c).

(b-8) 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.

SECTION 10. 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), the commissioner 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) A charter holder granted a charter for an open-enrollment charter school under Subsection (a) 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.

(c) The initial term of a charter granted under this section is five years.

(d) 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 11. Subchapter D, Chapter 12, Education Code, is amended by adding Section 12.1013 to read as follows:

Sec. 12.1013. CHARTER AUTHORIZER ACCOUNTABILITY. (a) The commissioner shall select a center for education research authorized by Section 1.005 to prepare an annual report concerning the performance of open-enrollment charter schools by authorizer compared to campus charters and matched traditional campuses, which shall be provided annually under Subchapters J and K, Chapter 39.

(b) The format of the report 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 charters granted by the State Board of Education;
- (2) open-enrollment charters granted by the commissioner;
- (3) charters granted by school districts; and
- (4) matched traditional campuses.

(c) The report must include the performance of each public school in each class described by Subsection (b) as measured by the student achievement indicators adopted under Section 39.053 and student attrition rates.

(d) The report must also:

(1) aggregate and compare the performance of open-enrollment charter schools granted charters by the State Board of Education, open-enrollment charter schools granted charters by the commissioner, campuses and programs granted charters 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 (b) 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.

(e) The report must also include 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 includes at least seven school districts and at least 10 open-enrollment charter schools.

SECTION 12. 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 commissioner 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 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) The commissioner and the State Board for Educator Certification shall adopt rules as necessary to administer this section.

SECTION 13. 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 14. Section 12.104, Education Code, is amended by amending Subsection (b) and adding Subsection (b-1) 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.

(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).

SECTION 15. Subsection (a), Section 12.1053, Education Code, is amended to read as follows:

(a) This section applies to an open-enrollment charter school unless the school's charter otherwise describes procedures for purchasing and contracting and the procedures are approved by the commissioner [~~State Board of Education~~].

SECTION 16. Section 12.1055, Education Code, is amended by adding Subsections (c) and (d) 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.

(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.

SECTION 17. Subsection (a), Section 12.1057, Education Code, is amended to read as follows:

(a) An employee of an open-enrollment charter school [~~operating under a charter granted by the State Board of Education~~] 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 a school district is covered.

SECTION 18. Section 12.110, Education Code, is amended by amending Subsections (a), (c), and (d), and adding Subsection (e) to read as follows:

(a) The commissioner [~~State Board of Education~~] shall adopt:

(1) an application form and a procedure that must be used to apply for a charter for an open-enrollment charter school; and

(2) criteria to use in selecting a program for which to grant a charter.

(c) As part of the application procedure, the commissioner [~~board~~] may require a petition supporting a charter for a school signed by a specified number of parents or guardians of school-age children residing in the area in which a school is proposed or may hold a public hearing to determine parental support for the school.

(d) The commissioner shall [~~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 commissioner, 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 commissioner 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 19. 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 commissioner ~~[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 20. 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 commissioner [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)~~] 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 21. Section 12.112, Education Code, is amended to read as follows:

Sec. 12.112. FORM. A charter for an open-enrollment charter school shall be in the form of a written contract signed by the commissioner [~~chair of the State Board of Education~~] and the chief operating officer of the school.

SECTION 22. Subsection (a), Section 12.113, Education Code, is amended to read as follows:

(a) Each charter the commissioner [~~State Board of Education~~] grants for an open-enrollment charter school must:

(1) satisfy this subchapter; and

(2) include the information that is required under Section 12.111 consistent with the information provided in the application and any modification the commissioner [~~board~~] requires.

SECTION 23. 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 24. 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 the highest or second highest performance rating under Subchapter C, Chapter 39, for the three preceding school years;

(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.

(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. 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 shall be considered under the discretionary consideration process regardless of the performance ratings under Subchapter C, Chapter 39, of the open-enrollment charter school or of any campus operating under the charter, except that if 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, the commissioner shall allow the charter to expire under Subsection (d). In considering 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.

(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.

SECTION 25. 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.

(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.

(f) This section does not limit the authority of the attorney general to take any action authorized by law.

(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.

SECTION 26. 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 27. 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 28. 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 29. 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 30. 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 may include a variety of 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 31. Section 12.119, Education Code, is amended to read as follows:

Sec. 12.119. BYLAWS; ANNUAL REPORT. (a) A charter holder shall file with the commissioner [~~State Board of Education~~] a copy of its articles of incorporation and bylaws, or comparable documents if the charter holder does not have articles of incorporation or bylaws, within the period and in the manner prescribed by the commissioner [~~board~~].

(b) Each year within the period and in a form prescribed by the commissioner [~~State Board of Education~~], each open-enrollment charter school shall file with the commissioner [~~board~~] the following information:

(1) the name, address, and telephone number of each officer and member of the governing body of the open-enrollment charter school; and

(2) the amount of annual compensation the open-enrollment charter school pays to each officer and member of the governing body.

(c) On request, the commissioner [~~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 commissioner [~~board~~] may charge a reasonable fee to cover the commissioner's [~~board's~~] cost in providing the information.

SECTION 32. 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 33. 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.

SECTION 34. 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 35. 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 36. 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 37. 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 38. Section 12.129, Education Code, is amended to read as follows:

Sec. 12.129. MINIMUM ~~TEACHER~~ QUALIFICATIONS FOR PRINCIPALS AND TEACHERS. A person employed as a principal or a teacher by an open-enrollment charter school must hold a baccalaureate degree ~~[high school diploma]~~.

SECTION 39. 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 40. Sections 12.152 and 12.154, Education Code, are amended to read as follows:

Sec. 12.152. AUTHORIZATION. ~~[(a)]~~ In accordance with this subchapter and Subchapter D, the commissioner ~~[State Board of Education]~~ may grant a charter on the application of:

- (1) a public senior college or university for an open-enrollment charter school to operate on the campus of the public senior college or university or in the same county in which the campus of the public senior college or university is located; or
- (2) a public junior college for an open-enrollment charter school to operate on the campus of the public junior college or in the same county in which the campus of the public junior college is located.

Sec. 12.154. CONTENT. (a) Notwithstanding Section 12.110(d), the commissioner [State Board of Education] may grant a charter under this subchapter to a public senior college or university only if the following criteria are satisfied in the public senior college's or university's application, as determined by the commissioner [State Board of Education]:

(1) the college or university charter school's educational program must include innovative teaching methods;

(2) the college or university charter school's educational program must be implemented under the direct supervision of a member of the teaching or research faculty of the public senior college or university;

(3) the faculty member supervising the college or university charter school's educational program must have substantial experience and expertise in education research, teacher education, classroom instruction, or educational administration;

(4) the college or university charter school's educational program must be designed to meet specific goals described in the charter, including improving student performance, and each aspect of the program must be directed toward the attainment of the goals;

(5) the attainment of the college or university charter school's educational program goals must be measured using specific, objective standards set forth in the charter, including assessment methods and a time frame; and

(6) the financial operations of the college or university charter school must be supervised by the business office of the public senior college or university.

(b) Notwithstanding Section 12.110(d), the commissioner [State Board of Education] may grant a charter under this subchapter to a public junior college only if the following criteria are satisfied in the public junior college's application, as determined by the commissioner [State Board of Education]:

(1) the junior college charter school's educational program must be implemented under the direct supervision of a member of the faculty of the public junior college;

(2) the faculty member supervising the junior college charter school's educational program must have substantial experience and expertise in teacher education, classroom instruction, or educational administration;

(3) the junior college charter school's educational program must be designed to meet specific goals described in the charter, such as dropout recovery, and each aspect of the program must be directed toward the attainment of the goals;

(4) the attainment of the junior college charter school's educational program goals must be measured using specific, objective standards set forth in the charter, including assessment methods and a time frame; and

(5) the financial operations of the junior college charter school must be supervised by the business office of the junior college.

SECTION 41. 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 42. 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 43. 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 44. Subsection (a), Section 221.0071, Human Resources Code, is amended to read as follows:

(a) Notwithstanding any other law and in addition to the number of charters allowed under Subchapter D, Chapter 12, Education Code, the commissioner of education [~~State Board of Education~~] may grant a charter on the application of a detention, correctional, or residential facility established only for juvenile offenders under Section 51.12, 51.125, or 51.126, Family Code.

SECTION 45. Subsection (d), Section 221.056, Human Resources Code, is amended to read as follows:

(d) Notwithstanding any other law and in addition to the number of charters allowed under Subchapter D, Chapter 12, Education Code, the commissioner of education [~~State Board of Education~~] shall grant a charter on the application of a residential treatment facility established under this section for a school chartered for the purposes of this section.

SECTION 46. Subsection (c), Section 140.006, 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.

SECTION 47. The following provisions of the Education Code are repealed:

- (1) Subsection (b), Section 12.1055;
- (2) Subsection (b), Section 12.113; and
- (3) Subsection (b), Section 12.1161.

SECTION 48. The State Board of Education is required to implement Section 12.1014, 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 that section using other appropriations available for that purpose.

SECTION 49. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 2** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 949

Senator Nelson submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 949** 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.

NELSON
DEUEL
HUFFMAN
RODRÍGUEZ
TAYLOR

On the part of the Senate

SHEFFIELD, J. D.
LEWIS
ZERWAS

On the part of the House

A BILL TO BE ENTITLED

AN ACT

relating to licensing under the Medical Practice Act.

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

SECTION 1. Subsection (a), Section 151.002, Occupations Code, is amended by adding Subdivision (6-a) to read as follows:

(6-a) "License holder" means a person holding a license, permit, or certificate issued under this subtitle.

SECTION 2. Section 155.051, Occupations Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) The time frame to pass each part of the examination does not apply to an applicant who:

(1) is licensed and in good standing as a physician in another state;

(2) has been licensed for at least five years;

(3) does not hold a medical license in the other state that has or has ever had any restrictions, disciplinary orders, or probation; and

(4) will practice in a medically underserved area or a health manpower shortage area, as those terms are defined by Section 157.052.

(e) The board may by rule establish a process to verify that a person, after meeting the requirements of Subsection (d), practices only in an area described by Subsection (d)(4).

SECTION 3. Section 155.0045, Occupations 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.

The Conference Committee Report on **SB 949** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 484**

Senator Whitmire submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 484** 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.

WHITMIRE
RODRÍGUEZ
CARONA
DEUEL
HEGAR

On the part of the Senate

TURNER, SYLVESTER
GIDDINGS
MOODY
ALLEN

On the part of the House

**A BILL TO BE ENTITLED
AN ACT**

relating to the creation of a prostitution prevention program; authorizing a fee.

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

SECTION 1. Subtitle H, Title 2, Health and Safety Code, is amended by adding Chapter 169A to read as follows:

CHAPTER 169A. PROSTITUTION PREVENTION PROGRAM

Sec. 169A.001. PROSTITUTION PREVENTION PROGRAM; PROCEDURES FOR CERTAIN DEFENDANTS. (a) In this chapter, "prostitution prevention 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, to reduce the demand for the commercial sex trade and trafficking of persons by educating offenders, 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 information, counseling, and services relating to sex addiction, sexually transmitted diseases, mental health, and substance abuse;

(5) a coordinated strategy to govern program responses to participant compliance;

(6) monitoring and evaluation of program goals and effectiveness;

(7) continuing interdisciplinary education to promote effective program planning, implementation, and operations; and

(8) development of partnerships with public agencies and community organizations.

(b) If a defendant successfully completes a prostitution prevention 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, including whether the required time has elapsed, 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.

Sec. 169A.002. AUTHORITY TO ESTABLISH PROGRAM; ELIGIBILITY.

(a) The commissioners court of a county or governing body of a municipality may establish a prostitution prevention program for defendants charged with an offense under Section 43.02(a)(1), Penal Code, in which the defendant offered or agreed to engage in or engaged in sexual conduct for a fee.

(b) A defendant is eligible to participate in a prostitution prevention program established under this chapter only if the attorney representing the state consents to the defendant's participation in the program.

(c) The court in which the criminal case is pending shall allow an eligible defendant to choose whether to participate in the prostitution prevention program or otherwise proceed through the criminal justice system.

Sec. 169A.0025. ESTABLISHMENT OF REGIONAL PROGRAM. The commissioners courts of two or more counties, or the governing bodies of two or more municipalities, may elect to establish a regional prostitution prevention program under this chapter for the participating counties or municipalities.

Sec. 169A.003. PROGRAM POWERS AND DUTIES. (a) A prostitution prevention program established under this chapter must:

(1) ensure that 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 any participant to withdraw from the program at any time before a trial on the merits has been initiated;

(3) provide each participant with information, counseling, and services relating to sex addiction, sexually transmitted diseases, mental health, and substance abuse; and

(4) provide each participant with instruction related to the prevention of prostitution.

(b) To provide each program participant with information, counseling, and services described by Subsection (a)(3), a program established under this chapter may employ a person or solicit a volunteer who is:

(1) a health care professional;

(2) a psychologist;

(3) a licensed social worker or counselor;

(4) a former prostitute;

(5) a family member of a person arrested for soliciting prostitution;

(6) a member of a neighborhood association or community that is adversely affected by the commercial sex trade or trafficking of persons; or

(7) an employee of a nongovernmental organization specializing in advocacy or laws related to sex trafficking or human trafficking or in providing services to victims of those offenses.

(c) A program established under this chapter shall establish and publish local procedures to promote maximum participation of eligible defendants in programs established in the county or municipality in which the defendants reside.

Sec. 169A.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 prostitution prevention 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 prostitution prevention program established under this chapter.

(c) A legislative committee may require a county that does not establish a prostitution prevention program under this chapter due to a lack of sufficient funding, as provided by Section 169A.0055(c), to provide the committee with any documentation in the county's possession that concerns federal or state funding received by the county.

(d) A prostitution prevention 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. 169A.005. FEES. (a) A prostitution prevention program established under this chapter may collect from a participant in the program a nonrefundable program fee in a reasonable amount not to exceed \$1,000, from which the following must be paid:

(1) a counseling and services fee in an amount necessary to cover the costs of the counseling and services provided by the program;

(2) a victim services fee in an amount equal to 10 percent of the amount paid under Subdivision (1), to be deposited to the credit of the general revenue fund to be appropriated only to cover costs associated with the grant program described by Section 531.383, Government Code; and

(3) a law enforcement training fee, in an amount equal to five percent of the total amount paid under Subdivision (1), to be deposited to the credit of the treasury of the county or municipality that established the program to cover costs associated with the provision of training to law enforcement personnel on domestic violence, prostitution, and the trafficking of persons.

(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 prostitution prevention program. The fees must be based on the participant's ability to pay.

Sec. 169A.0055. PROGRAM IN CERTAIN COUNTIES MANDATORY.

(a) The commissioners court of a county shall establish a prostitution prevention program if:

(1) the county has a population of more than 200,000; and

(2) a municipality in the county has not established a prostitution prevention program.

(b) A county required under this section to establish a prostitution prevention 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 prostitution prevention program under this section only if the county receives sufficient federal or state funding specifically for that purpose.

(d) A county that does not establish a prostitution prevention program as required by this section and maintain the program is ineligible to receive from the state funds for a community supervision and corrections department.

Sec. 169A.006. SUSPENSION OR DISMISSAL OF COMMUNITY SERVICE REQUIREMENT. (a) To encourage participation in a prostitution prevention 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.

(b) On a participant's successful completion of a prostitution prevention program, a judge or magistrate may excuse the participant from any condition of community supervision previously suspended under Subsection (a).

SECTION 2. 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 prostitution prevention program established under Section 169A.002, Health and Safety Code, shall be collected under Section 169A.005, Health and Safety Code, in a reasonable amount based on the defendant's ability to pay and 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.

SECTION 3. Subdivision (2), Subsection (a), Section 772.0061, Government Code, is amended to read as follows:

(2) "Specialty court" means:

(A) a prostitution prevention program established under Chapter 169A, Health and Safety Code;

(B) a drug court program established under Chapter 469, Health and Safety Code;

(C) [~~B~~] a mental health court program established under Chapter 616, Health and Safety Code; and

(D) [~~C~~] a veterans court program established under Chapter 617, Health and Safety Code.

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 484** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 5**

Senator Patrick submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 5** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

PATRICK
WILLIAMS
VAN DE PUTTE
SELIGER
DUNCAN
On the part of the Senate

AYCOCK
HUBERTY
DESHOTEL
GONZALES, LARRY
RODRIGUEZ, EDDIE
On the part of the House

The Conference Committee Report on **HB 5** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1017**

Senator Paxton submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 1017** 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.

PAXTON
CAMPBELL
HANCOCK
NICHOLS
WATSON

On the part of the Senate

LAVENDER
GOLDMAN
GUERRA
PADDIE
THOMPSON, ED

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to the funding for and administration of travel and information operations by the Texas Department of Transportation.

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

SECTION 1. Section 204.003, Transportation Code, is amended to read as follows:

Sec. 204.003. TRAVEL INFORMATION CENTERS. (a) The department shall maintain and operate travel information centers [~~at the principal gateways to this state~~] to provide highway information, travel guidance, and descriptive material designed to assist the traveling public and stimulate travel to and within this state.

(b) The department may:

(1) enter into an agreement with:

(A) another state agency for the operation of a travel information center;

or

(B) a local government, including a commission created under Chapter 391, Local Government Code, for the operation of a travel information center that is located within the boundaries of the local government; and

(2) issue a request for proposals to private or nonprofit entities for the operation of a travel information center.

(c) The department may sell commercial advertising space at a travel information center if the advertising is not visible from the main traveled way of the highway. If the department sells commercial advertising space, the department shall set rates for the advertising and other services available at a travel information center at a level that generates receipts approximately sufficient to cover the cost of its travel and information operations.

(d) The department may not engage in an activity authorized under Subsection (c) or another provision of this chapter that would decrease the amount of federal highway funding available to the department.

SECTION 2. The heading to Section 204.009, Transportation Code, is amended to read as follows:

Sec. 204.009. SALE OF PROMOTIONAL ITEMS, ADVERTISING, AND ACKNOWLEDGMENTS.

SECTION 3. Section 204.009, Transportation Code, is amended by adding Subsection (a-1) and amending Subsection (b) to read as follows:

(a-1) The department may enter into an agreement for the acknowledgment of donations if the acknowledgment does not contain comparative or qualitative descriptions of the donor's products, services, facilities, or companies.

(b) All proceeds from the sale of the items and advertising under this chapter and all donations acknowledged under this section shall be deposited to the credit of a separate account in the state highway fund. Money in the account is dedicated for the department's use in its travel and information operations.

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 1017** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3459**

Senator Taylor submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 3459** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

TAYLOR
FRASER
HEGAR
HINOJOSA
URESTI

On the part of the Senate

EILAND
DESHOTEL
GOLDMAN
SPRINGER
WALLE

On the part of the House

The Conference Committee Report on **HB 3459** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 401**

Senator Lucio submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 401** 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.

LUCIO
PATRICK
PAXTON
VAN DE PUTTE
WEST

On the part of the Senate

ALLEN
DESHOTEL
MILES
PATRICK

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to a notification requirement if a school counselor is not assigned to a public school campus.

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

SECTION 1. Subchapter A, Chapter 33, Education Code, is amended by adding Section 33.008 to read as follows:

Sec. 33.008. PARENTAL NOTIFICATION CONCERNING SCHOOL COUNSELORS. (a) If a public school, including an open-enrollment charter school, does not have a full-time school counselor certified under Subchapter B, Chapter 21, assigned to the campus for more than 30 consecutive instructional days during the same school year, notice of the absence of a school counselor must be posted on the Internet website of:

(1) the school district; and

(2) the school, if the school maintains an Internet website.

(b) The district and the school shall post the notice required by Subsection (a) not later than the 30th instructional day after the first day the school does not have a full-time school counselor assigned to the campus.

(c) The district and the school may include with the notice required by Subsection (a) information regarding when a school counselor is available at the campus.

(d) The district and the school shall:

(1) make a good faith effort to ensure that the notice required by this section is provided in a bilingual form; and

(2) retain a copy of any notice provided under this section.

(e) The commissioner may adopt necessary rules regarding the notice required by this section.

SECTION 2. This Act applies beginning with the 2013-2014 school year.

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 401** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 3390

Senator Deuell submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 3390** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

DEUELL
ELTIFE
HANCOCK
SELIGER

HILDERBRAN
MURPHY
DAVIS, JOHN
EILAND
DARBY

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 3390** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 3447

Senator Uresti submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 3447** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

URESTI
HINOJOSA
CAMPBELL
ZAFFIRINI
TAYLOR

On the part of the Senate

GUTIERREZ
FARIAS
LARSON
RODRIGUEZ, JUSTIN
VILLARREAL

On the part of the House

The Conference Committee Report on **HB 3447** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 3569

Senator Uresti submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 3569** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

URESTI
HEGAR
HINOJOSA
SCHWERTNER

On the part of the Senate

KLEINSCHMIDT
ANDERSON
GUILLEN
WHITE
KACAL

On the part of the House

The Conference Committee Report on **HB 3569** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 7

Senator Nelson submitted the following Conference Committee Report:

Austin, Texas
May 24, 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 7** 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.

NELSON

DEUEL

HINOJOSA

HUFFMAN

SCHWERTNER

On the part of the Senate

RAYMOND

ALVARADO

PITTS

RATLIFF

ZERWAS

On the part of the House

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, individuals with intellectual and developmental disabilities who are recipients of services under the 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.

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 the authority's approved provider capacity.

(b) This section expires September 1, 2015.

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). 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.

(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, 2016.

(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, 2016, and December 1, 2017, 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 or an ICF-IID program and a pilot program under this subchapter to protect continuity of care.

Sec. 534.111. CONCLUSION OF PILOT PROGRAMS; EXPIRATION. On September 1, 2018:

(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. 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.

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, 2017, 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;

(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; 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.

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, 2020, 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 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 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;

(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; 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.

Sec. 534.203. RESPONSIBILITIES OF COMMISSION UNDER SUBCHAPTER. 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 group home provider under the integrated managed care system, including the staff rate enhancement paid to a provider of ICF-IID services or a group home provider;

(2) that an ICF-IID service provider or a group home provider is paid not later than the 10th day after the date the provider submits a clean claim in accordance with the criteria used by the department for the reimbursement of ICF-IID service providers or a group home provider, as applicable; and

(3) the establishment of an electronic portal through which a provider of ICF-IID services or a group home provider participating in the STAR + PLUS Medicaid managed care program delivery model or the most appropriate integrated capitated managed care program delivery model, as appropriate, may submit long-term services and supports claims to any participating managed care organization.

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 2018, 2019, and 2020, 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 Subsections (a) and (b) and adding Subsections (f), (g), (h), and (i) 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.

(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].

(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 chosen by the applicant; 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 chosen by the applicant. The commission may elect to implement the automatic enrollment process as to certain populations of recipients under the medical assistance program.

(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.

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 that is in compliance with state and federal regulations, including standard coding requirements, through which nursing facility providers participating in the STAR + PLUS Medicaid managed care program may submit claims to any participating managed care organization;

(8) that rules and procedures relating to the certification and decertification of nursing facility beds under the medical assistance program are not affected; 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 and in accordance with state law, including rules adopted by the Texas Medical Board.

(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.

(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) A managed care organization may not require prior authorization for a nursing facility resident in need of emergency hospital services.

(g) Subsections (c), (d), (e), and (f) and this subsection expire 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, 2016:

(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 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 multidisciplinary 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.

(d) 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 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.

(e) 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.

(f) 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, 2016:

(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 in coordination with the commission shall submit a report to the executive commissioner 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 commission, 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. Section 533.005, Government Code, is amended by amending Subsections (a) and (a-1) and adding Subsection (a-3) 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 group home;

(ii) the 30th 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;

(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 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; 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;

(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:

(A) subject to Subsection (a-3), the organization has the prior approval of the commission to make the reduction; or

(B) the rate reductions are based on changes to the Medicaid fee schedule or cost containment initiatives implemented by the commission.

(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].

(a-3) For purposes of Subsection (a)(25)(A), a provider reimbursement rate reduction is considered to have received the commission's prior approval unless the commission issues a written statement of disapproval not later than the 45th day after the date the commission receives notice of the proposed rate reduction from the managed care organization.

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) [5] 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;[5] 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;

(F) trends in claims processing; and

(G) 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. 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.

SECTION 2.11. (a) The senate health and human services committee and the house human services committee shall study and review:

(1) the requirement under Subsection (c), Section 533.00251, Government Code, as added by this article, 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) Not later than January 15, 2015, the committees shall report the committees' findings and recommendations to the lieutenant governor, the speaker of the house of representatives, and the governor. The committees shall include in the recommendations specific statutory, rule, and procedural changes that appear necessary from the results of the committees' study under Subsection (a) of this section.

(c) This section expires September 1, 2015.

SECTION 2.12. (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, 2016, 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 2016 and until December 1, 2020, submit additional reports that include the information described by Subdivision (1) of this subsection.

(b) This section expires September 1, 2021.

SECTION 2.13. (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, in coordination with the Health and Human Services Commission, 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 Health and Human Services Commission 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 2.14. 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 Subsection (i), Section 533.0025, 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.

SECTION 2.15. (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 2.16. 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 2.17. (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 2.18. (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 2.19. (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 2.20. As soon as practicable after the effective date of this Act, but not later than January 1, 2014, 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 2.21. 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 disabilities, including 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) provider-owned and 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 disabilities, including 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 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 ~~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[, 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 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 waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315), 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.

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 Health Care 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.

SECTION 6.08. 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.

SECTION 6.09. LIMITATION ON PROVISION OF MEDICAL ASSISTANCE. Under this Act, the Health and Human Services Commission may only provide medical assistance to a person who would have been otherwise eligible for medical assistance or for whom federal matching funds were available under the eligibility criteria for medical assistance in effect on December 31, 2013.

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.

The Conference Committee Report on **SB 7** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 912**

Senator Estes submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 912** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

ESTES
WEST
ELLIS

GOODEN
BURNAM
JOHNSON

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 912** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 12**

Senator Zaffirini submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 12** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

ZAFFIRINI
ELTIFE

FLYNN
ALVARADO

GARCIA
SCHWERTNER
SELIGER
On the part of the Senate

LARSON
MARTINEZ FISCHER
PERRY
On the part of the House

The Conference Committee Report on **HB 12** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 680**

Senator Patrick submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 680** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

PATRICK
CAMPBELL
HINOJOSA
PAXTON
TAYLOR
On the part of the Senate

BURKETT
CORTEZ
FARIAS
FLETCHER
SHEETS
On the part of the House

The Conference Committee Report on **HB 680** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 489**

Senator Uresti submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 489** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

URESTI
 NELSON
 DAVIS
 CAMPBELL
 VAN DE PUTTE
 On the part of the Senate

MENÉNDEZ
 DALE
 COLLIER
 MILLER, RICK
 MOODY
 On the part of the House

The Conference Committee Report on **HB 489** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
 HOUSE BILL 29**

Senator Seliger submitted the following Conference Committee Report:

Austin, Texas
 May 25, 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 29** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

SELIGER
 WEST
 WATSON
 DUNCAN
 On the part of the Senate

BRANCH
 BUTTON
 BURKETT
 ALVARADO
 On the part of the House

The Conference Committee Report on **HB 29** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
 HOUSE BILL 1025**

Senator Williams submitted the following Conference Committee Report:

Austin, Texas
 May 25, 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 1025** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

WILLIAMS

DUNCAN

HINOJOSA

NELSON

WHITMIRE

On the part of the Senate

PITTS

DARBY

MARTINEZ FISCHER

OLIVEIRA

OTTO

On the part of the House

The Conference Committee Report on **HB 1025** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 2741**

Senator Nichols submitted the following Conference Committee Report:

Austin, Texas

May 25, 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 2741** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

NICHOLS

WILLIAMS

HEGAR

URESTI

CAMPBELL

On the part of the Senate

PHILLIPS

MARTINEZ, "MANDO"

HARPER-BROWN

FLETCHER

PICKETT

On the part of the House

The Conference Committee Report on **HB 2741** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3793**

Senator Hinojosa submitted the following Conference Committee Report:

Austin, Texas

May 25, 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 3793** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

HINOJOSA

NELSON

TAYLOR

GARCIA

SCHWERTNER

On the part of the Senate

COLEMAN

DAVIS, JOHN

FARIAS

ZERWAS

On the part of the House

The Conference Committee Report on **HB 3793** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
 HOUSE BILL 500**

Senator Hegar submitted the following Conference Committee Report:

Austin, Texas

May 25, 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 500** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

HEGAR

LUCIO

NELSON

DUNCAN

WILLIAMS

On the part of the Senate

HILDERBRAN

BOHAC

BUTTON

GONZALEZ, NAOMI

KING, TRACY O.

On the part of the House

The Conference Committee Report on **HB 500** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
 SENATE BILL 1747**

Senator Uresti submitted the following Conference Committee Report:

Austin, Texas

May 25, 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 1747** 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.

URESTI
HEGAR
WILLIAMS
ZAFFIRINI

KEFFER
KING, PHIL
GUILLEN
DARBY
PHILLIPS

On the part of the Senate

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to funding and donations for transportation projects, including projects of county energy transportation reinvestment zones.

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

SECTION 1. Chapter 256, Transportation Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. TRANSPORTATION INFRASTRUCTURE FUND

Sec. 256.101. DEFINITIONS. In this subchapter:

(1) "Fund" means the transportation infrastructure fund established under this subchapter.

(2) "Transportation infrastructure project" means the planning for, construction of, reconstruction of, or maintenance of transportation infrastructure, including roads, bridges, and culverts, intended to alleviate degradation caused by the exploration, development, or production of oil or gas. The term includes the lease or rental of equipment used for road maintenance.

(3) "Weight tolerance permit" means a permit issued under Chapter 623 authorizing a vehicle to exceed maximum legal weight limitations.

(4) "Well completion" means the completion, reentry, or recompletion of an oil or gas well.

Sec. 256.102. TRANSPORTATION INFRASTRUCTURE FUND. (a) The transportation infrastructure fund is a dedicated fund in the state treasury outside the general revenue fund. The fund consists of:

(1) any federal funds received by the state deposited to the credit of the fund;

(2) matching state funds in an amount required by federal law;

(3) funds appropriated by the legislature to the credit of the fund;

(4) a gift or grant;

(5) any fees paid into the fund; and

(6) investment earnings on the money on deposit in the fund.

(b) Money in the fund may be appropriated only to the department for the purposes of this subchapter.

(c) Sections 403.095 and 404.071, Government Code, do not apply to the fund.

Sec. 256.103. GRANT PROGRAM. (a) The department shall develop policies and procedures to administer a grant program under this subchapter to make grants to counties for transportation infrastructure projects located in areas of the state affected by increased oil and gas production. The department may adopt rules to implement this subchapter.

(b) Grants distributed during a fiscal year must be allocated among counties as follows:

(1) 20 percent according to weight tolerance permits, determined by the ratio of weight tolerance permits issued in the preceding fiscal year for the county that designated a county energy transportation reinvestment zone to the total number of weight tolerance permits issued in the state in that fiscal year, as determined by the Texas Department of Motor Vehicles;

(2) 20 percent according to oil and gas production taxes, determined by the ratio of oil and gas production taxes collected by the comptroller in the preceding fiscal year in the county that designated a county energy transportation reinvestment zone to the total amount of oil and gas production taxes collected in the state in that fiscal year, as determined by the comptroller;

(3) 50 percent according to well completions, determined by the ratio of well completions in the preceding fiscal year in the county that designated a county energy transportation reinvestment zone to the total number of well completions in the state in that fiscal year, as determined by the Railroad Commission of Texas; and

(4) 10 percent according to the volume of oil and gas waste injected, determined by the ratio of the volume of oil and gas waste injected in the preceding fiscal year in the county that designated a county energy transportation reinvestment zone to the total volume of oil and gas waste injected in the state in that fiscal year, as determined by the Railroad Commission of Texas.

Sec. 256.104. GRANT APPLICATION PROCESS. (a) In applying for a grant under this subchapter, the county shall:

(1) provide the road condition report described by Section 251.018 made by the county for the previous year; and

(2) submit to the department:

(A) a copy of the order or resolution establishing a county energy transportation reinvestment zone in the county, except that the department may waive the submission until the time the grant is awarded; and

(B) a plan that:

(i) provides a list of transportation infrastructure projects to be funded by the grant;

(ii) describes the scope of the transportation infrastructure project or projects to be funded by the grant using best practices for prioritizing the projects;

(iii) provides for matching funds as required by Section 256.105;

and

(iv) meets any other requirements imposed by the department.

(b) In reviewing grant applications under this subchapter, the department shall:

(1) seek other potential sources of funding to maximize resources available for the transportation infrastructure projects to be funded by grants under this subchapter; and

(2) consult related transportation planning documents to improve project efficiency and work effectively in partnership with counties.

(c) Except as otherwise provided by this subsection, the department shall review a grant application before the 31st day after the date the department receives the application. The department may act on an application not later than the 60th day after the date the department receives the application if the department provides notice of the extension to the county that submitted the application.

Sec. 256.105. MATCHING FUNDS. (a) Except as provided by Subsection (b), to be eligible to receive a grant under the program, matching funds must be provided, from any source, in an amount equal to at least 20 percent of the amount of the grant.

(b) A county that the department determines to be economically disadvantaged must provide matching funds in an amount equal to at least 10 percent of the amount of the grant.

Sec. 256.106. PROGRAM ADMINISTRATION. (a) A county that makes a second or subsequent application for a grant from the department under this subchapter must:

(1) provide the department with a copy of a report filed under Section 251.018;

(2) certify that all previous grants are being spent in accordance with the plan submitted under Section 256.104; and

(3) provide an accounting of how previous grants were spent, including any amounts spent on administrative costs.

(b) The department may use one-half of one percent of the amount deposited into the fund in the preceding fiscal year, not to exceed \$500,000 in a state fiscal biennium, to administer this subchapter.

SECTION 2. Subchapter E, Chapter 222, Transportation Code, is amended by adding Sections 222.1071 and 222.1072 to read as follows:

Sec. 222.1071. COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONES. (a) A county shall determine the amount of the tax increment for a county energy transportation reinvestment zone in the same manner the county would determine the tax increment as provided in Section 222.107(a) for a county transportation reinvestment zone.

(b) A county, after determining that an area is affected because of oil and gas exploration and production activities and would benefit from funding under Chapter 256, by order or resolution of the commissioners court:

(1) may designate a contiguous geographic area in the jurisdiction of the county to be a county energy transportation reinvestment zone to promote one or more transportation infrastructure projects, as that term is defined by Section 256.101, located in the zone; and

(2) may jointly administer a county energy transportation reinvestment zone with a contiguous county energy transportation reinvestment zone formed by another county.

(c) A commissioners court must:

(1) dedicate or pledge all of the captured appraised value of real property located in the county energy transportation reinvestment zone to transportation infrastructure projects; and

(2) comply with all applicable laws in the application of this chapter.

(d) Not later than the 30th day before the date a commissioners court proposes to designate an area as a county energy transportation reinvestment zone under this section, the commissioners court must hold a public hearing on the creation of the zone and its benefits to the county and to property in the proposed zone. At the hearing an interested person may speak for or against the designation of the zone, its boundaries, the joint administration of a zone in another county, or the use of tax increment paid into the tax increment account.

(e) 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.

(f) The order or resolution designating an area as a county energy 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 designating an area and that the base year shall be the year of passage of the order or resolution designating an area or some year in the future;

(3) establish an ad valorem tax increment account for the zone or provide for the establishment of a joint ad valorem tax increment account, if applicable; and

(4) if two or more counties are designating a zone for the same transportation infrastructure project or projects, include a finding that:

(A) the project or projects will benefit the property and residents located in the zone;

(B) the creation of the zone will serve a public purpose of the county;
and

(C) details the transportation infrastructure projects for which each county is responsible.

(g) Compliance with the requirements of this section constitutes designation of an area as a county energy transportation reinvestment zone without further hearings or other procedural requirements.

(h) The county may, from taxes collected on property in a zone, pay into a tax increment account for the zone or zones an amount equal to the tax increment produced by the county less any amounts allocated under previous agreements, including agreements under Section 381.004, Local Government Code, or Chapter 312, Tax Code.

(i) The county may:

(1) use money in the tax increment account to provide:

(A) matching funds under Section 256.105; and

(B) funding for one or more transportation infrastructure projects located in the zone;

(2) apply for grants under Subchapter C, Chapter 256, subject to Section 222.1072;

(3) use five percent of any grant distributed to the county under Subchapter C, Chapter 256, for the administration of a county energy transportation reinvestment zone, not to exceed \$250,000;

(4) enter into an agreement to provide for the joint administration of county energy transportation reinvestment zones if the commissioners court of the county has designated a county energy transportation reinvestment zone under this section for the same transportation infrastructure project or projects as another county commissioners court; and

(5) pledge money in the tax increment account to a road utility district formed as provided by Subsection (n).

(j) Tax increment paid into a tax increment account may not be pledged as security for bonded indebtedness.

(k) A county energy transportation reinvestment zone terminates on December 31 of the 10th year after the year the zone was designated unless extended by an act of the county commissioners court that designated the zone. The extension may not exceed five years. On termination of the zone, any money remaining in the tax increment account must be transferred to the road and bridge fund described by Chapter 256 for the county that deposited the money into the tax increment account.

(l) The captured appraised value of real property located in a county energy transportation reinvestment zone shall be treated as provided by Section 26.03, Tax Code.

(m) The commissioners court of a county may enter into an agreement with the department to designate a county energy transportation reinvestment zone under this section for a specified transportation infrastructure project involving a state highway located in the proposed zone.

(n) In the alternative, to assist the county in developing a transportation infrastructure project, if authorized by the commission under Chapter 441, a road utility district may be formed under that chapter that has the same boundaries as a county energy transportation reinvestment zone created under this section. The road utility district may issue bonds to pay all or part of the cost of a transportation infrastructure project and may pledge and assign all or a specified amount of money in the tax increment account to secure those bonds if the county:

(1) collects a tax increment; and

(2) pledges all or a specified amount of the tax increment to the road utility district.

(o) A road utility district formed as provided by Subsection (n) may enter into an agreement to fund development of a transportation infrastructure project or to repay funds owed to the department. Any amount paid for this purpose is considered to be an operating expense of the district. Any taxes collected by the district that are not paid for this purpose may be used for any district purpose.

Sec. 222.1072. ADVISORY BOARD OF COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONE. (a) A county is eligible to apply for a grant under Subchapter C, Chapter 256, if the county creates an advisory board to

advise the county on the establishment, administration, and expenditures of a county energy transportation reinvestment zone. The county commissioners court shall determine the terms and duties of the advisory board members.

(b) Except as provided by Subsection (c), the advisory board of a county energy transportation reinvestment zone consists of the following members appointed by the county judge and approved by the county commissioners court:

(1) up to three oil and gas company representatives who perform company activities in the county and are local taxpayers; and

(2) two public members.

(c) County energy transportation reinvestment zones that are jointly administered are advised by a single joint advisory board for the zones. A joint advisory board under this subsection consists of members appointed under Subsection (b) for each zone to be jointly administered.

(d) An advisory board member may not receive compensation for service on the board or reimbursement for expenses incurred in performing services as a member.

SECTION 3. Section 222.110, Transportation Code, is amended by amending Subsections (a) and (h) and adding Subsection (i) to read as follows:

(a) In this section:

(1) "Sales[~~,"sales~~] tax base" for a transportation reinvestment zone means the amount of sales and use taxes imposed by a municipality under Section 321.101(a), Tax Code, or by a county under Chapter 323, Tax Code, as applicable, attributable to the zone for the year in which the zone was designated under this chapter.

(2) "Transportation reinvestment zone" includes a county energy transportation reinvestment zone.

(h) The hearing required under Subsection (g) may be held in conjunction with a hearing held under Section 222.106(e), ~~222.107(e)~~, or 222.1071(d) if the ordinance or order designating an area as a transportation reinvestment zone under Section 222.106, ~~222.107~~, or 222.1071 also designates a sales tax increment under Subsection (b).

(i) Notwithstanding Subsection (e), the sales and use taxes to be deposited into the tax increment account established by a county energy transportation reinvestment zone or zones under this section may be disbursed from the account only to provide:

(1) matching funds under Section 256.105; and

(2) funding for one or more transportation infrastructure projects located in a zone.

SECTION 4. Subchapter A, Chapter 251, Transportation Code, is amended by adding Sections 251.018 and 251.019 to read as follows:

Sec. 251.018. ROAD REPORTS. A road condition report made by a county that is operating under a system of administering county roads under Chapter 252 or a special law, including a report made under Section 251.005, must include the primary cause of any road, culvert, or bridge degradation if reasonably ascertained.

Sec. 251.019. DONATIONS. (a) A commissioners court may accept donations of labor, money, or other property to aid in the building or maintaining of roads, culverts, or bridges in the county.

(b) A county operating under the county road department system on September 1, 2013, may use the authority granted under this section without holding a new election under Section 252.301.

(c) A county that accepts donations under this section must execute a release of liability in favor of the entity donating the labor, money, or other property.

SECTION 5. Subsection (a), Section 256.009, Transportation Code, is amended to read as follows:

(a) Not later than January 30 of each year, the county auditor or, if the county does not have a county auditor, the official having the duties of the county auditor shall file a report with the comptroller that includes:

(1) an account of how:

(A) the money allocated to a county under Section 256.002 during the preceding year was spent; and

(B) if the county designated a county energy transportation reinvestment zone, money paid into a tax increment account for the zone or from an award under Subchapter C was spent;

(2) a description, including location, of any new roads constructed in whole or in part with the money:

(A) allocated to a county under Section 256.002 during the preceding year; and

(B) paid into a tax increment account for the zone or from an award under Subchapter C if the county designated a county energy transportation reinvestment zone;

(3) any other information related to the administration of Sections 256.002 and 256.003 that the comptroller requires; and

(4) the total amount of expenditures for county road and bridge construction, maintenance, rehabilitation, right-of-way acquisition, and utility construction and other appropriate road expenditures of county funds in the preceding county fiscal year that are required by the constitution or other law to be spent on public roads or highways.

SECTION 6. The Texas Department of Transportation shall adopt rules implementing Subchapter C, Chapter 256, Transportation Code, as added by this Act, as soon as practicable after the effective date of this Act.

SECTION 7. The amendment adding Sections 222.1071 and 222.1072 to Subchapter E, Chapter 222, Transportation Code, made by this Act prevails over the amendment adding those sections to Subchapter E, Chapter 222, Transportation Code, made by Section 1, House Bill No. 2300, 83rd Legislature, Regular Session, 2013, and the amendment made by Section 1, House Bill No. 2300, 83rd Legislature, Regular Session, 2013, has no effect.

SECTION 8. This Act takes effect September 1, 2013.

The Conference Committee Report on **SB 1747** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1158**

Senator Van de Putte submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 1158** 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.

VAN DE PUTTE
DUNCAN
RODRÍGUEZ
SELIGER
On the part of the Senate

MENÉNDEZ
DARBY
OTTO
PICKETT
On the part of the House

**A BILL TO BE ENTITLED
AN ACT**

relating to higher education for veterans and their families.

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

SECTION 1. Section 54.341, Education Code, is amended by amending Subsections (a-2), (b), (d), (h), (i), (k), (k-1), (l), (m), and (n) and adding Subsections (a-4) and (o) to read as follows:

(a-2) The exemptions provided for in Subsection (a) also apply to the spouse of:

(1) a member of the armed forces of the United States:

(A) who was killed in action;

(B) who died while in service;

(C) who is missing in action;

(D) whose death is documented to be directly caused by illness or injury connected with service in the armed forces of the United States; or

(E) who became totally and permanently disabled or meets the eligibility requirements for individual unemployability [~~for purposes of employability~~] according to the disability ratings of the Department of Veterans Affairs as a result of a service-related injury; or

(2) a member of the Texas National Guard or the Texas Air National Guard who:

(A) was killed since January 1, 1946, while on active duty either in the service of this state or the United States; or

(B) is totally and permanently disabled or meets the eligibility requirements for individual unemployability [~~for purposes of employability~~] according to the disability ratings of the Department of Veterans Affairs, regardless of whether the member is eligible to receive disability benefits from the department, as a result of a service-related injury suffered since January 1, 1946, while on active duty either in the service of this state or the United States.

(a-4) A person who before the 2014-2015 academic year received an exemption under this section continues to be eligible for the exemption provided by this section as this section existed on January 1, 2013.

(b) The exemptions provided for in Subsection (a) also apply to:

(1) the children of members of the armed forces of the United States:

(A) who are or were killed in action;

(B) who die or died while in service;

(C) who are missing in action;

(D) whose death is documented to be directly caused by illness or injury connected with service in the armed forces of the United States; or

(E) who became totally and permanently disabled or meet the eligibility requirements for individual unemployability [~~for purposes of employability~~] according to the disability ratings of the Department of Veterans Affairs as a result of a service-related injury; and

(2) the children of members of the Texas National Guard and the Texas Air National Guard who:

(A) were killed since January 1, 1946, while on active duty either in the service of their state or the United States; or

(B) are totally and permanently disabled or meet the eligibility requirements for individual unemployability [~~for purposes of employability~~] according to the disability ratings of the Department of Veterans Affairs, regardless of whether the members are eligible to receive disability benefits from the department, as a result of a service-related injury suffered since January 1, 1946, while on active duty either in the service of this state or the United States.

(d) The governing board of each institution of higher education granting an exemption under this section shall require each applicant claiming the exemption to submit to the institution, in the form and manner prescribed by the Texas Veterans Commission for purposes of this section under Section 434.0079(b), Government Code, an application for the exemption and necessary [~~satisfactory~~] evidence that the applicant qualifies for the exemption not later than the last class date of the semester or term to which the exemption applies, except that the governing board may encourage the submission of an application and evidence by the official day of record for the semester or term to which the exemption applies on which the institution must determine the enrollment that is reported to the Texas Higher Education Coordinating Board [one year after the earlier of the date the institution:

(1) provides written notice to the applicant of the applicant's eligibility for the exemption; or

~~[(2) receives a written acknowledgement from the applicant evidencing the applicant's awareness of the applicant's eligibility for the exemption].~~

(h) The governing board of each institution of higher education shall electronically report to the Texas Veterans Commission ~~[Higher Education Coordinating Board]~~ the information required by Section 434.00791, Government Code, ~~[61.0516]~~ relating to each individual receiving an exemption from fees and charges under Subsection (a), (a-2), ~~[or]~~ (b), or (k). The institution shall report the information not later than January 31 ~~[December 31]~~ of each year for the fall semester, June 30 ~~[May 31]~~ of each year for the spring semester, and September 30 of each year for the summer session.

(i) The Texas Veterans Commission ~~[Texas Higher Education Coordinating Board]~~ may adopt rules to provide for the efficient and uniform application of this section. In developing rules under this subsection, the commission shall consult with the Texas Higher Education Coordinating Board and institutions of higher education.

(k) The Texas Veterans Commission ~~[Higher Education Coordinating Board]~~ by rule shall prescribe procedures to allow:

(1) a person who becomes eligible for an exemption provided by Subsection (a) to waive the person's right to any unused portion of the ~~[maximum]~~ number of cumulative credit hours for which the person could receive the exemption and assign the exemption for the unused portion of those credit hours to a child of the person; and

(2) following the death of a person who becomes eligible for an exemption provided by Subsection (a), the assignment of the exemption for the unused portion of the credit hours to a child of the person, to be made by the person's spouse or by the conservator, guardian, custodian, or other legally designated caretaker of the child, if the child does not otherwise qualify for an exemption under Subsection (b).

(k-1) The procedures under Subsection (k) must provide:

(1) the manner in which a person may waive the exemption;

(2) the manner in which a child may be designated to receive the exemption;

(3) a procedure permitting the designation of a different child to receive the exemption if the child previously designated to receive the exemption did not use the exemption under this section for all of the assigned portion of credit hours; ~~[and]~~

(4) a method of documentation to enable institutions of higher education to determine the eligibility of the designated child to receive the exemption; and

(5) a procedure permitting a person who waived the exemption and designated a child to receive the exemption to revoke that designation as to any unused portion of the assigned credit hours.

(l) To be eligible to receive an exemption under Subsection (k), the child must:

(1) be a student who is classified as a resident under Subchapter B when the child enrolls in an institution of higher education; ~~[and]~~

(2) as a graduate or undergraduate student, maintain a grade point average that satisfies the grade point average requirement for making [make] satisfactory academic progress in a degree, certificate, or continuing education program as determined by the institution at which the child is enrolled in accordance with the institution's policy regarding eligibility for [of the institution's] financial aid; and

(3) be 25 years of age or younger on the first day of the semester or other academic term for which the exemption is claimed [department, except that the institution may not require the child to enroll in a minimum course load].

(m) For purposes of this section, a person is the child of another person if [the person is 25 years of age or younger on the first day of the semester or other academic term for which the exemption is claimed and]:

(1) the person is the stepchild or the biological or adopted child of the other person; or

(2) the other person claimed the person as a dependent on a federal income tax return filed for the preceding year or will claim the person as a dependent on a federal income tax return for the current year.

(n) The Texas Veterans Commission [Higher Education Coordinating Board] by rule shall prescribe procedures by which a child assigned an exemption under Subsection (k) who suffered from a severe illness or other debilitating condition that affected the child's ability to use the exemption before reaching the age described by Subsection (l)(3) [~~m~~] may be granted additional time to use the exemption corresponding to the time the child was unable to use the exemption because of the illness or condition.

(o) The Texas Higher Education Coordinating Board and the Texas Veterans Commission shall coordinate to provide each respective agency with any information required to ensure the proper administration of this section and the proper execution of each agency's statutory responsibilities concerning this section.

SECTION 2. Subchapter D, Chapter 54, Education Code, is amended by adding Section 54.3411 to read as follows:

Sec. 54.3411. PERMANENT FUND SUPPORTING MILITARY AND VETERANS EXEMPTIONS. (a) In this section, "trust company" means the Texas Treasury Safekeeping Trust Company.

(b) The permanent fund supporting military and veterans exemptions is a special fund in the treasury outside the general revenue fund. The fund is composed of:

(1) money transferred or appropriated to the fund by the legislature;

(2) gifts and grants contributed to the fund; and

(3) the returns received from investment of money in the fund.

(c) The trust company shall administer the fund. The trust company shall determine the amount available for distribution from the fund, determined in accordance with a distribution policy that is adopted by the comptroller and designed to preserve the purchasing power of the fund's assets and to provide a stable and predictable stream of annual distributions. Expenses of managing the fund's assets shall be paid from the fund. Except as provided by this section, money in the fund may not be used for any purpose. Sections 403.095 and 404.071, Government Code, do not apply to the fund.

(d) In managing the assets of the fund, through procedures and subject to restrictions the trust company considers appropriate, the trust company may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light

of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

(e) The amount available for distribution from the fund may be appropriated only to offset the cost to institutions of higher education of the exemptions required by Section 54.341(k). The amount appropriated shall be distributed to eligible institutions in proportion to each institution's respective share of the aggregate cost to all institutions of the exemptions required by Section 54.341(k), as determined by the Legislative Budget Board. The amount appropriated shall be distributed annually to each eligible institution of higher education.

(f) The governing board of an institution of higher education entitled to receive money under this section may solicit and accept gifts and grants to the fund. A gift or grant to the fund must be distributed and appropriated for the purposes of the fund, subject to any limitation or requirement placed on the gift or grant by the donor or granting entity.

SECTION 3. Subchapter A, Chapter 434, Government Code, is amended by adding Section 434.0079 to read as follows:

Sec. 434.0079. DUTIES REGARDING CERTAIN TUITION AND FEE EXEMPTIONS FOR VETERANS AND FAMILY MEMBERS. (a) The commission, through its veteran education program, shall assist veterans and their family members in claiming and qualifying for exemptions from the payment of tuition and fees at institutions of higher education under Section 54.341, Education Code.

(b) The commission shall establish the application and necessary evidence requirements for a person to claim an exemption under Section 54.341, Education Code, at an institution of higher education.

(c) The commission shall adopt rules governing the coordination of federal and state benefits of a person eligible to receive an exemption under Section 54.341(k), Education Code, including rules governing:

(1) the total number of credit hours assigned under that section that a person may apply to an individual degree or certificate program, consistent with the standards of the appropriate recognized regional accrediting agency; and

(2) the application of the assigned exemption to credit hours for which the institution of higher education does not receive state funding.

SECTION 4. Section 61.0516, Education Code, is transferred to Subchapter A, Chapter 434, Government Code, redesignated as Section 434.00791, Government Code, and amended to read as follows:

Sec. 434.00791 [~~61.0516~~]. ELECTRONIC SYSTEM TO MONITOR TUITION EXEMPTIONS FOR VETERANS AND FAMILY MEMBERS [~~DEPENDENTS~~]. (a) In this section, "institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(b) The commission [~~board~~] shall ensure [~~develop~~] a system to electronically monitor the use of tuition and fee exemptions at institutions of higher education under Section 54.341, Education Code, is developed. The system must allow the commission [~~board~~] to electronically receive, for each semester, the following information from institutions of higher education:

(1) the name of the institution;

(2) the name, identification number, and date of birth of each individual attending the institution and receiving benefits for the semester under Section 54.341, Education Code;

(3) for each individual receiving benefits, the number of credit hours for which the individual received an exemption for the semester;

(4) for each individual receiving benefits at the institution during the semester, the total cumulative number of credit hours for which the individual has received an exemption at the institution; and

(5) any other information required by the commission [board].

(c) Not later than January 1, 2014, the Texas Higher Education Coordinating Board, under an agreement with the commission, shall provide access to the system developed by the coordinating board that meets the requirements of this section. This subsection expires September 1, 2015.

SECTION 5. Chapter 434, Government Code, is amended by adding Subchapters F and G to read as follows:

SUBCHAPTER F. VETERAN EDUCATION EXCELLENCE RECOGNITION
AWARD NETWORK

Sec. 434.251. DEFINITIONS. In this subchapter:

(1) "Commission" means the Texas Veterans Commission.

(2) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

Sec. 434.252. VETERAN EDUCATION EXCELLENCE RECOGNITION AWARD NETWORK. (a) The commission by rule shall establish an award program under which institutions of higher education may receive recognition from the commission for excellence in providing education and related services to veterans.

(b) For purposes of receiving an award under Subsection (a), the commission shall evaluate an institution of higher education regarding, as applicable, the existence and quality at the institution of:

(1) a centralized place for students who are veterans to meet or find assistance and information;

(2) an institution employee who serves as a central point of contact for students who are veterans;

(3) a United States Department of Veterans Affairs work-study program;

(4) admissions and enrollment policies for veterans;

(5) new student orientation and courses for veterans;

(6) a student organization for veterans;

(7) academic support services for students who are veterans;

(8) mental health and disability services;

(9) a housing policy that applies to veterans;

(10) faculty and staff training on issues affecting students who are veterans;

(11) career services for students who are veterans; and

(12) any other criteria considered necessary or appropriate by the commission.

Sec. 434.253. RULEMAKING AUTHORITY. The commission may adopt rules as necessary to administer this subchapter. In developing rules under this section, the commission shall consult with the Texas Higher Education Coordinating Board and institutions of higher education.

SUBCHAPTER G. VETERANS EDUCATION COUNSELORS PROGRAM

Sec. 434.301. DEFINITIONS. In this subchapter:

(1) "Commission" means the Texas Veterans Commission.

(2) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

Sec. 434.302. VETERANS EDUCATION COUNSELORS. The commission shall employ veterans education counselors. The veterans education counselors shall:

(1) work with institutions of higher education and any existing veterans programs at those institutions to:

(A) create a hospitable and supportive environment for veterans;

(B) enhance awareness of and encourage participation in veterans educational programs and commission programs providing other services to veterans, including employment and claims assistance services;

(C) develop programs providing ancillary assistance to veterans based on the unique needs of veterans and their family members;

(D) ensure that veterans successfully complete their education; and

(E) promote the establishment of a student veterans group on each campus of those institutions;

(2) work with local, state, and national veterans groups, including the Veterans of Foreign Wars and the American Legion, to promote educational opportunities and benefits to the veteran population;

(3) work with local workforce development boards to:

(A) ensure that the veterans education counselors are aware of available nontraditional educational opportunities, including on-the-job training programs and apprenticeships; and

(B) advise employers of potential opportunities to create on-the-job training programs for veterans;

(4) work with education services officers at military installations to encourage active duty members of the armed forces of the United States and veterans to use federal and state educational benefits;

(5) create and manage publicity campaigns in concert with the commission and institutions of higher education to promote the use of education benefits under the federal Post-9/11 Veterans Educational Assistance Act of 2008 (38 U.S.C. Section 3301 et seq.), the tuition exemption program for veterans and their family members under Section 54.341, Education Code, and any other education benefit for veterans or their family members under federal or state law;

(6) support programs to assist students who are combat veterans in readjusting and reintegrating into a noncombat environment;

(7) maintain statistical information regarding demographics of veterans assisted, application success, program completion rates, dropout rates, and reasons for success or failure, as appropriate; and

(8) perform other activities, as assigned by the commission, to enhance the educational opportunities of veterans and their family members.

Sec. 434.303. SUPPORT FROM INSTITUTIONS OF HIGHER EDUCATION. Each institution of higher education shall cooperate with the commission to provide information, as permitted by law, related to student veterans at the institution, provide access to veteran resource centers or other student meeting areas, and otherwise support the work of veterans education counselors.

Sec. 434.304. RULEMAKING AUTHORITY. The commission may adopt rules to implement this subchapter. In developing rules under this section, the commission shall consult with the Texas Higher Education Coordinating Board and institutions of higher education.

SECTION 6. Subdivision (4), Subsection (b), Section 9.01, Chapter 1049 (Senate Bill No. 5), Acts of the 82nd Legislature, Regular Session, 2011, which would repeal Subsection (h), Section 54.203, Education Code, effective September 1, 2013, is repealed and does not take effect, and Subsection (h), Section 54.341, Education Code, which was redesignated from Subsection (h), Section 54.203, Education Code, by Chapter 359 (Senate Bill No. 32), Acts of the 82nd Legislature, Regular Session, 2011, remains in effect as amended by this Act.

SECTION 7. The changes in law made by this Act by amending Subsections (d), (h), (i), (k), and (n), Section 54.341, Education Code, apply beginning with tuition and fees for the 2014 fall semester. Tuition and fees for a term or semester before the 2014 fall semester are covered 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 8. In adopting rules under this Act, including rules implementing authority transferred by this Act from the Texas Higher Education Coordinating Board, the Texas Veterans Commission shall engage institutions of higher education in a negotiated rulemaking process as described by Chapter 2008, Government Code.

SECTION 9. As soon as practicable after the effective date of this Act, the Texas Veterans Commission shall employ the veterans education counselors as required by Subchapter G, Chapter 434, Government Code, as added by this Act.

SECTION 10. (a) Except as provided by Subsection (b) of this section:

(1) 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; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect on the 91st day after the last day of the legislative session.

(b) Subchapter F, Chapter 434, Government Code, as added by Section 5 of this Act, takes effect September 1, 2014.

The Conference Committee Report on **SB 1158** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 6**

Senator Williams submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 6** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

WILLIAMS
HINOJOSA
DUNCAN
NELSON

OTTO
BONNEN, DENNIS
GEREN
DARBY
PITTS

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 6** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 2836**

Senator Patrick submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 2836** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

PATRICK
DUNCAN
SELIGER

RATLIFF
KUEMPEL
HUBERTY
FARNEY
TURNER, SYLVESTER

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 2836** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 211**

Senator Nichols submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 211** 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
DUNCAN
WATSON
WHITMIRE

On the part of the Senate

DUTTON
BONNEN, DENNIS
COOK
PRICE

On the part of the House

**A BILL TO BE ENTITLED
AN ACT**

relating to the continuation and functions of the Texas Facilities Commission and to property development plans in connection with governmental entities; authorizing fees.

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

SECTION 1. Section 30.022, Education Code, is amended by amending Subsection (h) and adding Subsection (h-1) to read as follows:

(h) Except as provided by Subsection (h-1), the [The] board has [exclusive] jurisdiction over the physical assets of the school and shall administer and spend appropriations made for the benefit of the school.

(h-1) The Texas Facilities Commission shall provide facilities maintenance services for the physical facilities of the school, including facilities construction, cabling, facility reconfiguration, and any other services as provided by a memorandum of understanding between the board and the Texas Facilities Commission.

SECTION 2. Section 30.052, Education Code, is amended by amending Subsection (h) and adding Subsection (h-1) to read as follows:

(h) Except as provided by Subsection (h-1), the [The] board has [exclusive] jurisdiction over the physical assets of the school and shall administer and spend appropriations to carry out the purposes of the school as provided by Section 30.051.

(h-1) The Texas Facilities Commission shall provide facilities maintenance services for the physical facilities of the school, including facilities construction, cabling, facility reconfiguration, and any other services as provided by a memorandum of understanding between the board and the Texas Facilities Commission.

SECTION 3. Section 443.007, Government Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) If the board updates or modifies its long-range master plan for the preservation, maintenance, restoration, and modification of the Capitol and the Capitol grounds, the board must conform its plan to the Capitol Complex master plan prepared by the Texas Facilities Commission under Section 2166.105.

SECTION 4. Section 552.153, Government Code, 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.

SECTION 5. 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, 2021 [~~2013~~].

SECTION 6. Subchapter B, Chapter 2152, Government Code, is amended by adding Section 2152.066 to read as follows:

Sec. 2152.066. NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE RESOLUTION POLICY. (a) The commission shall develop and implement a policy to encourage the use of:

(1) negotiated rulemaking procedures under Chapter 2008 for the adoption of commission rules; and

(2) appropriate alternative dispute resolution procedures under Chapter 2009 to assist in the resolution of internal and external disputes under the commission's jurisdiction.

(b) The commission'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 commission 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. Section 2152.104, Government Code, is amended by adding Subsection (e) to read as follows:

(e) 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 8. Subsection (b), Section 2165.007, Government Code, is amended to read as follows:

(b) Notwithstanding any other law, the commission shall provide facilities management services in relation to all state agency facilities in Travis County or a county adjacent to Travis County. The commission's duty does not apply to:

(1) a facility owned or operated by an institution of higher education;

(2) military facilities;

(3) facilities owned or operated by the Texas Department of Criminal Justice;

(4) facilities owned or operated by the Texas Juvenile Justice Department [~~Youth Commission~~];

(5) facilities owned or operated by the Texas Department of Transportation;

(6) the Capitol, including the Capitol Extension, the General Land Office building, the Bob Bullock Texas State History Museum, any museum located on the Capitol grounds, the Governor's Mansion, and any property maintained by the Texas Historical Commission under Sections 442.0072 and 442.0073;

(7) a facility determined by the commission to be completely residential;

(8) a regional or field office of a state agency;

(9) a facility located within or on state park property;

(10) the property known as the Finance Commission Building described by deed recorded in Volume 5080, Page 1099, of the Deed Records of Travis County, Texas; ~~or~~

(11) the property known as the Credit Union Department Building described by deed recorded in Volume 6126, Page 27, of the Deed Records of Travis County, Texas;

(12) facilities owned or operated by the Texas School for the Blind and Visually Impaired; or

(13) facilities owned or operated by the Texas School for the Deaf.

SECTION 9. Section 2165.055, Government Code, is amended to read as follows:

Sec. 2165.055. REPORT ABOUT IMPROVEMENTS AND REPAIRS. The commission ~~biennially~~ on July 1 of each even-numbered year ~~[December 1st]~~ shall electronically submit a report to the governor, lieutenant governor, speaker of the house of representatives, comptroller, and Legislative Budget Board on:

(1) all improvements and repairs that have been made, with an itemized account of receipts and expenditures; and

(2) the condition of all property under its control, with an estimate of needed improvements and repairs.

SECTION 10. Section 2165.2035, Government Code, is amended by adding Subsection (d-1) and amending Subsection (e) 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.

(e) On or before December 1 of each even-numbered year, the commission shall electronically submit a report to the legislature and the Legislative Budget Board describing the effectiveness of the program under this section.

SECTION 11. Section 2165.2046, Government Code, is amended to read as follows:

Sec. 2165.2046. REPORTS ON PARKING PROGRAMS. On or before December ~~[October]~~ 1 of each even-numbered year, the commission shall electronically submit a report to the legislature and Legislative Budget Board describing the effectiveness of parking programs developed by the commission under this subchapter. The report must, at a minimum, include:

(1) the yearly revenue generated by the programs;

(2) the yearly administrative and enforcement costs of each program;

(3) yearly usage statistics for each program; and

(4) initiatives and suggestions by the commission to:

(A) modify administration of the programs; and

(B) increase revenue generated by the programs.

SECTION 12. Subchapter F, Chapter 2165, Government Code, is amended by adding Section 2165.259 to read as follows:

Sec. 2165.259. CAPITOL COMPLEX. (a) In this section, "Capitol Complex" has the meaning assigned by Section 443.0071.

(b) Notwithstanding Subchapter D and subject to Subsection (d), the commission may not lease, sell, or otherwise dispose of real property or an interest in real property located in the Capitol Complex.

(c) This section does not affect the commission's authority under Subchapter E to lease space in state office buildings and parking garages.

(d) The commission may develop or operate a qualifying project, as that term is defined by Section 2267.001, in the Capitol Complex if:

(1) the legislature by general law specifically authorizes the project; and

(2) before the commission enters into a comprehensive agreement for the project, the legislature individually approves the project under Section 2268.058.

SECTION 13. Chapter 2165, Government Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. PUBLIC AND PRIVATE FACILITIES AND
INFRASTRUCTURE: QUALIFYING PROJECTS

Sec. 2165.351. DEFINITIONS. In this subchapter:

(1) "Partnership Advisory Commission" means the Partnership Advisory Commission created by Chapter 2268.

(2) "Qualifying project" has the meaning assigned by Section 2267.001, as added by Chapter 1334 (S.B. 1048), Acts of the 82nd Legislature, Regular Session, 2011.

Sec. 2165.352. COMMISSION REVIEW GUIDELINES AND POLICIES.

(a) In adopting the qualifying project review guidelines required by Section 2267.052, as added by Chapter 1334 (S.B. 1048), Acts of the 82nd Legislature, Regular Session, 2011, the commission must include review criteria and documentation to guide the initial review of each substantially complete qualifying project proposal received by the commission.

(b) The review criteria required under Subsection (a) at a minimum must include:

(1) the extent to which the qualifying project meets a public need;

(2) the extent to which the project meets the objectives and priorities of the commission and aligns with any applicable commission plans and design guidelines or zoning requirements, including the Capitol Complex master plan developed under Section 2166.105;

(3) the technical and legal feasibility of the project;

(4) the adequacy of the qualifications, experience, and financial capacity of a private entity or other person submitting the proposal;

(5) any potentially unacceptable risks to this state; and

(6) whether an alternative delivery method is feasible and more effectively meets this state's goals.

(c) The commission's qualifying project review guidelines must:

(1) specify the types of professional expertise, including financial, real estate, design, legal, and other related expertise, needed to effectively protect this state's interest when considering and implementing a qualifying project;

(2) specify the range of professional expertise needed at each stage of the project, including proposal evaluation, financial analysis, risk allocation analysis, design review, contract negotiation, and contract and performance monitoring, to evaluate the qualifying project proposal; and

(3) require the oversight committee established by the commission for each qualifying project to report to the commission the results of the committee's evaluation of the project, including the schedules, procedures, proposal evaluation criteria, and documentation required in the guidelines for the evaluation.

(d) On completion of the negotiation phase for the development of a comprehensive agreement and before a comprehensive agreement is entered into, the commission shall:

(1) for each qualifying project proposal, post on the commission's Internet website the oversight committee's review report and other evaluation documents; and

(2) before posting the report and documents required under Subdivision (1), redact all information included in the report and documents that is considered confidential under Section 2267.066(c).

(e) The expertise described by Subsection (c) may be provided by commission staff or outside experts.

Sec. 2165.353. QUALIFYING PROJECT FEES. (a) The commission may charge a reasonable fee to cover the costs of reviewing a qualifying project. The commission shall develop and adopt a qualifying project proposal fee schedule sufficient to cover its costs, including at a minimum the costs of processing, reviewing, and evaluating the proposals.

(b) The commission shall use the professional expertise information required under Section 2165.352(c) to determine the amount of the fee charged by the commission to review a qualifying project proposal. The amount must be reasonable in comparison to the level of professional expertise required for the project and may include the cost of staff time required to process the proposal and other direct costs.

(c) The commission may use the money from the fees collected under this section to hire or contract with persons who have the professional expertise necessary to effectively evaluate a qualifying project proposal.

Sec. 2165.354. INITIAL REVIEW OF QUALIFYING PROJECT PROPOSAL.

(a) The commission staff shall conduct an initial review of each qualifying project proposal submitted to the commission and provide to commission members a summary of the review, including an analysis and recommendations.

(b) Subject to Subsection (c), the commission shall use a value for money analysis in evaluating each qualifying project proposal to:

(1) conduct a thorough risk analysis of the proposal that identifies specific risks shared between this state and the private partner and subjects the risks to negotiation in the contract;

(2) determine if the proposal is in the best long-term financial interest of this state; and

(3) determine if the project will provide a tangible public benefit to this state.

(c) If commission staff determine that a value for money analysis is not appropriate for evaluating a specific qualifying project proposal, the staff shall submit to the commission a written report stating the reasons for using an alternative analysis methodology.

(d) The commission shall coordinate with the commission's office of internal audit for review and receipt of comments on the reasonableness of the assumptions used in the value for money analysis or alternative analysis methodology used to evaluate a qualifying project proposal under this section.

Sec. 2165.355. INITIAL PUBLIC HEARING ON QUALIFYING PROJECT PROPOSAL. (a) Before submitting a detailed qualifying project proposal to the Partnership Advisory Commission as required under Section 2268.058, the commission must hold an initial public hearing on the proposal.

(b) The commission must post a copy of the detailed qualifying project proposal on the commission's Internet website before the required public hearing and, before posting the proposal, redact all information included in the proposal that is considered confidential under Section 2267.066(c).

(c) After the hearing, the commission shall:

(1) modify the proposal as the commission determines appropriate based on the public comments; and

(2) include the public comments in the documents submitted to the Partnership Advisory Commission and provide any additional information necessary for the evaluation required under Chapter 2268.

Sec. 2165.356. SUBMISSION OF QUALIFYING PROJECT CONTRACT TO CONTRACT ADVISORY TEAM. (a) Not later than the 60th day before the date the commission is scheduled to vote on approval of a qualifying project contract, the commission must submit to the Contract Advisory Team established under Subchapter C, Chapter 2262, documentation of the modifications to a proposed qualifying project made during the commission's evaluation and negotiation process for the project, including a copy of:

(1) the final draft of the contract;

(2) the detailed qualifying project proposal; and

(3) any executed interim or other agreement.

(b) The Contract Advisory Team shall review the documentation submitted under Subsection (a) and provide written comments and recommendations to the commission. The review must focus on, but not be limited to, best practices for contract management and administration.

(c) Commission staff shall provide to the commission members:

(1) a copy of the Contract Advisory Team's written comments and recommendations; and

(2) the staff's response to the comments and recommendations.

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.

Sec. 2165.357. PROHIBITED EMPLOYMENT OF COMMISSION EMPLOYEE. (a) A commission employee 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 commission shall obtain from each commission employee sufficient information for the commission to determine whether:

(1) the employee is employed by another person; and

(2) a potential conflict of interest exists between the employee's commission duties and the employee's duties with the other employer.

(c) Each commission employee whose commission duties relate to a qualifying project, including long-range planning, real estate management, space management, and leasing services, shall attest that the employee is aware of and agrees to the commission's ethics and conflict-of-interest policies.

(d) To the extent the employment is authorized by commission policy, this section does not prohibit additional employment for a commission employee whose commission duties are not related to a qualifying project.

SECTION 14. 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 15. Section 2166.001, Government Code, is amended by amending Subdivisions (1) and (1-a) and adding Subdivision (1-b) to read as follows:

(1) "Capitol Complex" has the meaning prescribed by Section 411.061(a)(1).

(1-a) "Commission" means the Texas Facilities Commission.

(1-b) [~~(1-a)~~] "Construction" includes acquisition and reconstruction.

SECTION 16. 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 17. Subsection (d), Section 2166.101, Government Code, is amended to read as follows:

(d) The commission shall summarize its findings on the status of state-owned buildings and current information on construction costs in an electronically submitted [a] report [~~it shall make available~~] to the governor, lieutenant governor, speaker of the house of representatives, comptroller, and Legislative Budget Board not later than July 1 of each even-numbered year [~~the legislature, and the state's budget offices~~].

SECTION 18. Subsection (b), Section 2166.102, Government Code, is amended to read as follows:

(b) The commission shall maintain a six-year capital planning cycle and shall electronically submit ~~file~~ a master facilities plan with the governor, lieutenant governor, speaker of the house of representatives, ~~[Governor's Office of Budget and Planning, the]~~ Legislative Budget Board, and ~~the~~ comptroller before July 1 of each even-numbered year.

SECTION 19. Subsection (b), Section 2166.103, Government Code, is amended to read as follows:

(b) Not later than July 1 of each even-numbered year ~~[Before each legislative session]~~, the commission shall electronically submit ~~send~~ to the governor, the lieutenant governor, the speaker of the house of representatives, the comptroller, and the Legislative Budget Board a report identifying counties in which more than 50,000 square feet of usable office space is needed and the commission's recommendations for meeting that need. The commission may recommend leasing or purchasing and renovating one or more existing buildings or constructing one or more buildings.

SECTION 20. Subchapter C, Chapter 2166, Government Code, is amended by adding Sections 2166.105, 2166.106, 2166.1065, 2166.107, and 2166.108 to read as follows:

Sec. 2166.105. CAPITOL COMPLEX MASTER PLAN. (a) The commission shall prepare a Capitol Complex master plan that at a minimum includes:

(1) an overview and summary of the previous plans for the Capitol Complex;

(2) a stated strategic vision and long-term goals for the Capitol Complex;

(3) an analysis of state property, including buildings, in the Capitol Complex and of the extent to which this state satisfies its space needs through use of the property;

(4) detailed, site-specific proposals for state property in the Capitol Complex, including proposals on the use of property and space for public sector purposes;

(5) an analysis of and recommendations for building design guidelines to ensure appropriate quality in new or remodeled buildings in the Capitol Complex;

(6) an analysis of and recommendations for Capitol Complex infrastructure needs, including transportation, utilities, and parking;

(7) for projects identified in the plan, an analysis of and recommendations for financing options;

(8) time frames for implementing the plan components and any projects identified in the plan;

(9) consideration of alternative options for meeting state space needs outside the Capitol Complex; and

(10) other information relevant to the Capitol Complex as the commission determines appropriate.

(b) The commission shall ensure that the General Land Office, the State Preservation Board, the Texas Historical Commission, and other relevant interested parties are included in each stage of the development of the Capitol Complex master plan.

(c) The commission shall submit to the governor, lieutenant governor, speaker of the house of representatives, comptroller, and Legislative Budget Board:

- (1) not later than April 1, 2016, the initial Capitol Complex master plan; and
- (2) not later than July 1 of each even-numbered year thereafter, updates to

the plan.

(d) The commission shall ensure that the Capitol Complex master plan and the master facilities plan developed under Section 2166.102 do not conflict and together comprehensively address the space needs of state agencies.

Sec. 2166.106. REVIEW OF PROPOSED 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. REVIEW OF CAPITOL COMPLEX MASTER PLAN BY STATE PRESERVATION BOARD AND GENERAL LAND OFFICE. (a) Not later than the 90th 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 State Preservation Board for review and comment. 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.

(b) Not later than the 60th day before the date the commission holds a public meeting to discuss a proposed update to the Capitol Complex master plan, the commission must submit the proposed update to the State Preservation Board and the General Land Office for review and comment.

(c) Not later than the 90th day after the date the State Preservation Board receives from the commission a proposed Capitol Complex master plan and not later than the 60th day after the date the board receives from the commission a proposed update to the plan, the board may:

(1) by a public vote disapprove the plan or update if the board determines that the goals or recommendations in the plan or update are not in the best interest of the state or of the Capitol Complex; and

(2) submit to the commission written comments and recommended modifications to the plan or update.

(d) The proposed Capitol Complex master plan or the proposed update to the plan is considered to be approved by the State Preservation Board if the board does not hold the public vote authorized by Subsection (c) on or before the date required under that subsection.

(e) The review of the Capitol Complex master plan under this section is in addition to the review required for a proposed project under Section 443.0071.

Sec. 2166.107. COMPREHENSIVE PLANNING AND DEVELOPMENT PROCESS. (a) The commission by rule shall adopt a comprehensive process for planning and developing state property in the commission's inventory and for assisting state agencies in space development planning for state property under Sections 2165.105 and 2165.1061.

(b) The process under this section at a minimum must include:

(1) a clear approach and specific time frames for obtaining input throughout the planning and development process from the public, interested parties, and state agencies, including the General Land Office;

(2) specific schedules for providing to the commission regular updates on planning and development efforts;

(3) a public involvement policy to ensure that before the commission makes a decision on the use or development of state property the public and interested parties have the opportunity to review and comment on the commission's plans; and

(4) confidentiality policies consistent with Chapter 552.

Sec. 2166.108. COMPREHENSIVE CAPITAL IMPROVEMENT AND DEFERRED MAINTENANCE PLAN. (a) The commission shall develop a comprehensive capital improvement and deferred maintenance plan that clearly defines the capital improvement needs and critical and noncritical maintenance needs of state buildings.

(b) The comprehensive capital improvement and deferred maintenance plan must:

(1) with respect to deferred maintenance projects:

(A) list, with regular updates, deferred maintenance projects that contain critical high-priority projects and lower-priority, non-health and safety projects;

(B) state the commission's plan for addressing the projects;

(C) account for the completion of high-priority projects;

(D) estimate when the lower-priority projects may become higher-priority projects; and

(E) be modified as necessary to include additional maintenance projects;

(2) contain a list of all predictable capital improvement projects, including a time frame and a cost estimate for each project; and

(3) contain a plan, updated biennially, for responding to emergency repairs and replacements that, in consultation with the Legislative Budget Board, identifies potential sources of funds, which may include bonds and bond interest, that may be used to pay the costs of emergency repair and replacement projects.

(c) The comprehensive capital improvement and deferred maintenance plan must include for each segment of the plan described by Subsection (b) a prioritized list by state agency facility of each project that includes an estimate of the project's cost and the aggregate costs for all facility projects.

(d) The commission shall include the comprehensive capital improvement and deferred maintenance plan and regular updates to the plan in its long-range plan under Section 2166.102. The information included in the long-range plan must include the aggregate project costs for each state agency but may exclude the cost of each specific facility project.

SECTION 21. 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 22. 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.

SECTION 23. Section 2267.001, Government Code, as added by Chapter 1334 (S.B. 1048), Acts of the 82nd Legislature, Regular Session, 2011, is amended by adding Subdivisions (1-a), (5-a), (9-a), (9-b), (9-c), (10-a), and (14-a) and amending Subdivisions (10) and (12) to read as follows:

(1-a) "Commission" means the Partnership Advisory Commission established under Chapter 2268.

(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.

(14-a) "State entity" means a governmental entity described by Subdivision

(5)(A).

SECTION 24. Section 2267.003, Government Code, as added by Chapter 1334 (S.B. 1048), Acts of the 82nd Legislature, Regular Session, 2011, is amended to read as follows:

Sec. 2267.003. APPLICABILITY. This chapter does not apply to:

(1) the financing, design, construction, maintenance, or operation of a highway in the state highway system;

(2) a transportation authority created under Chapter 451, 452, 453, or 460, Transportation Code; ~~[or]~~

(3) any telecommunications, cable television, video service, or broadband infrastructure other than technology installed as part of a qualifying project that is essential to the project; or

(4) except as provided by Section 2165.259, a qualifying project located in the Capitol Complex, as defined by Section 443.0071.

SECTION 25. Subchapter A, Chapter 2267, Government Code, as added by Chapter 1334 (S.B. 1048), Acts of the 82nd Legislature, Regular Session, 2011, is amended by adding Sections 2267.005, 2267.0051, 2267.0052, 2267.006, 2267.0061, 2267.0062, 2267.0063, 2267.0064, 2267.0065, 2267.0066, and 2267.0067 to read as follows:

Sec. 2267.005. CONFLICT OF INTEREST. An employee of a responsible governmental entity or a person related to the employee within the second degree by consanguinity or affinity, as determined under Chapter 573, may not accept money, a financial benefit, or other consideration from a contracting person that has entered into a comprehensive agreement with the responsible governmental entity.

Sec. 2267.0051. PROHIBITED EMPLOYMENT WITH FORMER OR RETIRED GOVERNMENTAL ENTITY EMPLOYEES. (a) A contracting person may not employ or enter into a professional services contract or a consulting services contract under Chapter 2254 with a former or retired employee of the responsible governmental entity with which the person has entered into a comprehensive agreement before the first anniversary of the date on which the former or retired employee terminates employment with the entity.

(b) This section does not prohibit the contracting person from entering into a professional services contract with a corporation, firm, or other business organization that employs a former or retired employee of the responsible governmental entity before the first anniversary of the date the former or retired employee terminates employment with the entity if the former or retired employee does not perform services for the corporation, firm, or other business organization under the comprehensive agreement with the responsible governmental entity that the former or retired employee worked on before terminating employment with the entity.

Sec. 2267.0052. 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.

Sec. 2267.006. DEVELOPMENT PLAN. (a) If the state intends to develop or operate a qualifying project under this chapter, the state entity proposing to develop or operate the project may adopt a development plan on the real property associated with the project.

(b) The purpose of a development plan is to conserve and enhance the value of real property belonging to the state, taking into consideration the preservation of the health, safety, and general welfare of the communities in which the real property is situated.

(c) The plan must address local land use planning ordinances, which may include the following:

(1) allocation and location of specific uses of the real property, including residential, commercial, industrial, recreational, or other appropriate uses;

(2) densities and intensities of designated land uses;

(3) the timing and rate of development;

(4) timely delivery of adequate facilities and services, including water, wastewater collection and treatment systems, parks and public recreational facilities, drainage facilities, school sites, and roads and transportation facilities; or

(5) needed zoning and other land use regulations.

(d) The plan must comply with existing rules, regulations, orders, or ordinances for real property development to the extent the rules, regulations, orders, or ordinances are not detrimental to the interests of the state as determined by the special board of review.

Sec. 2267.0061. PUBLIC HEARING BEFORE PREPARATION OF DEVELOPMENT PLAN. (a) If the state entity is requested to prepare a development plan under Section 2267.006, the state entity shall notify the local government to which the plan will be submitted under Section 2267.0062 of the state entity's intent to prepare a development plan. The state entity shall provide the local government with information relating to:

(1) the location of the real property to be offered for sale or lease;

(2) the highest and best use of the real property; and

(3) the process for preparing the development plan under Section 2267.006 and the process provided under Sections 2267.0065 and 2267.0066 for the special board of review.

(b) Not later than the 30th day after the date the local government receives the notice provided under Subsection (a), the local government may request the state entity to hold a public hearing to solicit public comment. If requested by the local government, the state entity shall hold a public hearing. The local government shall provide notice of the hearing to real property owners in at least the same manner that notice is provided for adopting zoning regulations or subdivision requirements in the local government's jurisdiction. The state entity shall set the agenda for the hearing, which must be completed not later than the 120th day after the date notice is provided under Subsection (a).

(c) If the local government does not request a public hearing under Subsection (b), the state entity may hold a hearing to solicit public comment. The state entity shall provide notice of the hearing in the same manner that a local government is required

to provide notice under Subsection (b). The state entity shall set the agenda for the hearing and must complete the hearing not later than the 120th day after the date the notice is provided under Subsection (a).

(d) A public hearing under this section may include:

(1) a presentation by the state entity relating to the state entity's classification of the real property as unused or substantially underused and the state entity's recommendation of the highest and best use to which the real property may legally be placed;

(2) a presentation by the local government relating to relevant local plans, development principles, and ordinances that may affect the development of the real property; and

(3) oral comments and presentations of information by and written comments received from other persons relating to the development of the real property.

(e) The state entity shall prepare a summary of the information and testimony presented at a hearing conducted under this section and may develop recommendations based on the information and testimony. The state entity shall prepare a report summarizing the information and testimony presented at the hearing and the views presented by the state, the affected local governments, and other persons who participated in the hearing process. The governing body of the state entity shall review the state entity's report and may instruct the state entity to incorporate information based on the report in preparing the development plan under Section 2267.006.

(f) The state entity may adopt rules to implement this section. The state entity shall administer the process provided by this section.

Sec. 2267.0062. SUBMISSION OF PLAN TO AFFECTED LOCAL GOVERNMENT. (a) The development plan adopted under Section 2267.006 shall be submitted to any local government having jurisdiction over the real property in question for consideration.

(b) The local government shall evaluate the plan and either accept or reject the plan not later than the 120th day after the date the state entity submits the plan.

(c) The plan may be rejected by the local government only on grounds that it does not comply with local ordinances and land use regulations, including zoning and subdivision ordinances.

(d) If the plan is rejected, the local government shall specifically identify any ordinance with which the plan conflicts and propose specific modifications to the plan that will bring it into compliance with the local ordinance.

(e) If the plan is rejected by the affected local government, the state entity may modify the plan to conform to the ordinances specifically identified by the local government and resubmit the plan for approval, or the state entity may apply for necessary rezoning or variances from the local ordinances.

(f) Failure by the local government to act within the 120-day period prescribed by Subsection (b) is considered an acceptance by the local government of the plan.

Sec. 2267.0063. REZONING. (a) If the plan would require zoning inconsistent with any existing zoning or other land use regulation, the state entity or its designated representative may at any time submit a request for rezoning to the local government with jurisdiction over the real property in question.

(b) The rezoning or variance request shall be submitted in the same manner as any such request is submitted to the affected local government provided the local government takes final action on the request not later than the 120th day after the date the request for rezoning or variance is submitted.

(c) Failure by the local government to act within the 120-day period prescribed by Subsection (b) is considered an approval of the rezoning request by the local government.

Sec. 2267.0064. FEES AND ASSESSMENTS. (a) The local government may not impose application, filing, or other fees or assessments on the state for consideration of the plan or the application for rezoning or variance submitted by the state.

(b) The local government may not require the submission of architectural, engineering, or impact studies to be completed at state expense before considering the plan or application for rezoning or variance.

Sec. 2267.0065. SPECIAL BOARD OF REVIEW. (a) If the local government denies the rezoning request submitted under this chapter, the matter may be appealed to a special board of review consisting of the following members:

(1) the land commissioner;

(2) the mayor of the municipality within whose corporate boundaries or extraterritorial jurisdiction the real property is located;

(3) the county judge of the county in which the qualifying project is located;

(4) the executive director of the state entity that proposes to develop or operate the qualifying project; and

(5) a member appointed by the governor.

(b) The land commissioner shall serve as the presiding officer of the special board of review.

Sec. 2267.0066. HEARING. (a) The special board of review shall conduct one or more public hearings to consider the proposed development plan.

(b) Hearings shall be conducted in accordance with rules adopted by the General Land Office for conducting a special review.

(c) If real property is located in more than one municipality, the hearings on any single tract of real property may be combined.

(d) Any political subdivision in which the tract in question is located and the appropriate central appraisal district shall receive written notice of board hearings at least 14 days before the date of the hearing.

(e) At least one hearing shall be conducted in the county where the real property is located.

(f) If after the hearings the special board of review determines that local zoning requirements are detrimental to the best interest of the state, the board shall issue an order establishing a development plan to govern the use of the real property as provided in this section.

(g) Development of the real property shall be in accordance with the plan and must comply with all local rules, regulations, orders, or ordinances except as specifically identified in an order of the special board of review issued pursuant to Subsection (f). In the event that substantial progress is not made toward development of the tract within five years of the date of adoption by the special board of review, local development policies and procedures shall become applicable to development of the tract, unless the special board of review promulgates a new plan.

(h) The hearing may not be considered a contested case proceeding under Chapter 2001 and is not subject to appeal under that chapter.

Sec. 2267.0067. BINDING EFFECT OF DEVELOPMENT PLAN. (a) Except as provided by this subsection, a development plan promulgated by the special board of review under this chapter and any plan accepted by a local government shall be final and binding on the state, its lessees, successors in interest and assigns, and affected local governments or political subdivisions unless revised by the special board of review. If the state entity does not receive a bid or auction solicitation for the real property subject to the development plan, the state entity, at the direction of the executive director of the entity, may revise the development plan to conserve and enhance the value and marketability of the real property.

(b) A local government, political subdivision, owner, builder, developer, or any other person may not modify the development plan without specific approval by the special board of review.

(c) The special board of review must file a copy of the development plan in the deed records of the county in which the real property is located. Revisions to the development plan that are requested after the later of the 10th anniversary of the date on which the development plan was adopted by the special board of review or the date on which the state no longer holds a financial or property interest in the real property subject to the plan are governed by local development policies and procedures.

SECTION 26. (a) Section 2267.051, Government Code, as added by Chapter 1334 (S.B. 1048), Acts of the 82nd Legislature, Regular Session, 2011, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) Except as provided by Subsection (a-1), a [A] person may not develop or operate a qualifying project unless the person obtains the approval of and contracts with the responsible governmental entity under this chapter. The person may initiate the approval process by submitting a proposal requesting approval under Section 2267.053(a), or the responsible governmental entity may request proposals or invite bids under Section 2267.053(b).

(a-1) A person may not develop or operate a qualifying project on property located within the Capitol Complex, as defined by Section 411.061(a)(1), unless the person obtains the approval of and contracts with the responsible governmental entity under this chapter. The person may not initiate the approval process by submitting a proposal requesting approval under Section 2267.053(a). The responsible governmental entity may request proposals or invite bids under Section 2267.053(b).

(b) If S.B. No. 894, Acts of the 83rd Legislature, Regular Session, 2013, or similar legislation relating to real property within the Capitol Complex is enacted and becomes law, this section has no effect.

SECTION 27. Section 2267.052, Government Code, as added by Chapter 1334 (S.B. 1048), Acts of the 82nd Legislature, Regular Session, 2011, is amended by amending Subsections (b) and (c) and adding Subsections (c-1) and (d) to read as follows:

(b) The guidelines for a responsible governmental entity described by Section 2267.001(5)(A) must:

(1) require the responsible governmental entity to:

(A) make a representative of the entity available to meet with persons who are considering submitting a proposal; and

(B) provide notice of the representative's availability;

(2) provide reasonable criteria for choosing among competing proposals;

(3) contain suggested timelines for selecting proposals and negotiating an interim or comprehensive agreement;

(4) allow the responsible governmental entity to accelerate the selection, review, and documentation timelines for proposals involving a qualifying project considered a priority by the entity;

(5) include financial review and analysis procedures that at a minimum consist of:

(A) a cost-benefit analysis;

(B) an assessment of opportunity cost;

(C) consideration of the degree to which functionality and services similar to the functionality and services to be provided by the proposed project are already available in the private market; and

(D) consideration of the results of all studies and analyses related to the proposed qualifying project;

(6) allow the responsible governmental entity to consider the nonfinancial benefits of a proposed qualifying project;

(7) ensure that the governmental entity, for a proposed project to improve real property, evaluates design quality, life-cycle costs, and the proposed project's relationship to any relevant comprehensive planning or zoning requirements;

(8) include criteria for:

(A) the qualifying project, including the scope, costs, and duration of the project and the involvement or impact of the project on multiple public entities;

(B) the creation of and the responsibilities of an oversight committee, with members representing the responsible governmental entity, that acts as an advisory committee to review the terms of any proposed interim or comprehensive agreement; and

(C) compliance with the requirements of Chapter 2268;

(9) [~~8~~] require the responsible governmental entity to analyze the adequacy of the information to be released by the entity when seeking competing proposals and require that the entity provide more detailed information, if the entity determines necessary, to encourage competition, subject to Section 2267.053(g);

(10) [~~9~~] establish criteria, key decision points, and approvals required to ensure that the responsible governmental entity considers the extent of competition before selecting proposals and negotiating an interim or comprehensive agreement; and

(11) ~~(10)~~ require the posting and publishing of public notice of a proposal requesting approval of a qualifying project, including:

(A) specific information and documentation regarding the nature, timing, and scope of the qualifying project, as required under Section 2267.053(a);

(B) a reasonable period, as determined by the responsible governmental entity, of not less than 45 days or more than 180 days, or a longer period specified by the governing body of the responsible governmental entity to accommodate a large-scale project, [as determined by the responsible governmental entity,] to encourage competition and partnerships with private entities and other persons in accordance with the goals of this chapter, during which the responsible governmental entity must accept submission of competing proposals for the qualifying project; and

(C) a requirement for advertising the notice on the governmental entity's Internet website and on TexasOnline or the state's official Internet website.

(c) The guidelines of a responsible governmental entity described by Section 2267.001(5)(B) must include:

(1) ~~may include~~ the provisions required under Subsection (b); and

(2) ~~must include~~ a requirement that the governmental entity engage the services of qualified professionals, including an architect, professional engineer, or certified public accountant, not otherwise employed by the governmental entity, to provide independent analyses regarding the specifics, advantages, disadvantages, and long-term and short-term costs of any proposal requesting approval of a qualifying project unless the governing body of the governmental entity determines that the analysis of the proposal is to be performed by similarly qualified employees of the governmental entity.

(c-1) For a proposal with an estimated cost of \$5 million or more for the construction or renovation of a structure or project, the analysis conducted under Subsection (c)(2) must include review of the proposal by an architect, a professional engineer, and a certified public accountant not otherwise employed by the governmental entity.

(d) A responsible governmental entity described by Section 2267.001(5)(A) shall submit a copy of the guidelines adopted by the entity under this section to the commission for approval by the commission consistent with the requirements of Subsection (b). The commission shall prescribe the procedure for submitting the guidelines for review under this section. The commission must complete its review of the guidelines not later than the 60th day after the date the commission receives the guidelines and provide written comments and recommendations to the governmental entity to ensure timely compliance with Subsection (b). The governmental entity may not request or consider a proposal for a qualifying project until the guidelines are approved by the commission.

SECTION 28. Section 2267.053, Government Code, as added by Chapter 1334 (S.B. 1048), Acts of the 82nd Legislature, Regular Session, 2011, is amended by amending Subsections (a), (b), (g), and (h) and adding Subsections (a-1), (b-1), and (b-2) to read as follows:

(a) A private entity or other person may submit a proposal requesting approval of a qualifying project by the responsible governmental entity. The proposal must be accompanied by the following, unless waived by the responsible governmental entity:

(1) a topographic map, with a 1:2,000 or other appropriate scale, indicating the location of the qualifying project;

(2) a description of the qualifying project, including:

(A) the conceptual design of any facility or a conceptual plan for the provision of services or technology infrastructure; and

(B) a schedule for the initiation of and completion of the qualifying project that includes the proposed major responsibilities and timeline for activities to be performed by the governmental entity and the person;

(3) a statement of the method the person proposes for securing necessary property interests required for the qualifying project;

(4) information relating to any current plans for the development of facilities or technology infrastructure to be used by a governmental entity that are similar to the qualifying project being proposed by the person for each affected jurisdiction;

(5) a list of all permits and approvals required for the development and completion of the qualifying project from local, state, or federal agencies and a projected schedule for obtaining the permits and approvals;

(6) a list of any facilities that will be affected by the qualifying project and a statement of the person's plans to accommodate the affected facilities;

(7) a statement on the person's general plans for financing the qualifying project, including the sources of the person's funds and identification of any dedicated revenue source or proposed debt or equity investment for the person;

(8) the name and address of each individual who may be contacted for further information concerning the request;

(9) user fees, lease payments, and other service payments over the term of any applicable interim or comprehensive agreement and the methodology and circumstances for changes to the user fees, lease payments, and other service payments over time;

(10) a statement of the specific public purpose served by the qualifying project;

(11) a statement describing the qualifying project's compliance with the responsible governmental entity's best value determination under Subsection (b-1); and

(12) [~~(10)~~] any additional material and information the responsible governmental entity reasonably requests.

(a-1) A responsible governmental entity that accepts an unsolicited proposal for a qualifying project under Subsection (a), in accordance with the requirements of Section 2267.052(b)(11)(B), shall select the contracting person for the project by soliciting additional proposals through a request for qualifications, request for proposals, or invitation to bid.

(b) A responsible governmental entity may request proposals or invite bids from persons for the development or operation of a qualifying project.

(b-1) A responsible governmental entity shall make a best value determination in evaluating the proposals received and consider the total project cost as one factor in evaluating the proposals. The responsible governmental entity [~~received, but~~] is not required to select the proposal that offers the lowest total project cost and [~~—The responsible governmental entity~~] may consider the following factors:

- (1) the proposed cost of the qualifying project;
- (2) the general reputation, industry experience, and financial capacity of the person submitting a proposal;
- (3) the proposed design and overall quality of the qualifying project;
- (4) the eligibility of the project for accelerated selection, review, and documentation timelines under the responsible governmental entity's guidelines;
- (5) comments from local citizens and affected jurisdictions;
- (6) benefits to the public;
- (7) the person's good faith effort to comply with the goals of a historically underutilized business plan;
- (8) the person's plans to employ local contractors and residents;
- (9) for a qualifying project that involves a continuing role beyond design and construction, the person's proposed rate of return and opportunities for revenue sharing;
- (10) the relationship and conformity of the qualifying project to a state or local community plan impacted by the qualifying project or to the uses of property surrounding the qualifying project;
- (11) the historic significance of the property on which the qualifying project is proposed to be located;
- (12) the environmental impact of the qualifying project; and
- (13) ~~(10)~~ other criteria that the responsible governmental entity considers appropriate.

(b-2) A responsible governmental entity may approve a qualifying project that the governmental entity determines serves a public purpose. The responsible governmental entity must include in the comprehensive agreement for the qualifying project a written declaration of the specific public purpose served by the project.

(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.

SECTION 29. Subsection (a), Section 2267.055, Government Code, as added by Chapter 1334 (S.B. 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 30. Section 2267.058, Government Code, as added by Chapter 1334 (S.B. 1048), Acts of the 82nd Legislature, Regular Session, 2011, is amended by amending Subsection (a) and adding Subsection (g) to read as follows:

(a) Before developing or operating the qualifying project, the contracting person must enter into a comprehensive agreement with a responsible governmental entity. The comprehensive agreement shall provide for:

(1) delivery of letters of credit or other security in connection with the development or operation of the qualifying project, in the forms and amounts satisfactory to the responsible governmental entity, and delivery of performance and payment bonds in compliance with Chapter 2253 for all construction activities;

(2) review of plans and specifications for the qualifying project by the responsible governmental entity and approval by the responsible governmental entity indicating that [if] the plans and specifications conform to standards acceptable to the responsible governmental entity, except that the contracting person may not be required to provide final design documents for [complete the design of] a qualifying project before the execution of a comprehensive agreement;

(3) inspection of the qualifying project by the responsible governmental entity to ensure that the contracting person's activities are acceptable to the responsible governmental entity in accordance with the comprehensive agreement;

(4) maintenance of a public liability insurance policy, copies of which must be filed with the responsible governmental entity accompanied by proofs of coverage, or self-insurance, each in the form and amount satisfactory to the responsible governmental entity and reasonably sufficient to ensure coverage of tort liability to the public and project employees and to enable the continued operation of the qualifying project;

(5) monitoring of the practices of the contracting person by the responsible governmental entity to ensure that the qualifying project is properly maintained;

(6) reimbursement to be paid to the responsible governmental entity for services provided by the responsible governmental entity;

(7) filing of appropriate financial statements on a periodic basis; and

(8) policies and procedures governing the rights and responsibilities of the responsible governmental entity and the contracting person if the comprehensive agreement is terminated or there is a material default by the contracting person, including conditions governing:

(A) assumption of the duties and responsibilities of the contracting person by the responsible governmental entity; and

(B) the transfer or purchase of property or other interests of the contracting person to the responsible governmental entity.

(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.

SECTION 31. The heading to Section 2267.066, Government Code, is amended to read as follows:

Sec. 2267.066. POSTING OF PROPOSALS; PUBLIC COMMENT; PUBLIC ACCESS TO PROCUREMENT RECORDS; FINAL VOTE.

SECTION 32. Section 2267.066, Government Code, is amended by amending Subsections (c) and (d) and adding Subsection (e-1) to read as follows:

(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.

(d) The responsible governmental entity shall hold a public hearing on the proposal during the proposal review process not later than the 30th day before the date the entity enters into an interim or comprehensive agreement. The public hearing shall be held in the area in which the proposed qualifying project is to be performed.

(e-1) After making the proposed comprehensive agreement available as required by Subsection (e), the responsible governmental entity shall hold a public hearing on the final version of the proposed comprehensive agreement and vote on the proposed comprehensive agreement after the hearing. The hearing must be held not later than the 10th day before the date the entity enters into a comprehensive agreement with a contracting person.

SECTION 33. (a) Subchapter B, Chapter 2267, Government Code, as added by Chapter 1334 (S.B. 1048), Acts of the 82nd Legislature, Regular Session, 2011, is amended by adding Section 2267.067 to read as follows:

Sec. 2267.067. QUALIFYING PROJECT IN CAPITOL COMPLEX. (a) A qualifying project for property located in the Capitol Complex, as defined by Section 411.061(a)(1), must be consistent with Capitol Complex design guidelines or standards adopted as part of the Capitol Complex master plan developed under Section 2166.105.

(b) A responsible governmental entity shall include design guidelines and standards defined in Subsection (a) in the request for proposals or invitation for bids for the development or operation of a qualifying project and inform the persons who submit proposals of the requirement to comply with the design guidelines and standards. The final proposal or invitation must be submitted to the State Preservation Board for verification that the proposal complies with the design guidelines and standards.

(c) A responsible governmental entity shall submit a final qualifying project proposal for property in the area described by Subsection (a) to the State Preservation Board. The board by majority vote may disapprove the proposal not later than the 60th day after the date the proposal is received by the board.

(d) A responsible governmental entity may not approve a qualifying project proposal for property in the area described by Subsection (a) before September 1, 2015. This subsection expires September 1, 2015.

(b) If S.B. No. 894, Acts of the 83rd Legislature, Regular Session, 2013, or similar legislation relating to real property within the Capitol Complex is enacted and becomes law, this section has no effect.

SECTION 34. Section 2268.055, Government Code, is amended to read as follows:

Sec. 2268.055. MEETINGS. (a) The commission shall hold meetings quarterly or on the call of the presiding officer.

(b) Commission meetings are subject to Chapter 551.

SECTION 35. Subsection (d), Section 2268.056, Government Code, is amended to read as follows:

(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]~~.

SECTION 36. Subsections (e), (g), and (i), Section 2268.058, Government Code, are amended to read as follows:

(e) ~~The~~ ~~[If the]~~ commission in a public hearing by majority vote of the members present shall approve or disapprove each detailed ~~[accepts a]~~ proposal submitted to the commission for review and may ~~[the commission shall]~~ provide its findings and recommendations to the responsible governmental entity not later than the 45th day after the date the commission receives complete copies of the detailed proposal. If the commission does not provide its findings or recommendations to the responsible governmental entity by that date, the commission is considered to ~~[have declined review of the proposal and to]~~ not have made any findings or recommendations on the proposal.

(g) The commission shall include in any ~~[review accepted detailed proposals and provide]~~ findings and recommendations provided to the responsible governmental entity ~~[that include]~~:

(1) a determination on whether the terms of the proposal and proposed qualifying project create state tax-supported debt, taking into consideration the specific findings of the comptroller with respect to the recommendation;

(2) an analysis of the potential financial impact of the qualifying project;

(3) a review of the policy aspects of the detailed proposal and the qualifying project; and

(4) proposed general business terms.

(i) ~~The~~ ~~[Except as provided by Subsection (e), the]~~ responsible governmental entity may not negotiate ~~[begin negotiation of]~~ an interim or comprehensive agreement for a detailed proposal that has been disapproved by ~~[until]~~ the commission ~~[has submitted its recommendations or declined to accept the detailed proposals for review]~~.

SECTION 37. Subsection (d), Section 31.155, Natural Resources Code, is amended to read as follows:

(d) The duty under this subchapter of the division to review and verify real property records and to make recommendations regarding real property and of the commissioner to prepare a report involving real property does not apply to:

- (1) the real property of an institution of higher education;
- (2) the real property that is part of a fund created or specifically authorized by the constitution of this state and that is administered by or with the assistance of the land office;
- (3) the real property of the Employees Retirement System of Texas; ~~and~~
- (4) the real property of the Teacher Retirement System of Texas; and
- (5) the real property included in the Capitol Complex as defined by Section 411.061(a)(1), Government Code.

SECTION 38. Subsection (d), Section 2268.058, Government Code, is repealed.

SECTION 39. (a) Not later than January 1, 2014, the following are transferred from the Texas School for the Blind and Visually Impaired to the Texas Facilities Commission:

- (1) the powers, duties, functions, programs, and activities of the Texas School for the Blind and Visually Impaired relating to the maintenance of the school's physical facilities;
- (2) any obligations and contracts of the Texas School for the Blind and Visually Impaired that are directly related to implementing a power, duty, function, program, or activity transferred under this subsection; and
- (3) all property and records in the custody of the Texas School for the Blind and Visually Impaired that are related to a power, duty, function, program, or activity transferred under this subsection and all funds appropriated by the legislature for that power, duty, function, program, or activity.

(b) The Texas Facilities Commission and the Texas School for the Blind and Visually Impaired shall enter into a memorandum of understanding as provided by Subsection (h-1), Section 30.022, Education Code, as added by this Act, that:

- (1) identifies in detail the applicable powers and duties that are transferred between the two agencies by this Act; and
- (2) establishes a plan for the identification and transfer of the records, personnel, property, and unspent appropriations of the Texas School for the Blind and Visually Impaired that are used for purposes of the commission's powers and duties directly related to the maintenance of the school's physical facilities under Section 30.022, Education Code.

SECTION 40. (a) Not later than January 1, 2014, the following are transferred from the Texas School for the Deaf to the Texas Facilities Commission:

- (1) the powers, duties, functions, programs, and activities of the Texas School for the Deaf relating to the maintenance of the school's physical facilities;

(2) any obligations and contracts of the Texas School for the Deaf that are directly related to implementing a power, duty, function, program, or activity transferred under this subsection; and

(3) all property and records in the custody of the Texas School for the Deaf that are related to a power, duty, function, program, or activity transferred under this subsection and all funds appropriated by the legislature for that power, duty, function, program, or activity.

(b) The Texas Facilities Commission and the Texas School for the Deaf shall enter into a memorandum of understanding as provided by Subsection (h-1), Section 30.052, Education Code, as added by this Act, that:

(1) identifies in detail the applicable powers and duties that are transferred between the two agencies by this Act; and

(2) establishes a plan for the identification and transfer of the records, personnel, property, and unspent appropriations of the Texas School for the Deaf that are used for purposes of the commission's powers and duties directly related to the maintenance of the school's physical facilities under Section 30.052, Education Code.

SECTION 41. The Texas Facilities Commission shall:

(1) not later than January 1, 2014:

(A) develop the qualifying project review guidelines required by Section 2165.352, Government Code, as added by this Act;

(B) develop the qualifying project proposal fee schedule required by Section 2165.353, Government Code, as added by this Act; and

(C) adopt the comprehensive planning and development process required by Section 2166.107, Government Code, as added by this Act;

(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.

SECTION 42. Not later than December 1, 2016, the Partnership Advisory Commission established under Chapter 2268, Government Code, shall submit to the lieutenant governor, the speaker of the house of representatives, and the appropriate legislative standing committees recommendations on proposed amendments to Chapters 2267 and 2268, Government Code.

SECTION 43. 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 211** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1675**

Senator Nichols submitted the following Conference Committee Report:

Austin, Texas
May 25, 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 1675** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

NICHOLS
BIRDWELL
HUFFMAN
PATRICK
WHITMIRE

On the part of the Senate

BONNEN, DENNIS
ANCHIA
COOK
DUTTON
PRICE

On the part of the House

The Conference Committee Report on **HB 1675** was filed with the Secretary of the Senate.

RESOLUTIONS OF RECOGNITION

The following resolutions were adopted by the Senate:

Memorial Resolution

SR 1071 by Lucio, In memory of departed classmates of the Brownsville High School Class of 1963.

Congratulatory Resolutions

SR 1064 by Carona, Recognizing Katrina Pierson for founding the Garland Tea Party.

SR 1065 by Carona, Recognizing Beth Biesel for her advocacy efforts.

SR 1069 by Lucio, Recognizing Dollie and Jesus Lucio for their success with English Motors, Incorporated.

SR 1070 by Lucio, Recognizing Blaine Smith for his contributions to people with hearing impairments.

SR 1072 by Lucio, Recognizing the 1963 Class of Brownsville High School on the occasion of its 50th class reunion.

ADJOURNMENT

On motion of Senator Whitmire, the Senate at 5:24 p.m. adjourned, in memory of Victor Apodaca, Jr., until 1:30 p.m. tomorrow.

APPENDIX

BILLS AND RESOLUTIONS ENROLLEDMay 24, 2013

SB 39, SB 67, SB 124, SB 168, SB 221, SB 251, SB 306, SB 316, SB 393, SB 404, SB 443, SB 453, SB 475, SB 482, SB 490, SB 497, SB 498, SB 512, SB 519, SB 555, SB 585, SB 597, SB 615, SB 624, SB 637, SB 659, SB 662, SB 680, SB 722, SB 724, SB 725, SB 751, SB 752, SB 757, SB 778, SB 809, SB 831, SB 832, SB 837, SB 854, SB 906, SB 1009, SB 1029, SB 1040, SB 1080, SB 1083, SB 1086, SB 1098, SB 1100, SB 1145, SB 1175, SB 1195, SB 1256, SB 1266, SB 1268, SB 1297, SB 1313, SB 1322, SB 1376, SB 1393, SB 1394, SB 1400, SB 1404, SB 1413, SB 1457, SB 1508, SB 1533, SB 1553, SB 1557, SB 1585, SB 1590, SB 1597, SB 1604, SB 1609, SB 1635, SB 1658, SB 1806, SB 1810, SB 1827, SB 1833, SB 1842, SB 1863, SB 1867, SB 1873, SB 1879, SB 1891, SB 1899, SB 1913, SB 1917, SCR 27, SR 989, SR 1009, SR 1010, SR 1011, SR 1037, SR 1049, SR 1057, SR 1058, SR 1062

SENT TO GOVERNORMay 25, 2013

SB 31, SB 34, SB 45, SB 49, SB 62, SB 112, SB 119, SB 122, SB 127, SB 138, SB 147, SB 171, SB 198, SB 232, SB 242, SB 273, SB 279, SB 284, SB 355, SB 381, SB 389, SB 391, SB 427, SB 462, SB 464, SB 474, SB 504, SB 515, SB 516, SB 517, SB 518, SB 533, SB 540, SB 542, SB 545, SB 551, SB 564, SB 583, SB 608, SB 609, SB 623, SB 631, SB 632, SB 639, SB 658, SB 660, SB 673, SB 677, SB 679, SB 691, SB 699, SB 702, SB 734, SB 742, SB 746, SB 747, SB 758, SB 804, SB 816, SB 817, SB 818, SB 833, SB 836, SB 856, SB 863, SB 875, SB 877, SB 895, SB 904, SB 978, SB 981, SB 1033, SB 1057, SB 1061, SB 1064, SB 1065, SB 1067, SB 1068, SB 1069, SB 1095, SB 1114, SB 1151, SB 1185, SB 1189, SB 1235, SB 1238, SB 1241, SB 1251, SB 1282, SB 1299, SB 1364, SB 1372, SB 1401, SB 1422, SB 1425, SB 1432, SB 1461, SB 1473, SB 1474, SB 1479, SB 1480, SB 1510, SB 1531, SB 1548, SB 1584, SB 1708, SB 1756, SB 1757, SB 1820, SB 1823, SB 1828, SB 1831, SB 1836, SB 1845, SB 1847, SB 1852, SB 1854, SB 1855, SB 1869, SB 1870, SB 1872, SB 1878, SB 1884, SB 1893, SB 1900, SB 1901, SB 1902, SCR 10, SCR 13

SIGNED BY GOVERNORMay 25, 2013

SB 33, SB 61, SB 92, SB 94, SB 160, SB 169, SB 229, SB 352, SB 353, SB 425, SB 560, SB 642, SB 764, SB 822, SB 1225, SB 1332, SB 1811, SB 1825, SB 1896, SCR 28

FILED WITHOUT SIGNATURE OF GOVERNOR

May 25, 2013

SB 567

VETOED BY GOVERNOR

May 25, 2013

SB 346

In Memory
of
Victor Apodaca, Jr.
Senate Resolution 1060

WHEREAS, The Senate of the State of Texas joins the citizens of El Paso in mourning the loss of Victor Apodaca, Jr., who died April 28, 2013, at the age of 73; and

WHEREAS, Victor Apodaca, Jr., was born January 25, 1940, and lived most of his life in El Paso; a well-known businessman and a quiet philanthropist, he made a real difference in the lives of countless people through his generous support and his heartfelt advocacy for those less fortunate; and

WHEREAS, He began working in his father's bail bond business at the age of 14, and he attended Texas Western College until deciding to make his career in the business he had learned from his father; he was well known for his management of Apodaca's Bail Bonds, and he also cofounded several other businesses, including Viva Motors and Cielo Vista Bank; and

WHEREAS, He founded and served as the first president of the Professional Bondsmen of Texas, and he worked to further the organization's legislative agenda in Austin; his business leadership was acknowledged when his company was listed in *Hispanic Business* magazine; and

WHEREAS, Mr. Apodaca was noted for his strong work ethic and his high standards; a colorful, flamboyant figure who was proud of his Hispanic heritage, he strove to make sure others had the kinds of opportunities they needed to succeed, and he unfailingly helped out family members, friends, and strangers in need; and

WHEREAS, An exemplary gentleman, Vic Apodaca was a generous, kindhearted person who was respected in the community for his accomplishments; and

WHEREAS, A man of integrity and strength, he gave unselfishly to others, and his wisdom, warmth, and valued counsel will not be forgotten; and

WHEREAS, Vic Apodaca was beloved by many, and he leaves behind memories that will be treasured forever by all who were privileged to share in his life; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 83rd Legislature, hereby extend sincere condolences to the bereaved family of Victor Apodaca, Jr.; and, be it further

RESOLVED, That a copy of this Resolution be prepared for his family as an expression of deepest sympathy from the Texas Senate, and that when the Senate adjourns this day, it do so in memory of Victor Apodaca, Jr.

RODRÍGUEZ

SENATE JOURNAL

EIGHTY-THIRD LEGISLATURE — REGULAR SESSION

AUSTIN, TEXAS

PROCEEDINGS

SIXTY-SEVENTH DAY

(Sunday, May 26, 2013)

The Senate met at 1:44 p.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.

Don Garner, State Director, Capitol Commission Texas, was introduced by Senator Paxton and offered the invocation as follows:

Heavenly Father, I am privileged to stand in the gap for these Senators. I thank You for raising them up as Your ministers. I thank You that, having called them Yourself, You supply all the means to carry out their responsibilities in a way that is pleasing to You and beneficial to all they serve. As this session draws to a close, grant them the energy to finish strong, the patience to finish graciously, and the perspective to finish wisely. Bless those who sacrifice along with them by allowing them to serve as Senators, those who keep things going back home. Bless the activity of this day by allowing its results to be profitable. And especially bless each Senator and each member of their family in that they might know You in all Your glory. In the name of my lord and savior, Jesus Christ. 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.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 773 ADOPTED

Senator Schwertner called from the President's table the Conference Committee Report on **HB 773**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Schwertner, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 270 ADOPTED**

Senator Seliger called from the President's table the Conference Committee Report on **SB 270**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Seliger, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 910 ADOPTED**

Senator Duncan called from the President's table the Conference Committee Report on **SB 910**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Duncan, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 219 ADOPTED**

Senator Huffman called from the President's table the Conference Committee Report on **SB 219**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Huffman, the Conference Committee Report was adopted by the following vote: Yeas 29, Nays 2.

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

Nays: Estes, Fraser.

REMARKS ORDERED PRINTED

On motion of Senator Davis and by unanimous consent, the remarks regarding **SB 219** were ordered reduced to writing and printed in the *Senate Journal* as follows:

Senator Huffman: Thank you, Mr. President and Members. I move that the Senate adopt the Conference Committee Report to Senate Bill 219. Senate Bill 219 significantly improves transparency in the efficiency of the Ethics Commission, will allow for the commission and the staff to continue doing the work that they do every day for the State of Texas. In conference, we agreed upon the following major changes to the original filed version. SB 219 now requires the commission to redact from a personal financial statement the home addresses of all individual filers before making the statement available to a member of the public; requires that a Railroad Commissioner who announces or becomes a candidate in a general, special primary election for an office other than Railroad Commissioner automatically resigns from the Railroad Commission; and it does other things. It includes updates, financial, and lobby reporting requirements, a study on the potential transfer with a public integrity unit to another entity. It provides that the name of a political committee may not

include the name of any candidate the committee supports, if the candidate has not previously consented to and approve of the committee's formation. It codifies current FCC law for radio and TV ads, and it makes similar requirements on radio and TV ads for noncandidates. And I move that we can move adoption of the Conference Committee Report on SB 219.

Presiding Officer: Senator Davis, for what purpose?

Senator Davis: Mr. President, did we suspend the layout rule on this particular bill to adopt this report? Is it, I'm still looking at the bill right now, so I—

Presiding Officer: Senator Davis, it's a 24-hour layout and we're past the time, so we don't have to—

Senator Davis: —so, it has laid out for more than 24 hours?

Presiding Officer: Yes.

Senator Davis: Okay. Senator Huffman, would you yield for a couple of questions?

Senator Huffman: Of course.

Senator Davis: Thank you. I'm going to support the bill. I think there are some things in it that are good, but I'm concerned about some of the things that were removed from it and wanted to ask you what happened in the process that took those things away. It's my understanding there was a floor amendment that Representative Howard offered that would've required personal financial statements be made available to the public on the Ethics Commission website and, I think, that transparency requirement of us—we've done a lot of transparency reform in the Legislature this session—should be required of us as well as required of others that we're asking to demonstrate that transparency, and just wanted to see if you could help me understand why that's not in the bill anymore.

Senator Huffman: Sure, that particular provision was discussed at length during the sunset actual commission meetings. I think that was last summer, but in the interim period, and the commission voted not to include that in their recommendations, and I think they were, that was overwhelmingly done by the, I don't remember exactly who voted for what, but the Senate side of the commission definitely voted for that. And I believe that my feelings, and when it was brought forward before the Senate, my impression is that the Senate as a whole does not support this. As you know, although it's not online, it's certainly transparent in that it is information available to the public and to the press. And it's certainly available if a person goes down to the Ethics Commission and requests that information, it will be made available. So, it's certainly public information, there's no need to say that it's not public information, it's just not readily available online, around the world, to anyone who would want to bring it up at any given moment.

Senator Davis: Okay. I do think that that was a good recommendation, a good amendment that was added. I'm disappointed to see that it's not there. There was another one that I actually was a Senate sponsor of a bill that Representative Capriglione had also as a stand-alone bill which would've required disclosure by legislators of contracts that they have with governmental entities. And he was

successful in adding that as a floor amendment to the ethics bill, it was Floor Amendment No. 30, and I wanted to see if you could give me some background on the removal of that particular amendment as well.

Senator Huffman: I believe that that is an interesting proposal. Again, it's not a proposal that was well-vetted in the Senate through a committee process. And I know you're familiar that a bill has already passed out, it's on the Governor's desk, Senate Bill 1773 that I authored, that will that we have a select interim committee to study the effectiveness of ethics laws and regulations. I'm hoping that will be a very thorough investigation and study, and I think that that very issue that you just brought up should be one of the issues that we really dig into over the interim and then move forward the next session if it seems advisable to move forward on that issue. So, I agree with you. It is an issue that needs to be studied and heard, and we need to hear from the public on it as well as experts in the field. I just don't think it was right to put on this bill today, or this week.

Senator Davis: Well, I'm pleased to hear you say that. I do think it needs to be part of that interim study as well as the amendment that I talked about a moment ago that Representative Howard had added. And then finally, Representative Geren had added a couple of amendments requiring disclosure of spending to affect the outcome of elections here. Those also were taken out at the end of the day, and as you go forward in that interim study, this interim period, I hope that's another thing that you will include there. I think, as a body, there was disappointment that the Governor yesterday vetoed the dark money bill. I hope that will be a topic of conversation in the interim study that you have on this as well, because I think that transparency is incredibly important and the people of Texas expect that we're going to be transparent in terms of the way we function, and, of course, we need to demonstrate that we're operating at the highest ethics standard we possibly can.

Senator Huffman: I feel certain that that issue that you've discussed will be relevant to those conducting the interim study. I would hope so as well that it'd be something that we would look at very carefully and understand exactly who it would impact and how. If it would improve transparency, it would be a good thing to move forward with.

Senator Davis: Thank you, Senator.

Presiding Officer: Senator Watson, for what purpose?

Senator Watson: First, a parliamentary inquiry and then a question of the author.

Presiding Officer: State your inquiry.

Senator Watson: I want to follow up on what Senator Davis asked about the layout rule and suspending the rules on the layout rule, and I want to make sure I know what I ought to be looking at to know whether we need to have a motion to suspend. Should we be looking at when the bill, when the report was filed, or when the report was delivered, or something else?

Presiding Officer: Senator, we have a time-stamped copy of when it was printed and delivered, and that's what we go by here in the Senate.

Senator Watson: So, is the time stamp on the printing and delivery?

Presiding Officer: Yes, and that's correct, and it's up here, and anyone is welcome to come up here and check the time stamp on anything that you're interested in, so you'll know.

Senator Watson: Okay, thank you. Then, I would ask if the Senator would yield for a question or comment.

Senator Huffman: Yes, Sir.

Senator Watson: And, candidly, it's more of a comment than a question, I wanted to just reiterate that I also am concerned about why we're not making information available online. That was a change that I thought would be a good change to this bill. There's a lot to support in this, but there are things like that that, frankly, I think that transparency, that availability, that ease with which people can get that information ought to be something we're looking for ways to do, and not finding ways to not do them. And I hope that this interim study will take that into account. My guess is you're going to be very involved in that, and I hope you will continue to try to push those to the forefront.

Senator Huffman: I will certainly look at all the suggestions that are made by the Members, yes.

Presiding Officer: Senator Whitmire, for what purpose?

Senator Whitmire: Would the Senator yield? Senator Huffman, when I was on sunset, still on sunset, that process, the ethics piece of legislation study review, I'm on the conference committee, never have I heard it mentioned that there should be a study of the public integrity unit. What's that all about?

Senator Huffman: That was an amendment that was put on by the House.

Senator Whitmire: Do you know who the sponsor was?

Senator Huffman: I can look and tell you real quickly, offhand.

Senator Whitmire: Just a wild, educated guess on my part, it was Phil King.

Senator Huffman: You're right, it was. You're right.

Senator Whitmire: And what, you know, I'm going to vote for it, but I'm going to do it really reluctantly, even as a conferee, because, quite frankly, I, having been down here a number of years, know how well the public integrity unit works as an element or a division of the Travis County District Attorney's office. And, as we all know, that office's District Attorney is having personal issues, but I would suggest that office is bigger than any individual, certainly any personality. So, what concerns me, Members, is the language might call for a study. Who's going to study it, and do they have an agenda that they've already arrived at what their conclusion in a study would be? So, I would almost, not going to, but I could almost, could get worked up to the point that I don't believe you should tamper with something that has an excellent record of investigation, actually indicting and convicting public officials, because it is removed from the legislative entity. And it would be a real shame if we authorize a study that might even be partisan in nature and they tamper with something that I

think has served the people of Texas so well for so many years. So, can you shed some more light on what they hope to accomplish in a study, and do you know who the sponsor of the amendment?

Senator Huffman: It was P. King, and if this, I think this should—

Senator Whitmire: Phil King—

Senator Huffman: —give you some—

Senator Whitmire: —who's been demagoguing the issue all spring. So, here once again, we're going to reward a demagogue where he gets up there on the front mic and goes on and on about moving the public integrity division to the Legislature or to the Attorney General's office, I think he had proposed. That's just wrong. And number one, it ought to be a stand-alone bill.

Senator Huffman: If this offers any reassurance to you, Senator, I share your concerns. I understand, but it's not a legislative interim committee, so the Legislature's not going to get their—

Senator Whitmire: Okay, who's going to study it?

Senator Huffman: —fingers in this. It's the commission in conjunction with the Supreme Court of Texas and the Court of Criminal Appeals, so it'll be a judicial and ethics commission. They will make a study and make—

Senator Whitmire: And what are they going to study? It's what?

Senator Huffman: To determine whether law enforcement functions of the PI unit should be transferred to a law enforcement entity to maintain separation of powers. So, I assume that they will make a legal analysis of the issue, not a political analysis, looking at whose bill it is.

Senator Whitmire: Well, first of all, I think the Supreme Court and the Court of Criminal Appeals got plenty to do already.

Senator Huffman: I'd agree.

Senator Whitmire: I bet they didn't ask for this and probably don't even want this. So, I would hope when we come back next session, I assume they're supposed to report back to the next session, probably?

Senator Huffman: Probably so—

Senator Whitmire: Well, I just—

Senator Huffman: —I can double check that.

Senator Whitmire: —think that, I understand it's unfortunate that that office is going through some turmoil, but, as I already said, the function of that office and its review of ethics and activity of elected officials who come to this jurisdiction has been served well if you look at the track record. And like I said, the office and function is much larger than any one individual who will not be there, to be determined, but I just think it's outrageous that we allow someone to use the sunset process, the sunset legislation for some personal agenda and political agenda of a Member who's been ranting and raving about that office all spring. So, we'll, I guess, vote for this, have the review, but

I think you will find that the Supreme Court and Court of Criminal Appeals is going to say that the office and its duties has worked well for a long number of years. I guess I could name a number of public officials who have been indicted, convicted, and removed from office. And they, for sure, would be willing to tell you that they felt like the office is very effective and has done a good job looking, as a separate entity from the Legislature or from state government, investigating the ethical transgressions of individual legislators. So, I guess it's a classic case of you've got to take a Conference Committee Report that you might not like everything that's in it, but the greater good would be to go ahead and support it at this point in the process.

Senator Huffman: Thank you, Senator Whitmire.

Presiding Officer: Thank you, Senator Whitmire. Senator Fraser, for what purpose?

Senator Fraser: Question of the author. Senator, the issue that I would like to ask a question about involves a provision that was put in the bill that is different than the Senate version went over, which is resign-to-run for Railroad Commissioner. That is in the bill?

Senator Huffman: It is an automatic resign-to-run provision, yes, which differs slightly from the Senate resign-to-run, yes.

Senator Fraser: Can you explain to me the fairness of, well, before I ask that, of the statewide elected officials in the State of Texas, do we have other statewide officials that are subject to this same provision?

Senator Huffman: The automatic resign-to-run, not that I know of, no.

Senator Fraser: So, we are telling someone that the public has elected to an office, that if they want to seek another office, that they have to resign before they could run for that office?

Senator Huffman: Well, as you well know, the Railroad Commissioners serve a unique function and are unique in that their functions are different than any other statewide officeholder. No other statewide officeholders are, of course, they are selected for, not selected for four-year terms, but six-year terms. They, other offices statewide refer their contested cases to SOA and do not receive a majority of their campaign contributions from the single industry that they regulate. The Sunset Commission, I've sat on sunset two sessions now, and the Railroad Commission's been sunsetted on each one, and the bills have died both sessions. We might ask why those bills keep getting killed, but they do. And the Sunset Commission recommended on each time that a resign-to-run, some type of resign-to-run be included in the sunset recommendations because they felt that the running for office was greatly distracting from the commissioners serving their duties in an appropriate and fair way. That was their recommendation. We listened to a lot of testimony two sessions ago, last session, from Railroad Commissioners, and a majority of the sunset commissioners agreed with sunset staff that it was a distraction and that they weren't best serving the state by running for other higher offices rather than fulfilling their duties as Railroad Commissioners.

Senator Fraser: An observation, I, obviously, I've been here for a good while, and I have, through the years, seen recommendations that come from sunset, some that I agree with, many that I don't agree with, but you're having someone that are in a non-elected position making a recommendation, and, interestingly, that's been rejected by the Legislature several times, as you just said, it's—that recommendation has come from sunset and was rejected by the Legislature.

Senator Huffman: Well, it certainly passed out of this Senate, and this Senate body has voted for it before.

Senator Fraser: I'm glad you brought that up because the issue that was voted out by the Senate was a resign-to-run in the last two years, which I think the people of this body, I was opposed to even to that, but their Members did agree to that. But this is a much more severe version of that, and I guess I'm trying to understand that. And a great example, the Lieutenant Governor just ran for U.S. Senate. Did we him to run before he filed for office?

Senator Huffman: That's not the law, Sir. No.

Senator Fraser: If one of the other statewide decides to run for an office, will they be required to run?

Senator Huffman: Well, Senator Fraser, maybe you can file that bill next session. We'll see how far it goes.

Senator Fraser: And the other really interesting one is if somebody in this body that had a four-year term decided to run for a statewide race, would they be required to resign?

Senator Huffman: I'm sorry, I missed the beginning of your question.

Senator Fraser: Okay, if someone in this body that had a four-year term and they decided to run for one of the statewide races that are up this time, will they be required to resign from office?

Senator Huffman: That is not included in this bill, no, Sir.

Senator Fraser: So, the only thing we're doing is penalizing one statewide elected official, or one group of statewide elected officials in treating them differently than everyone else?

Senator Huffman: We are treating the Railroad Commissioners differently because they are unique and fulfill a unique function in Texas. They're a quasi-judicial and most of their money they get from the industry that they regulate.

Senator Fraser: Why are they quasi-judicial?

Senator Huffman: Well, because they make, you know, individual, they make decisions on regulations and rules and policies that affect a specific industry that we all know is a powerhouse industry that pretty much drives the economy of the State of Texas.

Senator Fraser: And what industry does the Agriculture Commissioner take care of?

Senator Huffman: Well, it's also a very large industry, that's correct.

Senator Fraser: Is that a specific industry?

Senator Huffman: It certainly is, yes, cattle, ranching, agriculture, yes.

Senator Fraser: The Comptroller of State of Texas, what do they do?

Senator Huffman: They're not under sunset, though, and the recommendations have not been made, nor has the body voted on those specific offices, or been asked to.

Senator Fraser: Senator, I respect you greatly. You've had a great session.

Senator Huffman: Likewise.

Senator Fraser: I appreciate the work you've done on sunset, and it's not like you're confused on issues. You've worked on it, you understand it. And we've had discussions about this, I just disagree with you. I do not agree that we should be treating one statewide elected official different than everyone else. I will be registering a "no" on this bill. There's a lot of really good stuff, probably, in the bill as far as the sunset recommendations, but this one issue, I believe, is terribly unfair. I think it's bad public policy, and even though I respect the work you've done on this, I will be registering a "no" on the bill.

Senator Huffman: Yes, Senator Fraser, and you know how much I respect you and your beliefs and your work, and we can just respectfully disagree on this one. Thank you.

Senator Ellis: Mr. President, I rise to praise the distinguished Senator from Harris County and just ask a couple of questions.

Presiding Officer: Senator Huffman, yield?

Senator Huffman: Yes, Sir.

Senator Ellis: For the praise or the questions?

Senator Huffman: Either one would be great.

Senator Ellis: One person of the, I carried the ethics bill in 2003, last time it came through sunset review process, and I want to praise you because it is a thankless job. You don't make any friends when you do it, and when I carried it, at one point, it was going to be, there was a threatened veto, or it would be killed. I always thought it was to drag us back into special session, so it wouldn't just be on redistricting, it would be on the ethics bill as well. Senator Duncan was reminding me that I added some language that required locally elected officials to have to do the same financial disclosure form that we file, and his mayor and other mayors were pretty upset about that. So, I know it's a tough job, so we do appreciate you doing it. Somebody had to do it, and I think you've done a great job with it.

Senator Huffman: Thank you, Senator.

Senator Ellis: I do have a couple of concerns. The part about, on page 47 about, I guess it's legislators, or anybody who has a campaign fund, using it. What are you doing under that section (b) that's on page 47, certain contributions and the expenditures by lobbyists restricted? I just want to make sure we know what we're doing. I do want to say, while you're looking it up, I'm not planning on leaving

anytime soon. I've only been here 23 years, so I think I can last a little longer. But in the event the voters decide to retire me, what does that do to a Member's campaign funds?

Senator Huffman: If a person leaves office, is that the one you're referring to?

Senator Ellis: Yes, Ma'am.

Senator Huffman: Yes, if you leave office, for two years after the date you leave, you're not prohibited from lobbying, but you are prohibited from using your campaign funds for lobbying. There's a couple of exceptions. If you're lobbying for a nonprofit or for a group of low-income individuals or a group of individuals with disabilities, there are exemptions of how you could use your campaign funds. You just can't use them for general lobbying purposes for two years after you leave office, which is pretty big reform, I'd say.

Senator Ellis: Yeah, if I'm lobbying for folks who catch the early bus, so to speak, so if I'm lobbying for the payday lenders, I couldn't use it, but if I'm lobbying for some advocacy, I could use it?

Senator Huffman: I think if you were lobbying for, again, for, say, a group, it's low-income, that's probably subject to interpretation. A group of individuals with disabilities or for a nonprofit, that would be pretty easy to define. I'm not sure about what you mean by the early bus, but—

Senator Ellis: Yeah, I'm trying to figure out, and I guess some court would have to do it, like, you know, if you're talking about a not-for-profit, like Best Buddies, they do programs for children with intellectual challenges.

Senator Huffman: I think they're going to have to be nonprofits that are registered under the IRS as with one of the nonprofit groups as described and defined by the IRS code.

Senator Ellis: Okay, my other question is going back to what Senator Whitmire was saying on this judicial study of the public integrity unit. So, it would be, who would name the folks? Would it be, I think it's on page 24 on the side-by-side.

Senator Huffman: I would assume it would be the chief justices of the individual courts and—

Senator Ellis: And I don't know if you really lay it out or you just say the courts would do it. I'm just curious to know how that would be structured. I'm not sure where it is in the bill. I was really looking at the side-by-side when I looked at it earlier, might've been page 26.

Senator Huffman: Let me see if I can find a copy of the actual amendment. I'm not sure I have it, but my understanding is that it would be the commission in consultation with the Supreme Court and the Court of Criminal Appeals would conduct the study, and if we look at how those are normally done—

Senator Ellis: Oh, I see it here. Yeah, it's on page 30 of the side-by-side, at least. And you say here, the Ethics Commission in consultation with the Supreme Court and the Court of Criminal Appeals shall conduct a study, so you don't really lay out how many people.

Senator Huffman: No, and again, and I'm happy to set this legislative intent, that this is not meant for legislators to participate in this study. That's not the legislative intent. I fully believe that it should be independent, with the commission and the courts looking at it, and looking at it more as a separation of powers issue, certainly would hope they would look at it that way and not look at it politically or political expediency but—

Senator Ellis: So, you're not necessarily pointing an accusative finger with what happens now, but just saying, an independent review to see what's working well, what is not working well.

Senator Huffman: Exactly, from a legal point of view, yes.

Senator Ellis: I hope you work with me in the next session. I'd like to do that, as you know, for people who've been wrongfully convicted, as well. You know, not a direct analogy there, because I put that on a much higher level than this, but I'm hoping you'll work with me when we come back—

Senator Huffman: You know I'd love to work with you.

Senator Ellis: —because I'm always for a study.

Senator Huffman: We're always willing to work, Senator Ellis.

Senator Ellis: Thank you, I'll be voting for your bill.

Senator Nichols: First of all, thank you very much for all the hard work you've put in on this. I know it's a very difficult one. And it's one, there are a lot of eyes watching, and so, I wanted to ask you a couple of questions. One is related to Senator Watson's question related to the open, putting online, everybody's personal financial stuff. Do you remember some of the reasons, as in our discussions in the committee when we talked about that, why I, in particular, said, I really think we should not do that?

Senator Huffman: Well, I know there were several Members that had security concerns, and I think that you vocalized those as well, yes.

Senator Nichols: Yeah, the security concern is there are bad people out there who are looking for targets, and the more convenient we can make them targets, the more likely the security is going to be breached and somebody's going to get hurt. I know that in my home county, I've had two different friends of mine have their children kidnapped. It was people knew they had money and, fortunately, one of them got back alive. The other one was horribly murdered for that money, just because of that. And so, I would hope that the media understands that we've got security breaches that could be very dangerous, especially with groups like the drug cartels coming into Texas. And so, any newspaper, any reporter, any individual in this state that wants to know our personal information can go to the Ethics Commission and they can see it. They have to sign a log sheet, so we know who they are, but at least I feel personally more comfortable to have a log sheet, at least we know who went and looked at it. That was one of my reasons for bringing that up. The other thing kind of related to Senator Fraser's questions about the resign-to-run. You remember some of the conversations we had related to that?

Senator Huffman: Yes, and I would love for you to share some of your thoughts on that because you've had some insightful thoughts on that.

Senator Nichols: For the past four years, there've been a lot of concerns about why people run for certain offices and what they do in that office, and we've got good people in those offices, though not, certainly, not talking about that, but it, the oil and gas industry is one of the most significant industries we have in the State of Texas right now. It's what's driving our economy. It's what's saving this year's budget, the work they do. And the work that the Railroad Commission does, it's vital to that, and the more they stay concentrated on that work, the more likely we're going to be all successful as a state. And so, I know that some of my feelings related to that, was that we want people to run for that office and be focused on that office. I know everybody doesn't agree with that, but in the arguments that were presented and that were heard in testimony, well, just treat us like everybody else. But they're not like everybody else, are they?

Senator Huffman: No, they're absolutely not.

Senator Nichols: None of the statewide, possibly with an exception of the Comptroller, who does do certifications of certain numbers, that's the only state agency that's actually setting rates. They set the rate on which you, I, and everybody in my district pays for natural gas in their homes. They set that rate. No other elected office gets to do that. They decide who gets to drill, who gets the pipes, who, they rule on contested cases of things of that nature, so they are collecting campaign contributions at the same time they're doing that.

Senator Huffman: Correct. That was one of the many concerns raised through the process.

Senator Nichols: And so, the public perception, which, perception is very important in this state in elected offices, the perception that's out there is that they could, if somebody had got in there, could use that position to basically shake down the industry to support, build up a war chest to run for some statewide office. Now, I remember a few years ago, particularly, when we were doing this under sunset two years ago, we had a couple of members of the Railroad Commission that were running for U.S. Senate.

Senator Huffman: Correct.

Senator Nichols: And I know that Michael Williams decided to resign to run voluntarily, he was not required to do that. Is that correct?

Senator Huffman: That's correct, yes.

Senator Nichols: And I remember when I was TxDOT Commissioner for the state and I decided to run for this position. I could have continued using that position to help further my campaign, it would've certainly helped me, but I did not do that. I don't know if you're aware of it, I chose to resign to run.

Senator Huffman: Yes, I was aware of it.

Senator Nichols: So, that's what really makes this office different. And since the Legislature has not been able to make progress in the ethics area of this perception by the public, this one item in your ethics bill would tell the public that people running for that office are going to be running for that office for that reason.

Senator Huffman: Yes.

Senator Nichols: Thank you very much.

Presiding Officer: Thank you, Senator Nichols.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 2982 ADOPTED**

Senator Duncan called from the President's table the Conference Committee Report on **HB 2982**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Duncan, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 58 ADOPTED**

Senator Nelson called from the President's table the Conference Committee Report on **SB 58**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Nelson, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 630 ADOPTED**

Senator Huffman called from the President's table the Conference Committee Report on **HB 630**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Huffman, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3903 ADOPTED**

Senator Campbell called from the President's table the Conference Committee Report on **HB 3903**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Campbell, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

SENATE RESOLUTION 1063

Senator Estes offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 281 (administration and powers of the Red River Authority of Texas) to consider and take action on the following matter:

(1) Senate Rule 12.03(3) is suspended to permit the committee to add text on a matter which is not in disagreement by adding text in SECTION 3 of the bill, in added Section 19a, Chapter 279, Acts of the 56th Legislature, Regular Session, 1959, to read as follows:

Sec. 19a. The Authority may purchase groundwater rights in a county in the Authority's territory only if:

(1) there is a groundwater conservation district that has jurisdiction over water wells located in the county; or

(2) in the case where a county is not in the jurisdiction of a groundwater conservation district, the commissioners court of the county approves the purchase of groundwater rights by the Authority in the county.

Explanation: This change is necessary to clarify under what conditions the Red River Authority of Texas may purchase groundwater rights.

SR 1063 was read and was adopted by the following vote: Yeas 31, Nays 0.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 281 ADOPTED

Senator Estes called from the President's table the Conference Committee Report on **SB 281**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Estes, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 1897 ADOPTED

Senator Carona called from the President's table the Conference Committee Report on **HB 1897**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Carona, the Conference Committee Report was adopted by the following vote: Yeas 22, Nays 9.

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

Nays: Birdwell, Campbell, Fraser, Hancock, Nichols, Patrick, Paxton, Schwertner, Seliger.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1951 ADOPTED**

Senator Carona called from the President's table the Conference Committee Report on **HB 1951**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Carona, the Conference Committee Report was adopted by the following vote: Yeas 20, Nays 11.

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

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

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 2818 ADOPTED**

Senator Carona called from the President's table the Conference Committee Report on **HB 2818**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Carona, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 2152 ADOPTED**

Senator Lucio called from the President's table the Conference Committee Report on **HB 2152**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Lucio, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 690 ADOPTED**

Senator Ellis called from the President's table the Conference Committee Report on **SB 690**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Ellis, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 358 ADOPTED**

Senator Hinojosa called from the President's table the Conference Committee Report on **SB 358**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Hinojosa, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 359 ADOPTED**

Senator Hinojosa called from the President's table the Conference Committee Report on **SB 359**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Hinojosa, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

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 367, HB 474, HB 506, HB 590, HB 647, HB 699, HB 717, HB 738, HB 753, HB 833, HB 847, HB 869, HB 897, HB 899, HB 939, HB 970, HB 983, HB 1020, HB 1114, HB 1122, HB 1174, HB 1198, HB 1302, HB 1330, HB 1384, HB 1392, HB 1394, HB 1396, HB 1513, HB 1544, HB 1605, HB 1724, HB 1759, HB 1781, HB 1824, HB 1888, HB 1965, HB 2049, HB 2075, HB 2090, HB 2100, HB 2138, HB 2197, HB 2202, HB 2276, HB 2407, HB 2414, HB 2424, HB 2585, HB 2607, HB 2619, HB 2668, HB 2679, HB 2688, HB 2690, HB 2704, HB 2874, HB 2902, HB 2911, HB 3068, HB 3070, HB 3125, HB 3161, HB 3201, HB 3253, HB 3279, HB 3309, HB 3350, HB 3378, HB 3401, HB 3436, HB 3438, HB 3439, HB 3483, HB 3567, HB 3662, HB 3764, HB 3792, HB 3813, HB 3932, HB 3933, HB 3934, HB 3946, HCR 80, HCR 199, HCR 200, HCR 201, HCR 202, HCR 203, HCR 204.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3093 ADOPTED**

Senator Zaffirini called from the President's table the Conference Committee Report on **HB 3093**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Zaffirini, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

SENATE CONCURRENT RESOLUTION 40

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Senate Bill No. 347 has been adopted by the senate and the house of representatives and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the senate be instructed to make the following corrections:

(1) In the SECTION of the bill added by House Floor Amendment No. 2 by Darby that reenacts and amends Section 401.052(d), Health and Safety Code, as amended by Chapters 580 (H.B. 1678) and 1067 (H.B. 1567), Acts of the 78th Legislature, Regular Session, 2003, strike the text of amended Subsection (d) and substitute the following, and renumber Subsection (d) accordingly:

(d) Fees assessed under this section:

(1) may provide additional revenue to support the activities of the Texas Low-Level Radioactive Waste Disposal Compact Commission;

(2) In the SECTION of the bill added by House Floor Amendment No. 1 by Darby that amends Section 401.207, Health and Safety Code, in proposed Subsection (d-1)(2) of the section, strike "fee under Section 401.249(f)" and substitute "surcharge under Subsection (g)".

(3) In the SECTION of the bill added by House Floor Amendment No. 1 by Darby that amends Section 401.207, Health and Safety Code, in proposed Subsection (d-3) of the section, strike "401.249(f)" and substitute "401.249".

(4) In the recital to the SECTION of the bill added by House Floor Amendment No. 1 by Darby amending Section 401.218, Health and Safety Code, strike "Subsections (d) and (e)" and substitute "Subsection (d)".

(5) In the nonamendatory transition language added by House Floor Amendment No. 2 by Darby, strike Subsection (b) of the SECTION, directing the Texas Commission on Environmental Quality to adopt rules to implement the changes to Section 401.2456, Health and Safety Code, and reletter the subsections of the SECTION accordingly.

SELIGER

SCR 40 was read.

On motion of Senator Seliger, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 586 ADOPTED

Senator Deuell called from the President's table the Conference Committee Report on **HB 586**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Deuell, the Conference Committee Report was adopted 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, Rodriguez, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Schwertner.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 1907 ADOPTED

Senator Hegar called from the President's table the Conference Committee Report on **SB 1907**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Hegar, the Conference Committee Report was adopted by the following vote: Yeas 28, Nays 3.

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

Nays: Garcia, Lucio, Zaffirini.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3520 ADOPTED**

Senator Carona called from the President's table the Conference Committee Report on **HB 3520**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Carona, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 460 ADOPTED**

Senator Deuell called from the President's table the Conference Committee Report on **SB 460**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Deuell, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

SENATE RESOLUTION 1066

Senator West offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 3153 (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) to consider and take action on the following matter:

Senate Rule 12.03(2) is suspended to permit the committee to omit text not in disagreement in proposed SECTION 2.02 of the bill, in amended Section 25.0331, Government Code, to read as follows:

SECTION 2.02. (a) Effective January 1, 2017, Section 25.0331, Government Code, is amended by adding Subsection (c) to read as follows:

(c) Cameron County has one statutory probate court, the Probate Court No. 1 of Cameron County.

(b) Notwithstanding Section 25.0009, Government Code, the initial vacancy in the office of judge of the Probate Court No. 1 of Cameron County shall be filled by election. The office exists for purposes of the primary and general elections in 2016. A vacancy after the initial vacancy is filled as provided by Section 25.0009, Government Code.

(c) The Probate Court No. 1 of Cameron County is created on January 1, 2017.

Explanation: The change is necessary to omit the section amending Section 25.0331, Government Code.

SR 1066 was read and was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3153 ADOPTED**

Senator West called from the President's table the Conference Committee Report on **HB 3153**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator West, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Patrick.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER
Austin, Texas
Sunday, May 26, 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 ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

- HB 630** (134 Yeas, 0 Nays, 1 Present, not voting)
- HB 1897** (80 Yeas, 62 Nays, 2 Present, not voting)
- HB 1951** (109 Yeas, 34 Nays, 2 Present, not voting)
- HB 2152** (140 Yeas, 0 Nays, 1 Present, not voting)
- HB 3093** (140 Yeas, 0 Nays, 3 Present, not voting)
- HB 3903** (137 Yeas, 2 Nays, 2 Present, not voting)
- SB 213** (140 Yeas, 2 Nays, 1 Present, not voting)
- SB 217** (109 Yeas, 31 Nays, 2 Present, not voting)
- SB 359** (140 Yeas, 0 Nays, 1 Present, not voting)
- SB 690** (133 Yeas, 0 Nays, 1 Present, not voting)
- SB 1458** (136 Yeas, 0 Nays, 1 Present, not voting)

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

SENATE CONCURRENT RESOLUTION 38

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, House Bill No. 2975 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to correct House Bill No. 2975, in SECTION 1 of the bill, in added Section 392.0131, Local Government Code, by striking added Subsection (d) and relettering the remaining subsections and correcting all related cross-references in Section 392.0131, Local Government Code.

RODRÍGUEZ

SCR 38 was read.

On motion of Senator Rodríguez, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 194 ADOPTED**

Senator Hinojosa called from the President's table the Conference Committee Report on **HB 194**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Hinojosa, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1596 ADOPTED**

Senator Zaffirini called from the President's table the Conference Committee Report on **SB 1596**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Zaffirini, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Watson.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 2305 ADOPTED**

Senator Watson called from the President's table the Conference Committee Report on **HB 2305**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Watson, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3572 ADOPTED**

Senator Williams called from the President's table the Conference Committee Report on **HB 3572**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Williams, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1681 ADOPTED**

Senator Zaffirini called from the President's table the Conference Committee Report on **SB 1681**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Zaffirini, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3169 ADOPTED**

Senator Lucio called from the President's table the Conference Committee Report on **HB 3169**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Lucio, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3648 ADOPTED**

Senator Paxton called from the President's table the Conference Committee Report on **HB 3648**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Paxton, the Conference Committee Report was adopted by the following vote: Yeas 29, Nays 2.

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

Nays: Fraser, Nelson.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1373 ADOPTED**

Senator Hinojosa called from the President's table the Conference Committee Report on **SB 1373**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Hinojosa, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Sunday, May 26, 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 ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 194 (137 Yeas, 8 Nays, 2 Present, not voting)
HB 586 (145 Yeas, 0 Nays, 2 Present, not voting)
HB 773 (140 Yeas, 2 Nays, 2 Present, not voting)
HB 1926 (140 Yeas, 1 Nays, 3 Present, not voting)
HB 2818 (141 Yeas, 0 Nays, 3 Present, not voting)
HB 2982 (143 Yeas, 0 Nays, 2 Present, not voting)
HB 3142 (143 Yeas, 0 Nays, 2 Present, not voting)
HB 3520 (142 Yeas, 1 Nays, 2 Present, not voting)
SB 58 (138 Yeas, 6 Nays, 2 Present, not voting)
SB 215 (135 Yeas, 5 Nays, 2 Present, not voting)
SB 910 (142 Yeas, 0 Nays, 2 Present, not voting)
SB 1173 (140 Yeas, 4 Nays, 2 Present, not voting)
SB 1681 (147 Yeas, 0 Nays, 1 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

SENATE CONCURRENT RESOLUTION 41

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Senate Bill No. 1727 has been adopted by the house of representatives and the senate; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the senate be instructed to make the following corrections:

(1) In the SECTION of the bill that amends Section 386.104, Health and Safety Code, in added Subsection (f-1) of the section as amended on third reading by Floor Amendment No. 1 by Isaac, strike "the conversion of heavy-duty diesel on-road vehicle engines or stationary engines" and substitute "the conversion of heavy-duty diesel on-road vehicle engines or non-road engines".

(2) Strike the SECTION of the bill that amends Section 386.158, Health and Safety Code, and substitute the following appropriately numbered SECTION:

SECTION _____. Sections 386.158(a) and (c), Health and Safety Code, are amended to read as follows:

(a) A person who purchases or leases a new light-duty motor vehicle described by Section 386.153 and ~~that has been~~ listed under Section 386.156(a) ~~[386.155]~~ is eligible to apply for an incentive under this subchapter.

(c) To receive money under an incentive program provided by this subchapter, the purchaser or lessee of a new light-duty motor vehicle who is eligible to apply for an incentive under this subchapter shall apply for the incentive in the manner provided by law or by rule of the commission ~~[comptroller]~~.

(3) Add the following appropriately numbered SECTIONS to the bill:

SECTION _____. Section 386.058(b), Health and Safety Code, is amended to read as follows:

(b) The governor shall appoint to the advisory board:

- (1) a representative of the trucking industry;
- (2) a representative of the air conditioning manufacturing industry;
- (3) a representative of the electric utility industry;
- (4) a representative of regional transportation; and
- (5) a representative of the nonprofit organization described by Section

387.002 ~~[386.252(a)(2)]~~.

SECTION _____. Section 386.160, Health and Safety Code, is amended to read as follows:

Sec. 386.160. COMMISSION ~~[COMPTROLLER]~~ TO ACCOUNT FOR MOTOR VEHICLE PURCHASE OR LEASE INCENTIVES. (a) The commission ~~[comptroller]~~ by rule shall develop a method to administer and account for the motor vehicle purchase or lease incentives authorized by this subchapter and to pay incentive money to the purchaser or lessee of a new motor vehicle, on application of the purchaser or lessee as provided by this subchapter.

(b) The commission ~~[comptroller]~~ shall develop and publish forms and instructions for the purchaser or lessee of a new motor vehicle to use in applying to the commission ~~[comptroller]~~ for an incentive payment under this subchapter. The commission ~~[comptroller]~~ shall make the forms available to new motor vehicle dealers and leasing agents. Dealers and leasing agents shall make the forms available to their prospective purchasers or lessees.

(c) In addition to other forms developed and published under this section, the commission ~~[comptroller]~~ shall develop and publish a verification form by which, with information provided by the dealer or leasing agent, the commission ~~[comptroller]~~ can verify the sale of a vehicle covered by this subchapter. The verification form shall include at least the name of the purchaser, the vehicle identification number of the vehicle involved, the date of the purchase, and the name of the new motor dealer or leasing agent involved in the transaction. At the time of sale or lease of a vehicle eligible for an incentive under this subchapter, the dealer or leasing agent shall complete the verification form supplied to the dealer by the commission ~~[comptroller]~~. The purchaser or lessee shall include the completed verification form as part of the purchaser's application for an incentive. The dealer shall maintain a copy of the completed verification form for at least two years from the date of the transaction.

SECTION _____. The heading to Section 386.161, Health and Safety Code, is amended to read as follows:

Sec. 386.161. ~~[REPORT TO COMMISSION;]~~ SUSPENSION OF PURCHASE OR LEASE INCENTIVES.

SECTION _____. Sections 386.161(b), (c), and (d), Health and Safety Code, are amended to read as follows:

(b) If the balance available for motor vehicle purchase or lease incentives falls below 15 percent of the total allocated for the incentives during that fiscal year, the commission ~~[comptroller]~~ by order shall suspend the incentives until the date the comptroller can certify that the balance available in the fund for incentives is an amount adequate to resume the incentives or the beginning of the next fiscal year, whichever is earlier. If the commission ~~[comptroller]~~ suspends the incentives, the commission ~~[comptroller]~~ shall immediately notify ~~[the commission and]~~ all new motor vehicle dealers and leasing agents that the incentives have been suspended.

(c) The commission ~~[comptroller]~~ shall establish a toll-free telephone number available to motor vehicle dealers and leasing agents for the dealers and agents to call to verify that incentives are available. The commission ~~[comptroller]~~ may provide for issuing verification numbers over the telephone line.

(d) Reliance by a dealer or leasing agent on information provided by the ~~[comptroller or]~~ commission is a complete defense to an action involving or based on eligibility of a vehicle for an incentive or availability of vehicles eligible for an incentive.

(4) In the SECTION of the bill repealing provisions of the law, add the following appropriately numbered subdivision and renumber the subsequent subdivisions of the SECTION accordingly:

() Section 386.161(a), Health and Safety Code;

(5) Renumber the SECTIONS of the bill accordingly.

DEUELL

SCR 41 was read.

On motion of Senator Deuell, the resolution was considered immediately and was adopted by the following vote: Yeas 30, Nays 0, Present-not voting 1.

Present-not voting: Fraser.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 901 WITHDRAWN

Senator Fraser called from the President's table the Conference Committee Report on **SB 901**. The original Conference Committee Report was filed with the Senate on Tuesday, May 21, 2013.

On motion of Senator Fraser, the original Conference Committee Report was withdrawn by the following vote: Yeas 31, Nays 0.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 901 ADOPTED

Senator Fraser called from the President's table the corrected Conference

Committee Report on **SB 901**. The corrected Conference Committee Report was filed with the Senate on Thursday, May 23, 2013.

On motion of Senator Fraser, the corrected Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 3361 ADOPTED

Senator Birdwell called from the President's table the Conference Committee Report on **HB 3361**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Birdwell, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Schwertner.

SENATE RESOLUTION 1074

Senator Patrick offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 508 (the authority of certain governmental officials to carry certain weapons on certain premises, and to certain offenses relating to carrying concealed handguns on property owned or leased by a governmental entity; providing a civil penalty), to consider and take action on the following matter:

(1) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text to SECTION 3 of the bill, in added Section 411.209, Government Code:

(i) A state agency or a political subdivision of the state may not provide notice by a communication described by Section 30.06, Penal Code, or by any sign expressly referring to that law or to a concealed handgun license, that 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, Election Code, a member of the house of representatives or the senate, a member of the United States Congress, 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, district attorney, assistant district attorney, criminal district attorney, assistant criminal district attorney, county attorney, or assistant county attorney licensed to carry a handgun under the authority of this subchapter is, while carrying a handgun under the authority of this subchapter, prohibited from entering or remaining on a premises or other place owned or leased by the governmental entity unless the license holders are prohibited from carrying a handgun on the premises or other place by Section 46.035, Penal Code.

Explanation: This addition is necessary to add in cross-references to 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, Government Code, or as the holder of a statewide office, as defined by Section 1.005, Election Code, a member of the house of representatives or the senate, a member of the United States Congress, 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, district attorney, assistant district attorney, criminal district attorney, assistant criminal district attorney, county attorney, and assistant county attorney.

(2) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text to Section 46.035(c), Penal Code, in SECTION 4 of the bill:
The defense to prosecution provided by Subsection (h-1) applies to the prosecution of an offense under this subsection.

Explanation: This addition is for clarification purposes only.

SR 1074 was read and was adopted by the following vote: Yeas 22, Nays 9.

Yeas: Carona, Deuell, Duncan, Eltife, Estes, Hancock, Hegar, Hinojosa, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Campbell, Davis, Ellis, Fraser, Garcia, Lucio, Rodríguez, Taylor.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 508 ADOPTED

Senator Patrick called from the President's table the Conference Committee Report on **HB 508**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Patrick, the Conference Committee Report was adopted by the following vote: Yeas 23, Nays 8.

Yeas: Campbell, Carona, Davis, Deuell, Duncan, Eltife, Estes, Hancock, Hegar, Hinojosa, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Ellis, Fraser, Garcia, Lucio, Rodríguez, Watson, West.

REMARKS ORDERED PRINTED

On motion of Senator Davis and by unanimous consent, the remarks regarding the Conference Committee Report on **HB 508** were ordered reduced to writing and printed in the *Senate Journal* as follows:

Presiding Officer: The Chair lays out the Conference Committee Report on House Bill 508 by Patrick. Secretary, please read the caption.

Secretary of the Senate: House Bill 508, relating to certain offenses related to carrying concealed handguns on property owned or leased by a governmental entity.

Presiding Officer: The Chair recognizes Senator Patrick on the Conference Committee Report.

Senator Patrick: I've already walked through the change to the Conference Committee Report. I move adoption.

Presiding Officer: Senator Davis, for what purpose?

Senator Davis: Question of the author, please.

Presiding Officer: Senator Patrick, yield?

Senator Patrick: Yes.

Senator Davis: I'm sorry, Senator Patrick, I tried to hit my light before we did the roll call on the resolution that you adopted, the out of the, outside the bounds resolution. Question as to why we're creating a particular limitation of the application of current law as it relates to a certain category of officeholders, DA, Members of the Legislature, Members of the U.S. Congress, prosecuting attorneys, so on and so forth. What's the purpose for doing that, and did that go through as a separate bill, the legislative process?

Senator Patrick: Right. It did not. It passed out of here with that amendment. It was a Carona amendment that passed out. We passed out 508 on the bill that dealt with signs. And the purpose of it was, of the amendment, was currently we exclude or have an exemption for judges and district attorneys and assistant district attorneys because of real threats and potential threats against their lives. And, unfortunately, in this day and time that we live in, I don't know if you have received, I have received, including having a gunman walk in my office and someone come to my home and make a threat, that we have people who serve as federal judges, as U.S. Attorneys, Members of Congress, and statewide officials that today are under threats. And they are not able to carry everywhere, and therefore, since their schedules are often known, often published in advance, they are at risk, like Gabby Giffords was in Arizona. And that's the reason that these classes have been added to what the Legislature's exempted for a number of years, judges and district attorneys.

Senator Davis: I guess my question is, as the Conference Committee Report came back over, I think that the additions to it basically tie what Senator Carona was doing in that amendment more closely so that they're aligned with the bill as it was originally written. The bill that—

Senator Patrick: Correct.

Senator Davis: —you had on signage.

Senator Patrick: Correct.

Senator Davis: And my concern, and I think we have this concern, we, a lot of us gave you our vote on that particular bill, but the concern was we didn't want to create a situation where we were going to be requiring governmental entities, if they have those signs right now, to take the language on their sign and change it so that it now would be in compliance with the laws we were adopting. And I think the way that the bill passed out previously wasn't going to create that affirmative duty—

Senator Patrick: Right.

Senator Davis: —on those governmental entities or other areas that may have signs like this. My concern with regard to the way these things are now linked, is that if I have a sign that says no concealed weapon permit holders are allowed to bring a weapon into this particular facility, but I haven't specifically followed the exemptions that are now in the bill, that I have a sign that's out of compliance with the law and that's going to create an additional cost to the entity that's got that sign up today.

Senator Patrick: No, and I can, that is not the way we read this, and I don't think that was the House intent. The intent is, if there's an illegal sign up, now those signs should come down. They have 15 days to cure and, as in the bill, the, you know, that could be waived by the local prosecuting attorney or the attorney general if it's under his jurisdiction. So, the purpose is just for public entities. This isn't private, the public entities, government entities do not have signs, illegal signs up that confuse or prohibit CHL holders, any citizen from carrying in those places where they're allowed. That's the purpose of it, and they do have 15 days to cure, and even if there would be a penalty, that can be addressed in the waiver. So, it's not a matter of changing the sign if the sign is, is not, should not be there, it should be taken down. There's, it's more confusion I think than it's purposeful intent.

Senator Davis: So, it's not your intention and you don't believe that what this legislation would be for that governmental entity to now change the sign so that it demonstrates—

Senator Patrick: No, it is not.

Senator Davis: —that certain persons are exempted from—

Senator Patrick: It is not.

Senator Davis: —the prohibition.

Senator Patrick: You're correct. That is not the intent, and I can, we can put this conversation, ask for it to be recorded in the Journal for intent. I can add legislative intent and I will talk to the House sponsor as well. That is not the intent.

Senator Davis: Thank you, Senator.

Senator Patrick: Thank you, Senator.

Presiding Officer: Thank you, Senator Davis. Senator Watson, for what purpose?

Senator Watson: Question the author.

Senator Patrick: Yes, Sir.

Senator Watson: I want to follow up, and Senator Davis did a good job of asking questions I was going to ask about. But when I read what you want to add, it says that a state agency or political subdivision of the state may not provide notice by communication described by the 30 aught 6 issue or by any sign expressly referring to that law that prohibits that class of people from entering or remaining on a premise or any other place owned or leased by the governmental entity. So, what, the way that seems to read is that somebody that currently has one of the 30 aught 6 notices, and they might be doing it in a legitimate way, but what you're saying with this is that if

they are doing that, it reads like if you fail to exclude those people, even though they ought to know, they're elected officials, and they have a special exemption here. It reads like they are then in violation of that sign law.

Senator Patrick: Again, you're the attorney. I am not, and I respect your reading of it, but that is not the intent. It was not the intent of the original bill. We'll make sure we put that in legislative intent, as you said, people usually know if they're exempted, but we will make sure that is in legislative intent.

Senator Watson: So, let me be clear. If it's not your intent to the signs to do something different than they do now, what is the need for having this language as it relates to a prohibition of the signs saying something?

Senator Patrick: Say that again, Senator.

Senator Watson: Your legislation says that a state agency or political subdivision may not provide notice by a communication described by Section 30.06 Penal Code or by any sign expressly referring to that law or to a CHL that these people can't enter in certain premises. Why are you tying it to sign language if you're not intending to change the signs themselves?

Senator Patrick: Again, that's not our read of it, that's your read of it. Our read of it is that if the sign is there illegally, the sign should be brought down, not that it has to be changed to add that list.

Senator Watson: Alright, then let's walk through a couple of hypotheticals. Give me an example of where you think a sign, a 30 aught 6 sign, under your bill—

Senator Patrick: Right.

Senator Watson: —would, and, well, let's do it this way. A 30 aught 6 sign is illegally placed. Give me an example of that.

Senator Patrick: What we did, and what the House did was tie it together to make sure it was germane. It was not changing the intent. And I was asked this question the first time when we passed this bill out, I think 25 to 6, about specific instances, and I said at the time, Senator, I couldn't give specific instances. I was not advised, but I have been advised is that there have been a number of people who have, believe that they have been stopped from carrying their guns on government property where they should have been allowed. And the purpose of this bill is simply to make sure those government entities know before they put up the sign, that they're legally can.

Senator Watson: Okay. So, so let's do it this way. Let's assume for purposes of this discussion, you have a governmental building where somebody can enter that building if they, with a CHL and a concealed weapon, so that it would be illegal, or wrong, for that governmental entity to have a sign that says you can't. You with me so far?

Senator Patrick: Yes.

Senator Watson: That would cover these elected officials already, wouldn't it?

Senator Patrick: Yes.

Senator Watson: So, there's no need for this legislation that, that you're offering here, because under your legislation, it would be illegal to have such a sign anyway.

Senator Patrick: Well, you're correct. And as I said, that was the Legislative Council draft to make sure it tied in properly. That's the best way I can explain it to you.

Senator Watson: So, I guess the point being, I'm not sure I understand why we need to do this if it would already be illegal under the legislation that we passed in Senate Bill 508. I, it would—

Senator Patrick: Again—

Senator Watson: —all it's going to do is create more confusion.

Senator Patrick: —it was a concern on the House. I think there was originally a point of order, and they wanted to address to make sure it was germane, and that was the change in the language. But if a sign should not be there, I take your hypothetical back. There's no need to make that change on the sign if the sign shouldn't be there.

Senator Watson: Correct. So, okay, let's now—

Senator Patrick: So, we're—

Senator Watson: —now let's go to a place where a sign can be. Let's have our second hypothetical. You have a governmental entity that has a 30 aught 6 sign up, and it's legitimate for them to have that 30 aught 6—

Senator Patrick: Correct.

Senator Watson: —sign up. Does this additional language say that that 30 aught 6 sign cannot apply to that list of elected or appointed officials?

Senator Patrick: Yes, that sign would not apply as signs today do not apply to judges and district attorneys.

Senator Watson: And today, the signs, your position is today the signs don't apply—

Senator Patrick: To those who are exempted.

Senator Watson: —and so, my question is, even in legitimate case where they've got a 30 aught 6 sign, this legislation, what you're telling me is, you don't need this legislation for that either.

Senator Patrick: You would not need to add that additional language. That is the intent. The intent is the original bill for public entities not to put up a sign that they legally cannot put up.

Senator Watson: So, if they have one up now that is illegal, this doesn't add anything, and if they have one up that is legal, this doesn't add anything.

Senator Patrick: Correct. That is the intent. You are correct.

Senator Watson: So, what are we doing other than taking a vote just to show we can take another gun vote?

Senator Patrick: No. That's not correct, Senator. The purpose is that, the purpose of the legislation says, if you have a sign that's illegal, you can now face a fine if you leave that sign in place when you're notified you should not.

Senator Watson: Those places that we can agree legitimately can have a 30 aught 6 sign up.

Senator Patrick: Right.

Senator Watson: Okay, they can legitimately have a sign that says you may not enter these premises.

Senator Patrick: Right.

Senator Watson: It is your intent, and you're stating right now that they are not going to find themselves in violation of this law if they don't also put up, this does not apply to these—

Senator Patrick: Correct.

Senator Watson: —(inaudible) individuals?

Senator Patrick: Correct.

Senator Watson: Those places can leave up their 30 aught 6 sign, exactly as it is—

Senator Patrick: If it's legal to do so—

Senator Watson: —if it's—

Senator Patrick: —correct.

Senator Watson: —otherwise legal to do so.

Senator Patrick: Yes, Sir.

Senator Watson: Okay.

Senator Patrick: Thank you, Senator.

Senator Watson: Thank you.

Presiding Officer: Thank you, Senator Watson. Senator Garcia, for what purpose?

Senator Garcia: Question of the author.

Presiding Officer: Senator Patrick—

Senator Patrick: Yes.

Presiding Officer: Yield?

Senator Garcia: Senator, I think Senator Davis and Senator Watson have covered a lot of parts of my question. The only thing I think I still need to resolve is, did the penalty stay the same, is it still \$1,000 for the first day and \$10,000 each day thereafter?

Senator Patrick: That did not change at all, but they can be waived.

Senator Garcia: They can be waived?

Senator Patrick: They can be waived.

Senator Garcia: Alright, thank you.

Senator Patrick: Thank you.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER
Austin, Texas
Sunday, May 26, 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 ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 2012 (92 Yeas, 53 Nays, 2 Present, not voting)

HB 2305 (126 Yeas, 20 Nays, 1 Present, not voting)

HB 3106 (146 Yeas, 0 Nays, 2 Present, not voting)

SB 219 (137 Yeas, 8 Nays, 1 Present, not voting)

SB 358 (116 Yeas, 22 Nays, 1 Present, not voting)

SB 949 (143 Yeas, 2 Nays, 2 Present, not voting)

SB 1373 (145 Yeas, 2 Nays, 2 Present, not voting)

SB 1907 (135 Yeas, 8 Nays, 1 Present, not voting)

THE HOUSE HAS DISCHARGED ITS CONFEREES AND CONCURRED IN SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

HB 870 (129 Yeas, 10 Nays, 5 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

**CONFERENCE COMMITTEE ON
SENATE JOINT RESOLUTION 1 DISCHARGED**

On motion of Senator Williams and by unanimous consent, the Senate conferees on **SJR 1** were discharged.

Question — Shall the Senate concur in the House amendments to **SJR 1**?

Senator Williams moved to concur in the House amendments to **SJR 1**.

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

**SENATE RULE 12.09(a) SUSPENDED
(Printing and Notice of Conference Committee Reports)**

On motion of Senator Williams and by unanimous consent, Senate Rule 12.09(a) was suspended as it relates to the Conference Committee Report on **HB 1025**.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1025 ADOPTED**

Senator Williams called from the President's table the Conference Committee Report on **HB 1025**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Williams, the Conference Committee Report was adopted 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.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 484 ADOPTED**

Senator Whitmire called from the President's table the Conference Committee Report on **SB 484**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Whitmire, the Conference Committee Report was adopted 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, Patrick, Rodríguez, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Campbell, Nichols, Paxton.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 401 ADOPTED**

Senator Lucio called from the President's table the Conference Committee Report on **SB 401**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Lucio, the Conference Committee Report was adopted 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.

SENATE CONCURRENT RESOLUTION 43

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Senate Joint Resolution No. 1 has been adopted by the senate and the house of representatives and is being prepared for enrollment; and

WHEREAS, The resolution contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the senate be instructed to correct Senate Joint Resolution No. 1 in Section 1 of the resolution, in proposed Section 49-d-13(d)(5), Article III, Texas Constitution, by striking "revenue bonds issued by the board under this subchapter, that are designated by the Texas Water Development Board or that board's successor in function" and substituting "revenue bonds issued under this section by the Texas Water Development Board or that board's successor in function".

WILLIAMS

SCR 43 was read.

On motion of Senator Williams, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

SENATE RESOLUTION 1091

Senator Williams offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 6 (relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes), to consider and take action on the following matters:

(1) Senate Rule 12.03(2) is suspended to permit the committee to omit text not in disagreement in proposed Section 2 of the bill to read as follows:

SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS. Except as otherwise specifically provided by this Act, all funds and accounts created or re-created by an Act of the 83rd Legislature, Regular Session, 2013, that becomes law and all dedications or rededications of revenue collected by a state agency for a particular purpose by an Act of the 83rd Legislature, Regular Session, 2013, that becomes law are abolished on the later of August 31, 2013, or the date the Act creating or re-creating the fund or account or dedicating or rededicating revenue takes effect.

Explanation: The omission is necessary to clarify that Section 2 of the bill applies to a dedication of revenue irrespective of whether the revenue collected is in the state treasury.

(2) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed Sections 11(5)-(10) of the bill to read as follows:

(5) the dedication of fee revenue collected under Section 91.0115, Natural Resources Code, for deposit to the oil and gas regulation and cleanup fund as provided by House Bill No. 7 or similar legislation;

(6) the dedication of tax revenue imposed under Chapter 171, Tax Code, for deposit to the property tax relief fund as provided by Section 171.664 of that code, as added by House Bill No. 800 or similar legislation;

(7) the allocation of tax revenue for deposit to the credit of the available school fund and to the credit of the state highway fund as provided by Section 162.506, Tax Code, as added by House Bill No. 2148 or similar legislation;

(8) the dedication of amounts for deposit to the compensation to victims of crime fund as provided by Section 140.012, Civil Practice and Remedies Code, as added by House Bill No. 3241 or similar legislation;

(9) the dedication of fees and court costs for deposit to the statewide electronic filing system fund as provided by Section 51.851, Government Code, as added by House Bill No. 2302 or similar legislation; and

(10) the allocation of money received by the attorney general as provided by Section 402.007, Government Code, as amended by House Bill No. 1445 or similar legislation.

Explanation: This addition is necessary to provide for Section 2 of the bill not to abolish the identified dedications of revenue.

(3) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed Sections 12(a)(3), (a)(4), and (b) of the bill to read as follows:

(3) the habitat protection and research fund held inside the treasury as provided by Section 490F.404, Government Code, as added by House Bill No. 3509 or similar legislation; and

(4) the transportation infrastructure fund created in the state treasury by Section 256.102, Transportation Code, as added by Senate Bill No. 1747 or similar legislation.

(b) Section 2 of this Act does not apply to the State Water Implementation Fund for Texas or to the State Water Implementation Revenue Fund for Texas in the state treasury as established by House Bill No. 4 of the 83rd Legislature, Regular Session, 2013, to implement the creation of those funds by the constitutional amendment proposed by Senate Joint Resolution No. 1, 83rd Legislature, Regular Session, 2013, except that those funds are not created if the voters do not approve of that constitutional amendment at an election held November 5, 2013.

Explanation: This addition is necessary to provide for Section 2 of the bill not to abolish the identified funds.

(4) Senate Rules 12.03(1) and (2) are suspended to permit the committee to change and omit text not in disagreement in proposed Section 15 of the bill, in amended Section 403.095(b), Government Code, as follows:

(b) Notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, dedicated revenues 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.

Explanation: The changes and omissions are necessary to provide for unappropriated dedicated revenues to be made available for general governmental purposes and to be considered available for certification under Section 403.121, Government Code.

(5) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed Sections 8, 9, 10, 13, and 14 of the bill to read as follows:

SECTION 8. CREATION OF NEW ACCOUNTS FOR LICENSE PLATE FEES. Section 2 of this Act does not apply to a new account created for receipt of fees for special license plates or for receipt of related revenue, gifts, or grants as provided by an Act of the 83rd Legislature, Regular Session, 2013, or to the dedication of revenue to or contained in the new account.

SECTION 9. ADDITIONAL USES FOR DEDICATED FUNDS, ACCOUNTS, OR REVENUE. Section 2 of this Act does not apply to a newly authorized dedication of or use of a dedicated fund, a dedicated account, or dedicated revenue as provided by an Act of the 83rd Legislature, Regular Session, 2013, to the extent that Act affects a fund, an account, or revenue that was exempted from funds consolidation before January 1, 2013. A dedicated fund, a dedicated account, or dedicated revenue that was exempted from funds consolidation before January 1, 2013, may be used as an Act of the 83rd Legislature, Regular Session, 2013, provides, and a change in the name or authorized use of a previously exempted dedicated fund or account does not affect the fund's or account's dedicated nature.

SECTION 10. ACCOUNTS IN GENERAL REVENUE FUND. Effective on the later of the effective date of the Act creating the account or August 31, 2013, the following account and the revenue deposited to the credit of the account are exempt from Section 2 of this Act and the account is created in the general revenue fund, if created by an Act of the 83rd Legislature, Regular Session, 2013, that becomes law:

The statewide electronic filing system fund created as an account in the general revenue fund by Section 51.852, Government Code, as added by House Bill No. 2302 or similar legislation.

SECTION 13. MONEY TRANSFERRED ON DISSOLUTION OF TEXAS HEALTH INSURANCE POOL; ACCOUNT. Section 2 of this Act does not apply to the account created in the Texas Treasury Safekeeping Trust Company for the purposes of Section 6 of Senate Bill No. 1367 or similar legislation of the 83rd Legislature, Regular Session, 2013, and does not apply to the revenue dedicated for deposit to that account.

SECTION 14. DEDICATION OF ASSESSMENTS AND FEES RELATING TO EXAMINATION OF INSURERS. Section 2 of this Act does not apply to the dedication of assessments or fee revenue under Section 401.156, Insurance Code, as provided by Senate Bill No. 1665 or similar legislation of the 83rd Legislature, Regular Session, 2013.

Explanation: These additions are necessary to provide for Section 2 of the bill not to abolish additional uses of funds, accounts, or revenue and not to abolish the identified accounts and dedications of revenue.

(6) Senate Rules 12.03(1) and (4) are suspended to permit the committee to change text not in disagreement and to add text on a matter not included in either the house or senate version of the bill in Sections 16(a) and (b) of the bill as follows:

SECTION 16. EFFECT OF ACT. (a) This Act prevails over any other Act of the 83rd Legislature, Regular Session, 2013, regardless of the relative dates of enactment, that purports to create or re-create a special fund or account or to dedicate or rededicate revenue to a particular purpose, including any fund, account, or revenue dedication abolished under former Section 403.094, Government Code.

(b) An exemption from the application of Section 403.095, Government Code, contained in another Act of the 83rd Legislature, Regular Session, 2013, that is exempted from the application of Section 2 of this Act has no effect.

Explanation: The changes and additions are necessary to clarify the effect of the bill.

SR 1091 was read and was adopted by the following vote: Yeas 31, Nays 0.

**SENATE RULE 12.09(a) SUSPENDED
(Printing and Notice of Conference Committee Reports)**

On motion of Senator Williams, Senate Rule 12.09(a) was suspended as it relates to the Conference Committee Report on **HB 6** by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 6 ADOPTED**

Senator Williams called from the President's table the Conference Committee Report on **HB 6**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Williams, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Watson.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 8 ADOPTED**

Senator Nelson called from the President's table the Conference Committee Report on **SB 8**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Nelson, the Conference Committee Report was adopted 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, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams.

Nays: Garcia, Rodriguez, Zaffirini.

SENATE CONCURRENT RESOLUTION 44

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Senate Bill No. 8 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains a technical error that should be corrected; now, therefore, be it

RESOLVED, by the 83rd Legislature of the State of Texas, That the enrolling clerk of the senate be instructed to correct Senate Bill No. 8 in SECTION 6 of the bill, in added Section 531.1022, Government Code, by adding Subsection (d) to that section to read as follows:

(d) A peace officer employed and commissioned under this section shall obtain prior approval from the office of attorney general before carrying out any duties requiring peace officer status.

HINOJOSA

SCR 44 was read.

On motion of Senator Hinojosa, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

RECESS

On motion of Senator Whitmire, the Senate at 5:43 p.m. recessed until 6:00 p.m. today.

AFTER RECESS

The Senate met at 6:10 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 39, SB 67, SB 168, SB 221, SB 251, SB 316, SB 404, SB 443, SB 453, SB 475, SB 482, SB 490, SB 497, SB 498, SB 519, SB 585, SB 597, SB 624, SB 637, SB 659, SB 662, SB 680, SB 718, SB 724, SB 725, SB 752, SB 763, SB 809, SB 832, SB 837, SB 854, SB 869, SB 906, SB 1074, SB 1080, SB 1083, SB 1098, SB 1100, SB 1145, SB 1195, SB 1771, SCR 27, SB 124, SB 306, SB 393, SB 512, SB 555, SB 615, SB 722, SB 751, SB 757, SB 778, SB 831, SB 1009, SB 1029, SB 1040, SB 1086, SB 1175, SB 1255, SB 1256, SB 1266, SB 1268, SB 1297, SB 1313, SB 1322, SB 1376, SB 1393, SB 1394, SB 1400, SB 1404, SB 1413, SB 1457, SB 1508, SB 1533, SB 1553, SB 1557, SB 1585, SB 1590, SB 1597, SB 1604, SB 1609, SB 1635, SB 1658, SB 1806, SB 1810, SB 1827, SB 1833, SB 1842, SB 1863, SB 1867, SB 1873, SB 1879, SB 1891, SB 1899, SB 1913, SB 1917, HB 8, HB 148, HB 438, HB 462, HB 528, HB 633, HB 694, HB 696, HB 714, HB 746, HB 807, HB 916, HB 984, HB 1044, HB 1120, HB 1185, HB 1260, HB 1284, HB 1354, HB 1355, HB 1376, HB 1382, HB 1487, HB 1501, HB 1523, HB 1562, HB 1573, HB 1586, HB 1588, HB 1597, HB 1662, HB 1813, HB 1862, HB 2036, HB 2123, HB 2148, HB 2153, HB 2163, HB 2267, HB 2318, HB 2362, HB 2373, HB 2448, HB 2451, HB 2460, HB 2483, HB 2485, HB 2539,

HB 2676, HB 2718, HB 2719, HB 2767, HB 2824, HB 2907, HB 2924, HB 2984, HB 3005, HB 3038, HB 3066, HB 3085, HB 3121, HB 3196, HB 3241, HB 3296, HB 3370, HB 3460, HB 3536, HB 3573, HB 3604, HB 3613, HB 3640, HB 3659, HB 3674, HB 3677, HB 3714, HB 3739, HB 3787, HB 3798, HB 3831, HB 3838, HB 3874, HB 3875, HB 3877, HB 3895, HB 3910, HB 3913, HB 3943, HB 3947, HCR 82, HCR 89, HCR 111, HCR 115, HJR 24.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1173 ADOPTED**

Senator West called from the President's table the Conference Committee Report on **SB 1173**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator West, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

SENATE RESOLUTION 1073

Senator Nelson offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 949 (licensing under the Medical Practice Act) to consider and take action on the following matter:

Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following new SECTION to the bill:

SECTION 2. Section 155.051, Occupations Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) The time frame to pass each part of the examination does not apply to an applicant who:

(1) is licensed and in good standing as a physician in another state;

(2) has been licensed for at least five years;

(3) does not hold a medical license in the other state that has or has ever had any restrictions, disciplinary orders, or probation; and

(4) will practice in a medically underserved area or a health manpower shortage area, as those terms are defined by Section 157.052.

(e) The board may by rule establish a process to verify that a person, after meeting the requirements of Subsection (d), practices only in an area described by Subsection (d)(4).

Explanation: This change is necessary to exempt certain applicants for a medical license from the time frame requirement to pass each part of the licensing examination.

SR 1073 was read and was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 949 ADOPTED**

Senator Nelson called from the President's table the Conference Committee Report on **SB 949**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Nelson, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3447 ADOPTED**

Senator Uresti called from the President's table the Conference Committee Report on **HB 3447**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Uresti, the Conference Committee Report was adopted 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.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3569 ADOPTED**

Senator Uresti called from the President's table the Conference Committee Report on **HB 3569**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Uresti, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Patrick.

SENATE RESOLUTION 1085

Senator Nelson offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 7 (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) to consider and take action on the following matters:

(1) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the House or Senate version of the bill by adding proposed SECTION 2.03 to ARTICLE 2 of the bill to read as follows:

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 in coordination with the commission shall submit a report to the executive commissioner 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 commission, 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.

Explanation: The change is necessary to establish the STAR + PLUS Quality Council and provide for the operation and duties of the council.

(2) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the House or Senate version of the bill by adding proposed SECTION 2.13 to ARTICLE 2 of the bill to read as follows:

SECTION 2.13. (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, in coordination with the Health and Human Services Commission, 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 Health and Human Services Commission 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.

Explanation: The change is necessary to ensure the appointment of members to the STAR + PLUS Quality Council by October 1, 2013, and to establish the dates by which certain reports required under Section 533.00285, Government Code, must be submitted by the council and by the Health and Human Services Commission.

(3) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the House or Senate version of the bill by adding proposed SECTION 2.16 to ARTICLE 2 of the bill to read as follows:

SECTION 2.16. 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.

Explanation: The change is necessary to ensure the appointment of members to the STAR + PLUS Nursing Facility Advisory Committee by September 15, 2013.

SR 1085 was read and was adopted by the following vote: Yeas 31, Nays 0.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 7 ADOPTED

Senator Nelson called from the President's table the Conference Committee Report on **SB 7**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Nelson, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Ellis.

REASON FOR VOTE

Senator Ellis submitted the following reason for vote on the Conference Committee Report on **SB 7**:

I voted against SB 7 because of the language in Section 6.09, which places a limitation on the provision of medical assistance. This provision would prohibit HHSC from expanding medical assistance to individuals for whom federal matching

funds were not available under the eligibility criteria for medical assistance in effect on December 31, 2013. As I am in support of the Affordable Care Act and the expansion of Medicaid to all eligible populations for which federal funds are available starting in 2014, I cannot support legislation that would limit the state's ability to draw down funding to provide health insurance cover to our state's most vulnerable populations.

ELLIS

SENATE RESOLUTION 1068

Senator Carona offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 3106 (compensatory payments and reinsurance agreements made in connection with the issuance of title insurance) to consider and take action on the following matter:

Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following new SECTIONS to the bill:

SECTION 2. Section 2551.305, Insurance Code, is amended by adding Subsection (e) to read as follows:

(e) Notwithstanding any other provision of this subchapter, a title insurance company may obtain reinsurance by a reinsurance treaty or other reinsurance agreement from an assuming insurer with a financial strength rating of B+ or better from the A. M. Best Company that meets the requirements of Subchapter C, Chapter 493, if the title insurance company has provided the department with an affidavit that:

(1) contains facts that demonstrate the title insurance company was unable after diligent effort to procure sufficient reinsurance from another title insurance company; and

(2) states the terms of the reinsurance treaty or other reinsurance agreement that the title insurance company will obtain.

SECTION 4. The change in law made by Section 2551.305(e), Insurance Code, as added by this Act, applies only to reinsurance obtained on or after the effective date of this Act. Reinsurance obtained 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.

Explanation: This addition is necessary to allow a title insurance company, on satisfaction of certain requirements, to obtain reinsurance from certain insurers.

SR 1068 was read and was adopted by the following vote: Yeas 31, Nays 0.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 3106 ADOPTED

Senator Carona called from the President's table the Conference Committee Report on **HB 3106**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Carona, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0, Present-not voting 1.

Present-not voting: Paxton.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 217 ADOPTED**

Senator Patrick called from the President's table the Conference Committee Report on **SB 217**. The Conference Committee Report was filed with the Senate on Friday, May 24, 2013.

On motion of Senator Patrick, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1926 ADOPTED**

Senator Hegar called from the President's table the Conference Committee Report on **HB 1926**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Hegar, the Conference Committee Report was adopted by the following vote: Yeas 26, Nays 5.

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

Nays: Deuell, Rodríguez, Uresti, Watson, Zaffirini.

SENATE RESOLUTION 1075

Senator Paxton offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 1017 (the funding for and administration of travel and information operations by the Texas Department of Transportation) to consider and take action on the following matter:

Senate Rule 12.03(1) is suspended to permit the committee to change text not in disagreement in proposed Section 1 of the bill, in added Section 204.003(b), Transportation Code, to read as follows:

(b) The department may:

(1) enter into an agreement with:

(A) another state agency for the operation of a travel information center;

or

(B) a local government, including a commission created under Chapter 391, Local Government Code, for the operation of a travel information center that is located within the boundaries of the local government; and

(2) issue a request for proposals to private or nonprofit entities for the operation of a travel information center.

Explanation: This change is necessary to allow the Texas Department of Transportation to enter into an agreement with another state agency for the operation of a travel information center.

SR 1075 was read and was adopted by the following vote: Yeas 30, Nays 1.

Nays: Uresti.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 1017 ADOPTED

Senator Paxton called from the President's table the Conference Committee Report on **SB 1017**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Paxton, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Uresti.

SENATE RESOLUTION 1076

Senator Taylor offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 3459 (access to and protection of certain coastal areas) to consider and take action on the following matter:

Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following new SECTIONS to the bill:

SECTION 7. The legislature finds that:

(1) the Galveston-Houston region and the region's economic and strategic infrastructure are at risk due to exposure to potential catastrophic storm surge;

(2) to protect the Galveston-Houston region's five million residents and the region's economic and strategic infrastructure, various federal, state, and local entities, led by Texas A&M University at Galveston, are studying and developing conceptual designs for a coastal barrier to protect the region from hurricane-induced storm surge;

(3) as currently envisioned, a project referred to as the "Ike Dike" would extend the protection afforded by the Galveston Seawall along the rest of Galveston Island and along the Bolivar Peninsula by creating a 17-foot-high revetment (sand covered dune with hardened cores) near the beach or by raising coastal highways;

(4) the addition of floodgates at Bolivar Roads, at the entrance to the Houston, Texas City, and Galveston Ship Channels, and at San Luis Pass would complete a coastal spine that would provide a barrier against all gulf surges into Galveston Bay;

(5) a research team is being led by Texas A&M University at Galveston through its Center for Texas Beaches and Shores using strong partnerships with the U.S. Department of Homeland Security Coastal Hazards Center of Excellence at

Jackson State University, the Netherlands' Delft University of Technology's Department of Hydraulic Engineering, and the University of Houston C. T. Bauer College of Business's Institute for Regional Forecasting;

(6) the General Land Office is a sponsor of and nonfederal partner for a United States Army Corps of Engineers study of the upper Texas coast to develop a list of specific recommended projects that may become eligible for federal appropriations;

(7) the United States Army Corps of Engineers study, which encompasses Brazoria, Galveston, Harris, Chambers, Jefferson, and Orange Counties, includes the coastal barrier/"Ike Dike" concept; and

(8) as a result of the studies and recommendations described by this section, the legislature may need to enact or amend state law to accommodate the building of a coastal barrier to protect the region from hurricane-induced storm surge.

SECTION 8. (a) The legislature shall establish a joint interim committee to conduct a study of:

(1) the effectiveness of the implementation of the changes in law made by this Act to Chapter 61, Natural Resources Code; and

(2) the feasibility and desirability of:

(A) creating and maintaining a coastal barrier system in this state that includes a series of gates and barriers to prevent storm surge damage to gulf beaches or coastal ports, industry, or property; and

(B) authorizing coastal property owners to grant easements to governmental entities to construct and maintain stabilized dunes in connection with or separately from the system.

(b) The committee is composed of:

(1) the members of the standing committee of the senate that has primary jurisdiction over natural resources;

(2) the members of the standing committee of the house of representatives that has primary jurisdiction over land and resource management;

(3) two members of the senate appointed by the lieutenant governor, each of whom represents a district in a county that borders the Gulf of Mexico; and

(4) two members of the house of representatives appointed by the speaker of the house of representatives, each of whom represents a district in a county that borders the Gulf of Mexico.

(c) The lieutenant governor and the speaker of the house of representatives shall jointly designate a chair or, alternatively, designate two co-chairs from among the committee membership.

(d) The committee may adopt rules necessary to carry out the committee's duties under this section.

(e) Not later than December 1, 2014, the committee shall report to the governor and the legislature the findings of the study and any recommendations developed by the committee under this section.

Explanation: This addition is necessary to provide for a study determining the effectiveness of the implementation of the changes in law made by the bill to Chapter 61, Natural Resources Code, and determining the feasibility and desirability of certain coastal protection measures.

SR 1076 was read and was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3459 ADOPTED**

Senator Taylor called from the President's table the Conference Committee Report on **HB 3459**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Taylor, the Conference Committee Report was adopted by the following vote: Yeas 26, 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, Williams, Zaffirini.

Nays: Birdwell, Estes, Hegar, Patrick, Paxton.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 489 ADOPTED**

Senator Uresti called from the President's table the Conference Committee Report on **HB 489**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Uresti, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Hancock.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3390 ADOPTED**

Senator Deuell called from the President's table the Conference Committee Report on **HB 3390**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Deuell, the Conference Committee Report was adopted by the following vote: Yeas 20, Nays 10.

Yeas: Birdwell, Campbell, Carona, Deuell, Duncan, Eltife, Estes, Fraser, Hancock, Hegar, Huffman, Nelson, Nichols, Patrick, Paxton, Schwertner, Seliger, Taylor, Williams, Zaffirini.

Nays: Davis, Ellis, Garcia, Hinojosa, Lucio, Rodríguez, Uresti, Van de Putte, Watson, Whitmire.

Absent: West.

REASON FOR VOTE

Senator Lucio submitted the following reason for vote on the Conference Committee Report on **HB 3390**:

I voted "Nay" on HB 3390 because it failed to meet the criteria needed to make responsible decisions on who received tax incentives. These are funds which are diverted from local schools districts and given to companies, who might not come to Texas, with the hopes that it would help develop new jobs. Over the past four years,

Texas has exceeded in developing new jobs through the existing Economic Development Act. HB 3390 weakens existing criteria. Criteria which has been used effectively to protect the citizens of Texas who deserve to know that their tax dollars are being used in a prudent and effective manner.

LUCIO

STATEMENT OF LEGISLATIVE INTENT

Senator Deuell submitted the following statement of legislative intent for **HB 3390**:

In evaluating the new language in Section 313.026 which outlines information which must be included in an economic impact evaluation, it is my intent that any economic impact evaluation under this chapter should reasonably include information which is being struck from current law. That information includes, but is not limited to, the following:

- 1.) The general nature of the applicant's investment.
- 2.) The relative level of the applicant's investment per qualifying job created by the applicant.
- 3.) The number of qualifying jobs to be created by the applicant.
- 4.) The wages, salaries, and benefits to be offered by the applicant to qualifying job holders.
- 5.) The impact the project will have on this state and individual local units of government, including tax revenue gains, direct or indirect, that would be realized during the limitation period, and a period of time after the limitation period.
- 6.) Economic effects of the project, including the impact on jobs and income, during the qualifying time period, the limitation period, and a period of time after the limitation period.
- 7.) The effect of the applicant's proposal, if approved, on the number or size of the school district's instructional facilities, as defined by Section 46.001, Education Code.
- 8.) The projected market value of the qualified property of the applicant.
- 9.) The projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the agreement, if the property does, or does not receive a limitation on appraised value with the assumptions of the projected appreciation or depreciation of the investment and projected tax rates.
- 10.) The projected effect on the Foundation School Program of payments to the district for each year of the agreement.
- 11.) The total amount of taxes projected to be lost or gained by the school district over the life of the agreement.

DEUELL

REMARKS ORDERED PRINTED

On motion of Senator Watson and by unanimous consent, the remarks regarding **HB 3390** were ordered reduced to writing and printed in the *Senate Journal* as follows:

Senator Deuell: Thank you, Mr. President. House Bill 3390 deals with the extension and reform of the Texas Economic Development Act. This Act was codified as Chapter 313 of the Tax Code passed in 2001, and it's intended to incentivize new business investments in Texas. At the time cities and counties could offer temporary tax abatements but school districts could not, and because school property taxes account for the single largest tax bill on most capital projects, Texas found itself at a competitive disadvantage to other states. The passage of the Economic Development Act allowed school districts to offer a temporary limitation on taxable value of new investment property to incentivize new business investment in the state. Originally set to sunset in 2007, the Act has been extended twice. When I was first appointed as Chairman of the Senate Economic Development Committee, we began looking at the Chapter 313 to determine where it could be improved. As is often the case, the criticisms of the program dealt with reporting, oversight, and compliance. This bill addresses those concerns. House Bill 3390 makes the following improvements to current law. One, it requires an annual ongoing audit conducted by the State Auditor's office. Two, it requires the Comptroller to approve a project and certify that it will be of economic benefit to the state. Three, it requires, for the first time, a written determination by the Comptroller that the limitation is a determining factor in a project's decision to locate in Texas. Four, it contains, again for the first time, a penalty provision for projects that do not comply with job creation requirements. Five, it has expanded reporting requirements for both the program and aggregate and for individual projects. And, six, current law requires a project to maintain a viable presence for three years following the expiration of the abatement. This bill increases that to five years. Members, I honestly believe that this bill is a significant improvement over current law, and we have put in safeguards that simply have not existed in the past, and we have increased oversight and accountability measures. I want to thank the Members of the Economic Development Committee, Senate, or, Lieutenant Governor Dewhurst and his office, and especially I want to thank Senator Kirk Watson and Senator Wendy Davis for their input. It is not a perfect bill, as they're getting ready to point out, but I believe Senator Watson and Senator Davis would like to comment.

Senator Davis: Thank you, Senator Deuell, and thank you for your comments about the work that we all did on this bill. I do think that we passed a very good bill out of the Senate. And, unfortunately, much of that good was lost in the conference committee process. Members, this chapter gives companies what are, essentially, abatements from school property taxes, as Senator Deuell explained. And the special treatment cuts what they pay to support our schools by an average of 65 percent for 10 years, with some companies getting as much as an 85 percent 10-year abatement. Now, since school districts aren't receiving those taxes, our school finance system requires that the state make up the difference. Chapter 313 is currently costing the state \$4.1 billion for agreements that are already signed and in effect. And the Conference Committee Report, unfortunately at this point, would double that cost to \$8.2 billion over the life of the bill. By the 2020-2021 budget and for several budgets after that, Chapter 313 will be cutting property tax support for our schools by more than \$1 billion per biennium. What we are talking about here, of course, is our school property tax system. And it's not a piñata that's meant to be whacked until the goodies

pour out. This is a very expensive incentive that should be given only in special cases. The Senate earlier this week passed a bill that would have made Chapter 313 better. We voted to cut the cost to future state budgets while still keeping a reasonable level of incentives. We created a test to ensure that tax breaks are given only to companies that would not invest in Texas without them. We created a new penalty provision to enforce that jobs that were promised would actually be created. But the Conference Committee Report removed or watered down almost all of those improvements, and what is left, unfortunately, is a bill that I cannot support. First of all, please understand that the tax breaks provided by virtue of this mechanism are what I consider to be the Cadillac of tax breaks. The current law sets a limited value, the value on which a company pays school maintenance and operation taxes in order to qualify for the abatement, which can be as low as \$1 million and, in most cases, no more than \$30 million. This is a very generous program, and we know this because virtually every company that receives these abatements offers supplemental payments to school districts that are often equal to 40 to 50 percent of the net tax benefit. If the companies are willing to give away half of their tax benefit then, clearly, those benefits are twice as large as they need to be. As the Comptroller concluded, this is evidence that incentives awarded are higher than necessary to attract these projects and represent unnecessary cost to the state. These supplemental payments represent a total of \$475 million in excess incentives just for agreements that were signed through last summer. The Senate raised the minimum taxable value to \$60 million across the board, with higher values in urban areas, which still allowed a generous tax reduction, but it would have saved hundreds of millions of dollars by avoiding over-incentivizing these projects. The conference committee kept the most common value at \$30 million, half the Senate value, left higher limits unchanged, and made only small changes for lower valuations. All of the cost savings from the Senate changes were therefore lost. This Conference Committee Report also represents what I would call an incredible shrinking job requirement. We know that the job requirement is already broken. In fact, when we first heard this bill in committee there was testimony about the fact that though this tool was initially created and ordered to incentivize jobs, job creation really had not followed it, but, instead, it was looked at as a tool to create investment in property values that would later be realized through collection on our tax rolls. Most Chapter 313 projects, now, create only 10 jobs to qualify, 25 in urban areas. And even this small number, believe it or not, can be waived if it's more than the industry standard. Under the Conference Committee Report, there are two new ways around even this minimal requirement. The Texas Workforce Commission can decide to count any related job, including one that is paid by a third party. And the Governor's Economic Development and Tourism Office can decide to count two separate projects as a single unified project and add the jobs together, all of this to get around creating just 10 new jobs to qualify for a tax break that is worth millions. In current law the penalties under this chapter are as follows: If a company fails to provide the number of jobs that they have said they would provide then the tax abatement is brought down according to a percentage that mirrors the job failure, but now, under the way this is written today, and being moved before us today, the companies would only be penalized for the wages that they should have been paying and will only be considered non-compliant if that's happened for an entire calendar year. If they violate

the minimum qualifying jobs a second time, they would only have to pay twice the wages they should have paid in the first place. And we've lost that corresponding percentage decrease in the abatement's value based on the percentage of jobs that were not promised. This bill also creates a test that I believe no project will ever fail. Many projects that get special Chapter 313 treatment would have come to Texas anyway, without incentives, because of our natural resources, our workforce, and our markets. So, to make sure we were offering only incentives that made a difference, the Senate added a very important "but for" test. The first step in that test was to measure the net present value of the school property taxes that were lost because of the 313 agreement against tax revenue generated as a result of the project. And the gain needed to be greater than the loss in order to be approved. That's so, obviously, our investment would realize some potential. But let me give an example of some projects that have had 313 abatements where the investment, as it was originally made, no longer exists. In the TexStar Midstream fractionator unit, the initial value of the investment was \$80 million, but when it finally came onto the tax rolls to be taxed, the final value was cut by nearly 90 percent, leaving only \$10 million for taxation. In the Horse Hollow wind farm, the initial value was \$620 million, today, when it came on the tax roll, it came on at only \$225 million, a value loss of more than 60 percent. The Samsung total investment was \$9 billion, but its final value, coming on the tax roll, was \$1 billion, a value loss of nearly 90 percent. So, there's an incentive being created based on an investment that ultimately never is realized on our tax roll. The Conference Committee Report loaded up one side of the equation on this cost benefit analysis with a kitchen sink clause. The CCR test counts any other tax revenue that could remotely be attributable to the effect of the project on the economy of the state. This is a good test of the imagination, but it is not a good test of the economic benefit of a specific project. The Senate's version had added a second step. Applicants had to provide tangible evidence that the 313 incentive was a determining factor in investing in Texas. We didn't want to provide tax breaks unless, of course, they were the difference in attracting the new project and the applicant had evidence to prove it. The Conference Committee Report says that providing tangible evidence now is optional. And in any case if a project somehow can't qualify under the CCR's easier test, the Comptroller only needs to make a qualitative determination that the project qualifies. No facts, no numbers, just a subjective judgment call to approve a project that could cost the state tens of millions of dollars. Finally, I think the Conference Committee Report allows us to simply be average in the jobs that are being created. Current law requires 80 percent of all new jobs to pay at least 110 percent of the local manufacturing wage. This guarantees that incentives will go only to companies that are bringing jobs that are significantly better than most jobs already in that county. But the CCR would eliminate the high wage standard for all but a required minimum number of those jobs, and I've already talked about how easy it is to get that minimum requirement waived. For all the other jobs created, the average wage must be no better than the average wage for all jobs already available in the county. What's worse, the CCR has no requirement that the jobs beyond the required minimum are ever reported, ever reported or reviewed by the Comptroller. We will never even know how many of these jobs are created or what they pay. It's a trust-me on this, and as we all know, it's better to trust but verify. In other words, under this CCR, the state will be

giving an incentive for jobs that are no better than average, that are never reported, at wages that are not enforced. Finally, this CCR creates a retroactive tax break. Normally an application filed under a statute is governed by the rules in effect at the time, but not in this version of the bill. The House version had an unusual, retroactive provision that allows a firm that already signed an agreement in 2013 to take their choice of which rules to follow, those in effect at the time the agreement was signed or the looser rules that will go into place starting in 2014 under this bill. They could back away from their signed commitment, create fewer jobs at lower wages, and still get the full tax incentive. Since Chapter 313 was created in 2001, it's been extended twice, as Senator Deuell said, once for three years and once for four years. This CCR would extend Chapter 313 for double that period, for an eight-year period of time. It would also cut off the current requirements a year before expiration, at the end of next year, so that the new bad provisions would be effective for a total of nine years. That's a long time for an expensive and wasteful program that the Senate tried very hard to improve and did improve in the version that came out of this floor. HB 1200, which was the bill that created Chapter 313 in 2001, became law without the Governor's signature. Governor Perry didn't want his name associated with the program, and I believe, under its current form, as we are receiving this bill back in the Senate today, neither should we. Thank you, Mr. President. Thank you, Senator Deuell.

Senator Deuell: Thank you, Senator Davis, if I could comment. I really think your comments are perhaps what I would call hypercritical and perhaps not exaggerated but putting the worst possible face on this program. And I acknowledge that we have more work to do, and I've pledged to you and Senator Watson that we'd work on that, but I'd like to point out, Members, that when we talk about the loss to schools, this is money that will not be in the state unless we offer this program. The Texas Economic Development Act is not the best program we have in the state to bring jobs, although jobs are a part of it. It is more oriented toward capital investment. And we do have, in this bill as written, we do have "but for" provisions meaning that we really have to make sure that these projects would not have come to the state otherwise, and I think that's really important to know. We have to have a benefits test. The Comptroller has to certify and give a certificate to do that. And for people that are out of work I think an average job, salary would really be something that they would welcome. But having said that, you know, I listed the benefits, the first-time things that are in this bill, and we'll continue to look at this program, as I mentioned, with the Events Trust Fund, we're going to be looking at all of these programs again in the interim. It'll be my first interim as Chair of the Economic Development. But having said that, I appreciate your comments, and I look forward to working with you and, Mr. President, I believe Senator Watson would make some comments on the bill.

Senator Watson: I'd like to ask some questions and create legislative intent.

Senator Deuell: Yes.

Senator Watson: Thank you, Senator. Before I do that, I want to do a couple of things. One is I want to thank you for your hard work on this bill and this issue and for your commitment that we will work during the interim on these programs. Members, I commented yesterday when we were, I guess it was yesterday, I've lost track of the days. When we talked about the Major Events Trust Fund, that I've been

a big supporter of these economic development funds wearing a variety of hats and have utilized them in ways. And Chapter 313, specifically in my district, I have utilized this and been a part of its utilization in ways that I think are very positive. What I expressed yesterday I want to express again, which is that we all need to be very careful because these economic development tools are here for a reason. They are to help us create jobs and help us create a vibrant economy and they are important. The truth is we are in a worldwide economy where it's very difficult to compete, and we're going to need economic development incentives and tools in order to carry that out. I have seen that firsthand. But those of us that support these tools must work and fight against those that would just turn them into a trough. We have to work to make sure these programs continue to work. And I am very troubled that as we look at Chapter 313, the good bill that we sent out of the Senate, the kind of cavalier attitude that some in the business community have had in making some of the changes to it. People are going to lose confidence in these programs that we need in order to be competitive. So, one of the areas, and I won't emphasize everything that Senator Davis said, but one of the areas, Senator Deuell, that I've been very concerned for some time about, is the need for disclosure and transparency when it comes to incentives provided through Chapter 313. And I was particularly concerned about the provisions in the Conference Committee Report that eliminate 20 specific pieces of information that need to be included in an economic impact evaluation, things like the number of qualifying jobs that would be created by a project and the wages, salaries, and benefits that would be offered to those employees. Instead of spelling out those requirements, the way we had done it, this Conference Committee Report says only that the Comptroller may any information that he or she considers necessary to gauge the economic impact of a project. I was uncomfortable with the Legislature offloading this important function to the Comptroller. However, let me ask you a couple of questions about intent. Is it your intent that the disclosure requirements that the Comptroller sets out should be substantially the same as those in current statute that the Conference Committee Report eliminates?

Senator Deuell: Yes.

Senator Watson: Do you believe it would be possible to do a meaningful economic development analysis without many of these pieces of information?

Senator Deuell: Well, I think what we've designed to do, Senator Watson, and I would not have had a problem leaving them in there, but what we wanted to do was give the Comptroller some flexibility to set criteria for looking at these projects based on the type of project that it is. As you well know, there are very large projects, there are small projects, and the businesses are different, and we really thought that it would give flexibility for the Comptroller. And the Comptroller has to certify, we really have provisions in here to, again, that what we call "but for," to make sure they would perhaps not have come here if we didn't offer this incentive program. But having said that I think it is my intent to look at this very closely over the interim and see if the Comptroller is applying the right criteria for these various programs. And I hope that answers—

Senator Watson: Well, I'm not sure it does because one of the things that we have talked about and, of course, I think you also received a letter from the Texas Taxpayers and Research Association, and you will recall that the president of that association in our hearing, I asked him a bunch of questions about these reporting requirements. And the Taxpayer and Research Association has been very deeply involved in the creation of this program and one of the chief defenders of the program, and in their letter they emphasize that doing the math for the benefits test will much of the very information that has been stripped out, as will other reporting requirements in the bill. In fact the letter says the proposed law moves from a finite list of application elements to a potentially infinite one. And so, my question to you is, do you believe it would be possible for us to have the kind of meaningful economic development analysis that is now left to the Comptroller to define what she or he wants without having most, if not all of those 20 elements that got stripped out of the bill?

Senator Deuell: Yes, I do, and let me read, you know, you're going to ask for this to go on the record, and I think that's a good thing. Let me talk about the audit, the State Auditor will select at least three projects per year to review. The auditor has a total say into which projects are selected. The auditor will make recommendations relating to the effectiveness and efficiency of the program and whether the agreements were executed in compliance with this chapter. There is currently no audit function in the statute. There will be a certificate of approval. The project cannot go forward without the approval of the Comptroller. The certificate, a local school district cannot approve a project without a certificate. The economic impact evaluation is required by the Comptroller as part of an application for a Chapter 313 agreement. The current law has a list of 20 factors that must be included. Under this bill the Comptroller's office may use any information. They could use more than the 20, Senator Watson.

Senator Watson: I know, and if I could interrupt you right there, that's the question that I think you just answered. I want to make sure I'm clear. I think you just said that the Comptroller could conduct a meaningful development, economic development analysis without those factors. I don't believe that to be the case, and I think maybe you misspoke. Is it your intent that those factors be included in the economic analysis so that we could have a meaningful economic analysis?

Senator Deuell: It is my intent that the Comptroller use reasonable criteria to evaluate the project. It may or may not include that 20, it could be more, it could be different, it will fit the particular business that needs to be evaluated. And in conjunction with the benefits test, there'll be much, a much more thorough evaluation of the economic impact. I would like the benefits test, for the first time the Comptroller must use data from the economic impact evaluation and a mathematical formula to determine if the project will generate over a 25-year period enough tax revenue to offset the school district in the no tax revenue that was abated. The Comptroller will be required to state in writing the basis for the determination and no such qualifying currently exists. Senator, if the Comptroller does not look at various issues, that's something we're going to be looking at over the interim and address in the next session. But I can't imagine the Comptroller, whoever that might be, not discharging their duties and responsibility by not looking at these projects, the "but for" provision for—

Senator Watson: All I'll say about that, because I don't want to filibuster your bill, is that part of the reason I wanted to create legislative intent is because we stripped out those very important reporting requirements. And it was my understanding that you believed that it would be difficult to do an economic analysis that was meaningful without those. I've now heard you, on two occasions, say you believe that the Comptroller could do such an analysis. And I've been told over and over again, Senator, is that it was okay to strip all of those out because it's a net, it's inherent in doing a meaningful analysis, and was already going to be considered. It would be redundant to have spelled them out. I found that very troubling. I found it troubling that if it was redundant, why couldn't we put it in the bill to assure that it would be done. And I've now been assured by you and by the Texas Taxpayers and Research Association, it's all part of it, until we get to the floor, and I've heard you now twice say it's unnecessary and we'll leave it to the discretion of the Comptroller. I am greatly troubled by that. I was prepared to vote for this bill, hold my nose and vote for this bill because I believe we need to have the economic development incentives, but I'm very troubled by the answers. Thank you, Mr. President.

Senator Ellis: Senator Deuell, I think that most of the questions I wanted to ask have already been asked. I don't know if anybody heard the answers, but they were asked. I don't want to be redundant. You were kind enough, when your bill came up, couple of weeks or so ago, to include an amendment to review all of our tax breaks that we give. It was something I think was neatly crafted. I watered it down, as you know I wanted all of these tax loopholes to go through the sunset review process. I took that out, at the suggestion of the Chair of the subcommittee, Senator Hegar. And I added that amendment to your bill, and I do appreciate you taking it. I also added it to House Bill 500. Is it still in your bill?

Senator Deuell: No, Sir, it's not.

Senator Ellis: Can you tell us, it passed unanimously two times in this Chamber, would you mind telling us who took it out? I assume you were for it because—

Senator Deuell: Well, it was taken out in the conference committee, and you weren't there, but take my word that I advocated for it. I could not sell it to the House side of the conference committee.

Senator Ellis: And I believe that. Senator, do you know how much we spend on tax exemptions per year in Texas?

Senator Deuell: No, Sir, but I intend to look at it in the interim.

Senator Ellis: The best estimate that I have gotten came from the Comptroller's office, and it was incomplete based on the study they did. It's \$44 billion. I saw in the *Houston Chronicle* today it said \$44 million, but it's 44 "B" billion dollars a year, and I just want to make sure that my colleagues who claim to be so fiscally conservative know that every year when we go through the appropriations process, every other year, if you are healthcare, if you are public ed, if you're higher ed, if you are the prison department, you have to make your case and we make a decision on how much we will appropriate. But if you were slick enough to hire a lobbyist and get a loophole over the last 150 years, some of them might be that old in our tax code, you just keep getting it. It's just like an annuity. You know, somebody might believe you really

earned it, not you, but that they really earned it, and that's my concern about this bill. I appreciate you taking it, taking the amendment the first go-round, and I appreciate you fighting for it. But to me, it's just a hypocrisy to know that there's at least \$44 billion in tax breaks every year in the Tax Code in Texas, and not be willing to at least review them, have a systematic process over 12 years, not a biennium, 12 years to see what they are and have the Comptroller and the LBB come back and say to us, hey, they did what we thought that they would do. But I appreciate your work, I'm going to vote "no" on your bill, but if I'm back here next session and you're back, if there's another vehicle and an opportunity to do it again, I hope you work with me again. Thank you, Sir.

Senator Deuell: Thank you, Senator Ellis. And I don't disagree with you. I took your amendment and I, again, would reiterate, with this particular program, there is nothing to tax if these businesses don't come to Texas and make this capital investment. And the purpose of this program, again, it's not the best job program we have, it is designed to bring capital investment and in turn bring jobs. We've set minimum requirements for jobs but, again, if we don't have this program we're not going to have the property here to tax to begin with. But thank you, and I can assure you as Chair of the Economic Development Committee, as I've said before on other bills, we're going to be looking at these programs. There's not really been a committee to look at them as closely as we looked at them this time and, again, appreciate especially Senator Davis and Senator Watson pushing this, and you as well. I do think we need to look at them. I do think that we need to make sure they're doing what they're supposed to do, that we, if we're investing tax money in some of these other programs or, in this case, bringing in the tax money, that we need to make sure that we did something to bring these businesses that otherwise wouldn't come here. And this bill, as I said, I'll acknowledge it's not perfect, but it does make some strong steps toward achieving our mutual goals, and thank you very much.

Senator West: Senator, you did a good job. I just want to close by saying that, you know, I carried something similar back, it was by accident, when Governor Bush was here. I had a sales tax holiday bill with a broad caption, so all of North Carolina's R&D tax cuts were added to that, so I know the position you're in. And, to a limited extent, I believe in the notion of trickle-down, but when we don't have the transparency sometimes instead of it trickling down we just get tricked. And that's my concern. Thank you.

Senator Deuell: Thank you, Sir.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 2012 ADOPTED

Senator Patrick called from the President's table the Conference Committee Report on **HB 2012**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Patrick, the Conference Committee Report was adopted by the following vote: Yeas 24, Nays 7.

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

Nays: Campbell, Deuell, Fraser, Hancock, Huffman, Nelson, Paxton.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 680 ADOPTED**

Senator Patrick called from the President's table the Conference Committee Report on **HB 680**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Patrick, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

SENATE RESOLUTION 1080

Senator Zaffirini offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 12 (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) to consider and take action on the following matters:

(1) Senate Rules 12.03(1) and (3) are suspended to permit the committee to change, alter, or amend text and to add text on matters not in disagreement by adding the following to Section 659.0201, Government Code, in SECTION 1 of the bill:

(b) A state agency that accepts a gift, grant, donation, or other consideration from a person that the person designates to be used as a salary supplement for an employee of the agency shall post on the agency's Internet website, in addition to the information required by Section 659.026, the amount of each gift, grant, donation, or other consideration provided by the person that is designated to be used as a salary supplement for an employee of the agency. The agency may not post the name of the person.

Explanation: The change is necessary to clarify which state agencies have to post certain information relating to a gift, grant, donation, or other consideration the agency receives on the agency's Internet website and to clarify the information that the agency is prohibited from posting.

(2) Senate Rules 12.03(1) and (3) are suspended to permit the committee to change, alter, or amend text and to add text on a matter not in disagreement by adding the following to Section 659.0201, Government Code, in SECTION 1 of the bill:

(c) A state agency described by Subsection (b) by rule shall adopt conflict of interest provisions regarding the acceptance by the agency of a gift, grant, donation, or other consideration to be used as a salary supplement for an employee of the agency. The governing board of an institution of higher education shall adopt the conflict of interest provisions required by this subsection in the same manner as the board adopts other policies applicable to the institution. The agency shall post the conflict of interest provisions on the agency's Internet website.

Explanation: The change is necessary to clarify the application of the provisions to institutions of higher education.

(3) Senate Rules 12.03(1) and (3) are suspended to permit the committee to change, alter, or amend text and to add text on a matter not in disagreement by adding the following to Section 659.0201(d)(1), Government Code, in SECTION 1 of the bill: "unless the person has made a request to the entity to remain anonymous".

Explanation: The change is necessary to maintain the anonymity of certain donors.

(4) Senate Rule 12.03(4) is suspended to permit the committee to add text on matters not included in either the house or senate version of the bill by adding the following to Section 659.0201, Government Code, in SECTION 1 of the bill:

(e) A state agency that receives a gift, grant, donation, or other consideration described by Subsection (d) shall compile the information the agency receives under Subsection (d) into a report and submit the report to the state auditor and the legislature.

(f) Information provided to an institution of higher education under Subsection (d) is confidential and is not subject to disclosure under Chapter 552.

(g) The state auditor may review the report submitted under Subsection (e) to identify any conflicts of interest or any other areas of risk. The state auditor shall report the results of an audit performed under this section to the legislature.

Explanation: The change is necessary to enable the state auditor and legislature to be informed about gifts, grants, donations, or other consideration received by state agencies and monitor any conflicts of interest that might result from accepting a gift, grant, donation, or other consideration and to maintain the confidentiality of information provided by an institution of higher education.

(5) Senate Rules 12.03(1) and (3) are suspended to permit the committee to change, alter, or amend text and to add text on a matter not in disagreement by adding the following to Section 659.0201(h), Government Code, in SECTION 1 of the bill: "that does not the release of information that identifies an anonymous donor".

Explanation: The change is necessary to maintain the anonymity of certain donors.

(6) Senate Rule 12.03(1) is suspended to permit the committee to change, alter, or amend text not in disagreement by adding "officer" to Section 659.026(a)(2)(A), Government Code, in SECTION 1 of the bill.

Explanation: The change is necessary to clarify the positions included in the meaning of executive staff.

(7) Senate Rule 12.03(1) is suspended to permit the committee to change, alter, or amend text not in disagreement by adding "Paragraph (A)" to Section 659.026(a)(2)(B), Government Code, in SECTION 1 of the bill.

Explanation: The change is necessary to correct a cross-reference.

SR 1080 was read and was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 12 ADOPTED**

Senator Zaffirini called from the President's table the Conference Committee Report on **HB 12**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Zaffirini, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

SENATE RESOLUTION 1092

Senator Hinojosa offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 3793 (powers, duties, and services of entities serving counties and county residents) to consider and take action on the following matters:

(1) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following new SECTION to the bill:

SECTION 2. 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 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.

Explanation: The addition is necessary to allow certain entities to provide certain mental health services to certain county residents.

(2) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following provision to SECTION 8 of the bill:

(b) Section 533.0354, Health and Safety Code, as amended by this Act, takes effect January 1, 2014.

Explanation: This addition to the effective date provision of the bill is necessary to reflect the change made by the addition of SECTION 2 to the bill.

SR 1092 was read and was adopted by the following vote: Yeas 31, Nays 0.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 3793 ADOPTED

Senator Hinojosa called from the President's table the Conference Committee Report on **HB 3793**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Hinojosa, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

SENATE RESOLUTION 1090

Senator Nichols offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 2741 (the regulation of motor vehicles by counties and the Texas Department of Motor Vehicles; authorizing a fee; creating an offense) to consider and take action on the following matters:

(1) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding proposed SECTION 104 to the bill, amending Section 622.012(b), Transportation Code, to read as follows:

SECTION 104. Section 622.012(b), Transportation Code, is amended to read as follows:

(b) A truck may be operated at a weight that exceeds the maximum single axle or tandem axle weight limitation by not more than 10 percent if the gross weight is not heavier than 69,000 pounds and the department has issued a permit that authorizes the operation of the vehicle under Section 623.0171.

Explanation: The addition of text is necessary to ready-mixed concrete trucks with three axles to be permitted to operate at certain weight.

(2) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding proposed SECTION 108 to the bill, amending Sections 623.012(a) and (b), Transportation Code, to read as follows:

SECTION 108. Sections 623.012(a) and (b), Transportation Code, are amended to read as follows:

(a) An applicant for a permit under Section 623.011, other than a permit under that section to operate a vehicle loaded with timber or pulp wood, wood chips, cotton, or agricultural products in their natural state, and an applicant for a permit under Section 623.321 shall file with the department:

(1) a blanket bond; or

(2) an irrevocable letter of credit issued by a financial institution the deposits of which are guaranteed by the Federal Deposit Insurance Corporation.

(b) The bond or letter of credit must:

(1) be in the amount of \$15,000 payable to the Texas Department of Transportation and the counties of this state;

(2) be conditioned that the applicant will pay the Texas Department of Transportation for any damage to a state highway, and a county for any damage to a road or bridge of the county, caused by the operation of the vehicle:

(A) for which the permit is issued at a heavier weight than the maximum weights authorized by Subchapter B of Chapter 621 or Section 621.301 or 623.321; or

(B) that is in violation of Section 623.323; and

(3) provide that the issuer is to notify the Texas Department of Transportation and the applicant in writing promptly after a payment is made by the issuer on the bond or letter of credit.

Explanation: The addition of text is necessary to a person to file a bond or letter of credit to obtain a permit to operate a vehicle or combination of vehicles to transport unrefined timber, wood chips, or woody biomass in certain counties.

(3) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding proposed SECTION 110 to the bill, adding Section 623.0171, Transportation Code, to read as follows:

SECTION 110. Subchapter B, Chapter 623, Transportation Code, is amended by adding Section 623.0171 to read as follows:

Sec. 623.0171. PERMIT FOR READY-MIXED CONCRETE TRUCKS. (a) In this section, "ready-mixed concrete truck" has the meaning assigned by Section 622.011.

(b) The department may issue a permit that authorizes the operation of a ready-mixed concrete truck with three axles.

(c) To qualify for a permit under this section, a base permit fee of \$1,000 must be paid, except as provided by Subsection (g).

(d) A permit issued under this section:

(1) is valid for one year, except as provided by Subsection (g); and

(2) must be carried in the vehicle for which it is issued.

(e) 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.

(f) The sticker must:

(1) indicate the expiration date of the permit; and

(2) be removed from the vehicle when:

(A) the permit for operation of the vehicle expires;

(B) a lease of the vehicle expires; or

(C) the vehicle is sold.

(g) The department may issue a permit under this section that is valid for a period of less than one year. The department shall prorate the applicable fee required by Subsection (c) for a permit issued under this subsection as necessary to reflect the term of the permit.

(h) Unless otherwise provided by state or federal law, a county or municipality may not a permit, fee, or license for the operation of a ready-mixed concrete truck in addition to a permit, fee, or license required by state law.

(i) Section 622.015 does not apply to an owner of a ready-mixed concrete truck who holds a permit under this section for the truck.

(j) Unless otherwise provided by state or federal law, a ready-mixed concrete truck may operate on a state, county, or municipal road, including a load-zoned county road or a frontage road adjacent to a federal interstate highway, if the truck displays a sticker required by Subsection (e) and does not exceed the maximum gross weight authorized under Section 622.012.

(k) For the purposes of Subsection (l), the department by rule shall an applicant to designate in the permit application the counties in which the applicant intends to operate.

(l) Of the fee collected under this section for a permit:

(1) 50 percent of the amount collected shall be deposited to the credit of the state highway fund; and

(2) the other 50 percent shall be divided among and distributed to the counties designated in permit applications under Subsection (k) according to department rule.

(m) At least once each fiscal year, the comptroller shall send the amount due each county under Subsection (l) to the county treasurer or officer performing the function of that office for deposit to the credit of the county road and bridge fund.

Explanation: The addition of text is necessary to provide for a permitting process to authorize the operation of a ready-mixed concrete truck with three axles.

(4) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding proposed SECTION 119 to the bill, adding Subchapter Q, Chapter 623, Transportation Code, to read as follows:

SECTION 119. Chapter 623, Transportation Code, is amended by adding Subchapter Q to read as follows:

SUBCHAPTER Q. VEHICLES TRANSPORTING TIMBER

Sec. 623.321. PERMIT. (a) The department may issue a permit under this subchapter, as an alternative to a permit issued under Section 623.011, authorizing a person to operate a vehicle or combination of vehicles that is being used to transport unrefined timber, wood chips, or woody biomass in a county identified as a timber producing county in the most recent edition of the Texas A&M Forest Service's Harvest Trends Report as of May 15, 2013, at the weight limits prescribed by Subsection (b).

(b) A person may operate over a road or highway a vehicle or combination of vehicles issued a permit under this section at a gross weight that is not heavier than 84,000 pounds, if the gross load carried on any tandem axle of the vehicle or combination of vehicles does not exceed 44,000 pounds.

(c) Section 621.508 does not apply to a vehicle or combination of vehicles operated under this section.

(d) The department shall annually update the number of timber producing counties described by Subsection (a) based on the most recent edition of the Texas A&M Forest Service's Harvest Trends Report.

Sec. 623.322. QUALIFICATION; REQUIREMENTS. (a) To qualify for a permit under this subchapter for a vehicle or combination of vehicles, a person must:

(1) pay a permit fee of \$1,500;

(2) designate in the permit application the timber producing counties described by Section 623.321(a) in which the vehicle or combination of vehicles will be operated; and

(3) satisfy the security requirement of Section 623.012.

(b) A permit issued under this subchapter:

(1) is valid for one year; and

(2) must be carried in the vehicle for which it is issued.

Sec. 623.323. NOTIFICATION. (a) For purposes of this section, "financially responsible party" means the owner of the vehicle or combination of vehicles, the party operating the vehicle or combination of vehicles, or a person that hires, leases, rents, or subcontracts the vehicle or combination of vehicles for use on a road maintained by a county or a state highway.

(b) Before a vehicle or combination of vehicles for which a permit is issued under this subchapter may be operated on a road maintained by a county or a state highway, the financially responsible party shall execute a notification document and agree to reimburse the county or the state, as applicable, for damage to a road or highway sustained as a consequence of the transportation authorized by the permit. At a minimum, the notification document must include:

(1) the name and address of the financially responsible party;

(2) a description of each permit issued for the vehicle or combination of vehicles;

(3) a description of the method of compliance by the financially responsible party with Sections 601.051 and 623.012;

(4) the address or location of the geographic area in which the financially responsible party wishes to operate a vehicle or combination of vehicles and a designation of the specific route of travel anticipated by the financially responsible party, including the name or number of each road maintained by a county or state highway;

(5) a calendar or schedule of duration that includes the days and hours of operation during which the financially responsible party reasonably anticipates using the county road or state highway identified in Subdivision (4); and

(6) a list of each vehicle or combination of vehicles by license plate number or other registration information, and a description of the means by which financial responsibility is established for each vehicle or combination of vehicles if each vehicle or combination of vehicles is not covered by a single insurance policy, surety bond, deposit, or other means of financial assurance.

(c) A financially responsible party shall electronically file the notification document described by Subsection (b) with the department under rules adopted by the department not later than the second business day before the first business day listed by the financially responsible party under Subsection (b)(5). The department shall immediately send an electronic copy of the notification document to each county identified in the notification document and the Texas Department of Transportation and an electronic receipt for the notification document to the financially responsible party. Not later than the first business day listed by the financially responsible party under Subsection (b)(5), a county or the Texas Department of Transportation may inspect a road or highway identified in the notification document. If an inspection is conducted under this subsection, a county or the Texas Department of Transportation shall:

(1) document the condition of the roads or highways and take photographs of the roads or highways as necessary to establish a baseline for any subsequent assessment of damage sustained by the financially responsible party's use of the roads or highways; and

(2) provide a copy of the documentation to the financially responsible party.

(d) If an inspection has been conducted under Subsection (c), a county or the Texas Department of Transportation, as applicable, shall, not later than the fifth business day after the expiration of the calendar or schedule of duration described by Subsection (b)(5):

(1) conduct an inspection described by Subsection (c)(1) to determine any damage sustained by the financially responsible party's use of the roads or highways; and

(2) provide a copy of the inspection documentation to the financially responsible party.

(e) The state or a county required to be notified under this section may assert a claim against any security posted under Section 623.012 or insurance filed under Section 643.103 for damage to a road or highway sustained as a consequence of the transportation authorized by the permit.

(f) This section does not apply to a vehicle or combination of vehicles that are being used to transport unrefined timber, wood chips, or woody biomass from:

(1) a storage yard to the place of first processing; or

(2) outside this state to a place of first processing in this state.

Sec. 623.324. DISPOSITION OF FEE. (a) Of the fee collected under Section 623.322 for a permit:

(1) 50 percent of the amount collected shall be deposited to the credit of the state highway fund; and

(2) the other 50 percent shall be divided equally among all counties designated in the permit application under Section 623.322(a)(2).

(b) At least once each fiscal year, the comptroller shall send the amount due each county under Subsection (a) to the county treasurer or officer performing the function of that office for deposit to the credit of the county road and bridge fund.

Sec. 623.325. INTERSTATE AND DEFENSE HIGHWAYS. (a) This subchapter does not authorize the operation on the national system of interstate and defense highways in this state of a vehicle of a size or weight greater than those permitted under 23 U.S.C. Section 127.

(b) If the United States authorizes the operation on the national system of interstate and defense highways of a vehicle of a size or weight greater than those permitted under 23 U.S.C. Section 127 on September 1, 2013, the new limit automatically takes effect on the national system of interstate and defense highways in this state.

Explanation: The addition of text is necessary to provide for a permitting process to authorize a person to operate a vehicle or combination of vehicles to transport unrefined timber, wood chips, or woody biomass in certain counties.

(5) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed SECTION 140(2) of the bill by adding Sections 622.013, 622.017, and 622.018, Transportation Code, to the list of repealed sections in the bill:

(2) Sections 502.252(b), 503.009(b), 503.029(b), 503.030(b), 503.066(b), 520.008, 520.009, 520.0091, 520.0092, 622.013, 622.017, 622.018, 623.0711(k), and 623.093(f), Transportation Code;

Explanation: The addition of text is necessary to eliminate a surety bond requirement applicable to owners of ready-mixed concrete trucks and penalties related to the requirement.

SR 1090 was read and was adopted by the following vote: Yeas 31, Nays 0.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 2741 ADOPTED

Senator Nichols called from the President's table the Conference Committee Report on **HB 2741**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Nichols, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

SENATE RESOLUTION 1079

Senator Van de Putte offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 1158 (relating to higher education for veterans and their families) to consider and take action on the following matters:

(1) Senate Rule 12.03(4) is suspended to permit the committee to add text on matters which are not included in either the house or senate version of the bill in SECTION 1 of the bill by amending Sections 54.341(d), (h), and (l), Education Code, to read as follows:

(d) The governing board of each institution of higher education granting an exemption under this section shall each applicant claiming the exemption to submit to the institution, in the form and manner prescribed by the Texas Veterans Commission for purposes of this section under Section 434.0079(b), Government Code, an application for the exemption and necessary ~~satisfactory~~ evidence that the applicant qualifies for the exemption not later than the last class date of the semester or term to which the exemption applies, except that the governing board may encourage the submission of an application and evidence by the official day of record for the semester or term to which the exemption applies on which the institution must determine the enrollment that is reported to the Texas Higher Education Coordinating Board ~~[one year after the earlier of the date the institution:~~

~~(1) provides written notice to the applicant of the applicant's eligibility for the exemption; or~~

~~(2) receives a written acknowledgement from the applicant evidencing the applicant's awareness of the applicant's eligibility for the exemption].~~

(h) The governing board of each institution of higher education shall electronically report to the Texas Veterans Commission ~~[Higher Education Coordinating Board]~~ the information required by Section 434.00791, Government Code, ~~[61.0516]~~ relating to each individual receiving an exemption from fees and charges under Subsection (a), (a-2), ~~[or]~~ (b), or (k). The institution shall report the information not later than January 31 ~~[December 31]~~ of each year for the fall semester, June 30 ~~[May 31]~~ of each year for the spring semester, and September 30 of each year for the summer session.

(l) To be eligible to receive an exemption under Subsection (k), the child must:

(1) be a student who is classified as a resident under Subchapter B when the child enrolls in an institution of higher education; ~~[and]~~

(2) as a graduate or undergraduate student, maintain a grade point average that satisfies the grade point average requirement for making ~~[make]~~ satisfactory academic progress in a degree, certificate, or continuing education program as determined by the institution at which the child is enrolled in accordance with the institution's policy regarding eligibility for ~~[of the institution's]~~ financial aid; and

(3) be 25 years of age or younger on the first day of the semester or other academic term for which the exemption is claimed ~~[department, except that the institution may not the child to enroll in a minimum course load].~~

Explanation: These changes are necessary to clarify the reporting and eligibility requirements for certain tuition exemptions awarded to veterans and their families.

(2) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill in SECTION 2 of the bill by adding Section 54.3411(e), Education Code, to read as follows:

(e) The amount available for distribution from the fund may be appropriated only to offset the cost to institutions of higher education of the exemptions required by Section 54.341(k). The amount appropriated shall be distributed to eligible institutions in proportion to each institution's respective share of the aggregate cost to all institutions of the exemptions required by Section 54.341(k), as determined by the Legislative Budget Board. The amount appropriated shall be distributed annually to each eligible institution of higher education.

Explanation: This change is necessary to clarify the distribution of funds for certain tuition exemptions awarded to children of veterans.

(3) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill in SECTION 3 of the bill by adding Section 434.0079(c), Government Code, to read as follows:

(c) The commission shall adopt rules governing the coordination of federal and state benefits of a person eligible to receive an exemption under Section 54.341(k), Education Code, including rules governing:

(1) the total number of credit hours assigned under that section that a person may apply to an individual degree or certificate program, consistent with the standards of the appropriate recognized regional accrediting agency; and

(2) the application of the assigned exemption to credit hours for which the institution of higher education does not receive state funding.

Explanation: This change is necessary to rules to be adopted for the administration of certain tuition exemptions awarded to veterans and their families.

SR 1079 was read and was adopted by the following vote: Yeas 31, Nays 0.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 1158 ADOPTED

Senator Van de Putte called from the President's table the Conference Committee Report on **SB 1158**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Van de Putte, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Sunday, May 26, 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 ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 7 (143 Yeas, 4 Nays, 2 Present, not voting)

HB 489 (140 Yeas, 5 Nays, 1 Present, not voting)

HB 1025 (110 Yeas, 29 Nays)

HB 3153 (146 Yeas, 0 Nays, 2 Present, not voting)

HB 3361 (125 Yeas, 19 Nays, 2 Present, not voting)

HB 3459 (120 Yeas, 27 Nays, 2 Present, not voting)

SB 1 (118 Yeas, 29 Nays)

SB 460 (97 Yeas, 35 Nays, 1 Present, not voting)

SB 484 (92 Yeas, 53 Nays, 3 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

MOTION TO SUSPEND SENATE RULE 12.09(a)
(Printing and Notice of Conference Committee Reports)

Senator Hegar moved to suspend Senate Rule 12.09(a) as it relates to the Conference Committee Report on **HB 500**.

Senator Hegar withdrew the motion to suspend Senate Rule 12.09(a). Further consideration of **HB 500** was temporarily postponed.

SENATE RULE 12.09(a) SUSPENDED
(Printing and Notice of Conference Committee Reports)

Senator Nichols moved to suspend Senate Rule 12.09(a) as it relates to the Conference Committee Report on **SB 211**.

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

CONFERENCE COMMITTEE REPORT ON
SENATE BILL 211 ADOPTED

Senator Nichols called from the President's table the Conference Committee Report on **SB 211**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Nichols, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

REMARKS ORDERED PRINTED

On motion of Senator Watson and by unanimous consent, the remarks by Senators Nichols and Watson regarding **SB 211** were ordered reduced to writing and printed in the *Senate Journal* as follows:

Senator Watson: Senator Nichols, thank you very much for working with me on this bill. I think you'll agree and as you laid it out, it was pretty clear you agree. We worked pretty hard to find a solution where local communities would have a voice and a role to play in determining how state land around them is developed without violating state sovereignty, and as I, as you said, I think we achieved that with this Conference Committee Report by taking existing language in the Natural Resources Code that lays out how the General Land Office deals with local zoning and applying those provisions to public-private partnerships. There are a couple things I indicated I'd like to clear up for legislative intent. Are you aware that in implementing this language, the land office treats it as a requirement that it attempt to comply with local zoning ordinances in the development of state property for nongovernmental purposes?

Senator Nichols: Yes. So, what we're talking about the, I did know that the General Land Office puts the zoning in and there's an appeal process, I believe, that's in place.

Senator Watson: That's exactly right. And would you say that your intent with this bill that the facilities commission and other state agencies follow the substantially same process in developing state property through public-private partnerships as the General Land Office does, and that's why we're mirroring that language?

Senator Nichols: Yes. The Senate created a special subcommittee chaired by Eltife, which I discussed, on P3s, we studied this and reached the conclusion that that's how it should be handled.

Senator Watson: And another thing that you stated in your layout, which I think is important, is the clarity of intent in both the GLO language and now in the facilities commission language. It's important to note that the language of the GLO statute state, and now it'll apply to the facilities commission, states that the purpose of the development plan that will comply with local zoning is, and I'm going to quote, to conserve and enhance the value of real property belonging to the state taking into consideration the preservation of the health, safety, and general welfare of the communities in which the real property is situated. And as you indicated, and I think correctly, that means the Legislature's intent is pretty clear about its desire for the creation of a plan that complies with the needs of the local community. Senator Nichols, would you say that in this bill's requirements for local notification and public hearings about public-private partnership projects, it's clearly the Legislature's intent that local communities be intimately aware of the details of public-private partnership projects and—

Senator Nichols: Absolutely.

Senator Watson: —that the Legislature is saying that those communities have a role to play in helping determine how state property will be developed.

Senator Nichols: Absolutely.

Senator Watson: And, finally, can you envision a scenario in which the facilities commission would decide it wanted to develop a piece of state property—

Presiding Officer: Senator Whitmire, what—

Senator Whitmire: Excuse me. You know, we got two Senators having a serious conversation, could we ask people to retire to a conference room—

Presiding Officer: Can we have a little order on the Senate floor?

Senator Whitmire: —I mean, you know.

Presiding Officer: Thank you, Senator Whitmire.

Senator Watson: Thank you, Dean.

Senator Nichols: Would you ask the question again?

Senator Watson: Yes, I'd be happy to. Can you envision a scenario—

Senator Whitmire: Mr. President. Would you ask the Sergeant—

Presiding Officer: Members on the floor, would you just at least take your conversation outside the rail? Thank you. Thank you, Senator Whitmire. Senator Watson, continue. Please continue.

Senator Watson: Thank you. Senator, can you envision a scenario in which the facilities commission would decide it wanted to develop a piece of state property through a public-private partnership but decided it didn't need a development plan or could do so without a development plan on the property associated with the project?

Senator Nichols: No, Senator, I can't. We're speaking pretty clearly here, and as I noted the intent in this statute, it is to conserve and enhance the value of real property belonging to the state, taking into consideration the preservation of the health, safety, and general welfare, the communities in which real property in statutes. So, the goal is best served as we've discussed.

Senator Watson: Right. Thank you. Now under this bill we change how the facilities commission operates under government codes Chapter 2267 and 2268 regarding public-private partnerships for development purposes. Can you explain how that process works under this Conference Committee Report?

Senator Nichols: Yes, Sir. Under this bill, the Partnership Advisory Commission is required to approve or disapprove each proposal submitted under the P3 Act. Members, you may recall this is an 11-member body that was created in the P3 Act last session. While the Senate changed the makeup of that commission from 11 down to five, in Senate Bill 11, the Conference Committee Report retains the current structure of 11 members. The requirement to approve or disapprove each project, that's the advisory commission, approve or disapprove each project, is in the bill. We make the Partnership Advisory Commission's meetings subject to the Open Meetings Act. We also improved the facility commission's review guidelines and policies in Section 13 to the bill by ensuring the criteria they review a P3 proposal includes the extent to which it meets public need and the extent to which it meets design guidelines, zoning requirements in Capitol Complex plan. For projects in the Capitol Complex, the committee report requires the State Preservation Board to review each

P3 proposal. State Preservation Board can vote to disapprove a proposal in Section 33. In Section 12 of the report, the Conference Committee Report specifies P3 proposals can only be used in the Capitol Complex if the Legislature by general law specifically authorizes the project and the Legislature individually approves a project under Section 2268.05(a). What we require with that language is for each P3 proposal in the Capitol Complex to be authorized by a piece of legislation. It's somewhat similar to what we do for transportation projects. For instance, earlier in the session I had the bill on our, this is the way we did CDAs, the Legislature approved each individual project. So, it's our intent with this bill that no P3 project can be developed on the complex without individual and specific legislative authority.

Senator Watson: Senator Nichols, how will information on P3 proposals be made available to the public under this bill?

Senator Nichols: In Section 13 we that before a comprehensive agreement can be entered into, the facilities commission must post their review report and evaluation documents. We ensure the public has an opportunity to see what proposals are being considered before they are authorized. Additionally, the facilities commission would be required to hold a public hearing before submitting a proposal to the Partnership Advisory Commission for review, that's on page 12. And, again, if the Partnership Advisory Commission disapproves a proposal, it cannot move forward.

Senator Watson: What happens if a proposal is submitted to the facilities commission when the Legislature's not in session?

Senator Nichols: Under this bill, a comprehensive agreement could not be signed by the facilities commission until after the Legislature reconvene and pass the bill approving the specific project. The project could not move forward just by submitting the proposal to the facilities commission. In reviewing the process, step one, the proposal is submitted to the facilities commission for initial consideration, that's existing law. Two, State Preservation Board may disapprove the project, Section 33. Third step is the Partnership Advisory Commission votes to approve or disapprove the project, that's in Section 36. And the last step is the Legislature considers and passes a bill authorizing individual project.

SENATE RESOLUTION 1089

Senator Nichols offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 1675 (the sunset review process and certain governmental entities subject to that process) to consider and take action on the following matter:

(1) Senate Rule 12.03(4) is suspended to permit the committee to add text on matters not included in either the house or senate version of the bill by adding the following to SECTION 1.03 of the bill:

(c) If a conflict exists between this Act and another Act of the 83rd Legislature, Regular Session, 2013, that amends Section 2152.002, Government Code, to extend the sunset date of the Texas Facilities Commission, this Act controls without regard to the relative dates of enactment.

Explanation: This addition is necessary to ensure that the sunset review date for the Texas facilities commission in the bill controls over any other bill amending that date.

(2) Senate Rule 12.03(4) is suspended to permit the committee to add text on matters not included in either the house or senate version of the bill by adding the following:

SECTION 2.02. EMPLOYEES RETIREMENT SYSTEM OF TEXAS. Subchapter A, Chapter 815, Government Code, is amended by adding Section 815.005 to read as follows:

Sec. 815.005. SUNSET PROVISION. The board of trustees of the Employees Retirement System of Texas is subject to review under Chapter 325 (Texas Sunset Act), but is not abolished under that chapter. The board shall be reviewed during the period in which state agencies abolished in 2017, and every 12th year after that year, are reviewed.

SECTION 2.04. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS. (a) Section 2306.022, Government Code, is amended to read as follows:

Sec. 2306.022. APPLICATION OF SUNSET ACT. The Texas Department of Housing and Community Affairs is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the department is abolished and this chapter expires September 1, 2017 [~~2013~~].

(b) The Sunset Advisory Commission shall limit its review of the Texas Department of Housing and Community Affairs in preparation for the work of the 85th Legislature in Regular Session to the appropriateness of recommendations made by the commission to the 83rd Legislature. In the commission's report to the 85th Legislature, the commission may include any recommendations it considers appropriate. This subsection expires September 1, 2017.

(c) This section takes effect only if the 83rd Legislature, Regular Session, 2013, does not enact other legislation that becomes law and that amends Section 2306.022, Government Code, to extend the sunset date of the Texas Department of Housing and Community Affairs. If the 83rd Legislature, Regular Session, 2013, enacts legislation of that kind, this section has no effect.

SECTION 2.05. RAILROAD COMMISSION OF TEXAS. Section 81.01001, Natural Resources Code, is amended to read as follows:

Sec. 81.01001. SUNSET PROVISION. (a) The Railroad Commission of Texas is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished September 1, 2017 [~~2013~~].

(a-1) The review of the Railroad Commission of Texas by the Sunset Advisory Commission in preparation for the work of the 85th Legislature in Regular Session is not limited to the appropriateness of recommendations made by the Sunset Advisory Commission to the 83rd Legislature. In the Sunset Advisory Commission's report to the 85th Legislature, the Sunset Advisory Commission may include any recommendations it considers appropriate. The review must include an examination of alternative organizational structures for the Railroad Commission of Texas and alternative methods for performing the commission's responsibilities that would enable the efficient and effective accomplishment of the commission's functions. The

examination must include an assessment of existing state agencies that would be able to perform the commission's functions. The review must also include an examination of methods to increase the public's role in decisions of the Railroad Commission of Texas that relate to the effect of the growth of resource extraction. The Sunset Advisory Commission may contract for assistance in performing the review, including assistance in evaluating, auditing, and forensic auditing, as the Sunset Advisory Commission determines necessary. This subsection expires September 1, 2017.

(b) The Railroad Commission of Texas shall pay the costs incurred by the Sunset Advisory Commission in performing a review of the commission under this section. The Sunset Advisory Commission shall determine the costs, and the commission shall pay the amount of those costs promptly on receipt of a statement from the Sunset Advisory Commission detailing the costs.

ARTICLE 5. ENTITIES GIVEN 2025 SUNSET DATE

SECTION 5.01. STATE EMPLOYEE CHARITABLE CAMPAIGN POLICY COMMITTEE. (a) Section 659.140(i), Government Code, is amended to read as follows:

(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[~~5~~] and Sections 814.0095 and 814.0096 expire on September 1, 2025 [~~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 659.140(i), Government Code, to extend the sunset date of the state employee charitable campaign policy committee. If the 83rd Legislature, Regular Session, 2013, enacts legislation of that kind, this section has no effect.

Explanation: This addition is necessary to change the sunset review date for various state agencies, to subject the board of trustees of the Employees Retirement System of Texas to sunset review, and to address the scope of the review of state agencies that were reviewed by the Sunset Advisory Commission in preparation for the work of the 83rd Legislature in Regular Session.

SR 1089 was read and was adopted by the following vote: Yeas 31, Nays 0.

SENATE RULE 12.09(a) SUSPENDED (Printing and Notice of Conference Committee Reports)

Senator Nichols moved to suspend Senate Rule 12.09(a) as it relates to the Conference Committee Report on **HB 1675**.

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

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 1675 ADOPTED

Senator Nichols called from the President's table the Conference Committee Report on **HB 1675**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Nichols, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

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 16, HB 26, HB 38, HB 78, HB 138, HB 195, HB 294, HB 316, HB 346, HB 349, HB 503, HB 555, HB 577, HB 581, HB 628, HB 796, HB 826, HB 1035, HB 1079, HB 1123, HB 1128, HB 1129, HB 1160, HB 1435, HB 1587, HB 1692, HB 1728, HB 1741, HB 1874, HB 1875, HB 1903, HB 1908, HB 1913, HB 1960, HB 1966, HB 2028, HB 2029, HB 2055, HB 2099, HB 2110, HB 2112, HB 2117, HB 2118, HB 2135, HB 2201, HB 2259, HB 2294, HB 2383, HB 2532, HB 2615, HB 2694, HB 2733, HB 3063, HB 3067, HB 3096, HB 3159, HB 3259, HB 3914, HCR 205, HCR 206, HCR 207, HB 31, HB 437, HB 595, HB 658, HB 697, HB 742, HB 950, HB 1023, HB 1125, HB 1127, HB 1223, HB 1324, HB 1479, HB 1606, HB 1632, HB 1659, HB 1734, HB 1751, HB 1864, HB 2062, HB 2204, HB 2422, HB 2590, HB 2620, HB 2645, HB 2862, HB 2895, HB 3028, HB 3209, HB 3422, HB 3578, HB 3593, HB 3860, HB 3871, HB 3954, HCR 209.

RECESS

On motion of Senator Whitmire, the Senate at 8:19 p.m. recessed until 8:45 p.m. today.

AFTER RECESS

The Senate met at 9:10 p.m. and was called to order by Senator Eltife.

SENATE RESOLUTION 1084

Senator Estes offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 912 (images captured by unmanned aircraft and other images and recordings; providing penalties) to consider and take action on the following matters:

(1) Senate Rule 12.03(1) is suspended to permit the committee to change text not in disagreement in proposed SECTION 2 of the bill, in added Section 423.002(a), Government Code, to read as follows:

(a) It is lawful to capture an image by an unmanned aircraft in this state:

Explanation: This change is necessary to address grammatical and other inconsistencies created by senate amendments to this section.

(2) Senate Rules 12.03(1) and (2) are suspended to permit the committee to change and omit text not in disagreement in proposed SECTION 2 of the bill, in added Section 423.002(a)(4), Government Code, to read as follows:

(4) by a satellite for the purposes of mapping;

Explanation: This change is necessary to delete unnecessary text.

(3) Senate Rule 12.03(2) is suspended to permit the committee to omit text not in disagreement in proposed SECTION 2 of the bill, in added Section 423.002(a), Government Code, by omitting proposed Subdivisions (5) and (6), which read as follows:

(5) by a manufacturer or distributor of the unmanned vehicle or unmanned aircraft in connection with the development, manufacture, testing, or research of the vehicle or the aircraft;

(6) by a manufacturer or distributor incidental to the activities authorized under Subdivision (5) and the manufacturer or distributor discloses the image voluntarily to law enforcement because the manufacturer or distributor reasonably believes the image shows the commission of an offense;

Explanation: The omission of the text is necessary to remove exceptions to the application of the chapter.

(4) Senate Rule 12.03(2) is suspended to permit the committee to omit text not in disagreement in proposed SECTION 2 of the bill, in added Section 423.003(a), Government Code, by omitting proposed Subdivision (2), which reads as follows:

(2) real property in this state, on which a primary or secondary school or a licensed child-care facility is operated or an individual located on that property, with the intent to conduct surveillance

Explanation: This change is necessary to remove an offense.

(5) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or the senate version of the bill by adding the following text to SECTION 2 of the bill:

Sec. 423.008. REPORTING BY LAW ENFORCEMENT AGENCY. (a) No earlier than January 1 and no later than January 15 of each odd-numbered year, a municipal or county law enforcement agency located in a city or county with a population greater than 150,000, or a state law enforcement agency, that used or operated an unmanned aircraft during the preceding 24 months shall issue a written report to each member of the Texas Legislature, including the Governor and Lieutenant Governor, retain the report for public viewing and post the report on the law enforcement agency's publicly accessible website, if one exists. The report shall contain:

(a) the number of times an unmanned aircraft was operated, organized by date, time, location, types of incidents, and the types of justification for operation;

(b) the number of criminal investigations aided by the operation of an unmanned aircraft and a description of how the unmanned aircraft aided each investigation;

(c) the date, location, and number of times an unmanned aircraft was operated for reasons other than a criminal investigation and a description of how the unmanned aircraft aided each operation;

(d) the frequency and type of information collected on an individual, residence, property or area that was not the subject of an operation; and

(e) the total cost of acquisition, maintenance, repair, and operation the unmanned aircraft or unmanned aircrafts for the preceding 24 months.

Explanation: This addition is necessary to provide for a publicly available report regarding law enforcement use of unmanned aircraft in this state.

SR 1084 was read and was adopted by the following vote: Yeas 26, Nays 5.

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

Nays: Duncan, Garcia, Hegar, Rodríguez, Uresti.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 912 ADOPTED**

Senator Estes called from the President's table the Conference Committee Report on **HB 912**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Estes, the Conference Committee Report was adopted by the following vote: Yeas 26, Nays 5.

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

Nays: Duncan, Garcia, Hegar, Rodríguez, Uresti.

REMARKS ORDERED PRINTED

On motion of Senator Rodríguez and by unanimous consent, the remarks by Senators Estes and Rodríguez regarding **SR 1084** as it relates to **HB 912** were ordered reduced to writing and printed in the *Senate Journal* as follows:

Senator Rodríguez: Senator Estes, you and I talked about this bill, and I raised some concerns with you, so I'd like to kind of ask you some questions about it—

Senator Estes: Sure.

Senator Rodríguez: —so that we can, see if we can clarify some of the provisions in here. As we all know, this, as you said, this is the drone bill, and this is a bill that actually would permit the use of drones to take images of either people or private property. And the bill lays out a number of exceptions. I counted 19 in there. And these exceptions would allow the drones to actually take images. And the one exception that I have a concern about is in Section 423.002, and I wanted to ask you some questions about that one.

Senator Estes: It's—

Senator Rodríguez: In—

Senator Estes: —exemption 14, isn't that right, in the list—

Senator Rodríguez: —yes—

Senator Estes: —14?

Senator Rodríguez: —yes, Sir.

Senator Estes: Yes, Sir. I'm familiar with it.

Senator Rodríguez: And so, the first question I have is do the exceptions listed there in, just globally, in Section 423.002, apply to anyone, including a private individual who has access to drones or similar devices?

Senator Estes: Senator Rodríguez, this was a good catch. We did not catch this. I believe 14, exemption number 14 says that drones can be used within a 25-mile section of the border. Our legislative intent was to have law enforcement be able to

use drones. Private individuals were not, but that's what the bill says. And so, what I would like to commit to you is that I agree with you that private individuals should have no more recourse to go over people's private land with drones 25 miles from the border than any other place in the state. So, what I would like to do, at this late date it's impossible to change it, but I will commit to you that we will work with, there's, there's rule-making authority with the DPS in this bill—

Senator Rodríguez: Yes.

Senator Estes: —we'll work with that. I'll even go so far as to say if there's a special session after this, we will address, that we'll ask the Governor to put this on the call, to address this one fix that we missed, actually. And so, either special session or with the rule-making authority, or the next session, should the good voters return us, I think that that's something that needs to be addressed. I would address it immediately, right now, but we're just out of time.

Senator Rodríguez: Senator Estes, I appreciate that, and the reason for that is as, as you and I acknowledge that in the way that subsection or Section 14 is written, it would allow drones in private property, and including taking images of individuals without their consent if you live within 25 miles—

Senator Estes: Yeah.

Senator Rodríguez: —of the, of the border.

Senator Estes: That definitely was not my intention, so I really appreciate you bringing this up, and you have my word that I will work on that to correct it.

Senator Rodríguez: And the second concern that I have is that, the way it's written could allow individuals, private individuals, the Minutemen, or others to use their drones to conduct surveillance in the border because of their concerns about immigrants. And we've seen a lot of that in the press over the number of years here that the issue has come up. We know that the federal government and that even the state, that through DPS, uses drones to conduct surveillance for immigration purposes along the border. And that's not what we're talking about here. The concern here is that that Section 14 exemption would allow private individuals to do that. And so, I understand, then, that your intention is that was not what was contemplated in that provision.

Senator Estes: And that's correct, Senator, and I, excuse me, really do thank you for bringing that up. We just missed that.

Senator Rodríguez: Alright.

Senator Estes: Thank you.

Senator Rodríguez: And then, as you pointed out, you indicate, and I've checked the bill, it does have a provision for regulations and rules to be adopted to implement the bill, and you're suggesting that through that process, we might be able to address some of these concerns that I've raised here today.

Senator Estes: I think there's a good chance we would be able to, and I'd be willing to do that, to—

Senator Rodríguez: Thank you.

Senator Estes: –work on it with you.

Senator Rodríguez: Thank you, Senator. I appreciate that.

(President in Chair)

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 2 ADOPTED**

Senator Patrick called from the President's table the Conference Committee Report on **SB 2**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Patrick, the Conference Committee Report was adopted 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, Patrick, Paxton, Schwertner, Seliger, Taylor, Uresti, Van de Putte, Watson, West, Whitmire, Williams, Zaffirini.

Nays: Garcia, Nichols, Rodríguez.

REMARKS ORDERED PRINTED

On motion of Senator Patrick and by unanimous consent, his remarks regarding legislative intent on **SB 2** were ordered reduced to writing and printed in the *Senate Journal* as follows:

Members, the legislative intent on Senate Bill 2 is that the State Board of Education still has total authority to vet and interview charter applicants before the SBOE decides to approve or veto a charter. Under our bill, they have the last say after the commissioner approves charters. So, the legislative intent is they have the authority to vet and interview applicants before they make their final decision.

SENATE RESOLUTION 1093

Senator Uresti offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 1747 (funding and donations for transportation projects, including projects of county energy transportation reinvestment zones) to consider and take action on the following matters:

(1) Senate Rule 12.03(1) is suspended to permit the committee to change, alter, or amend text not in disagreement in proposed SECTION 1 of the bill, in added Section 256.104(a)(1), Transportation Code, to read as follows:

(1) provide the road condition report described by Section 251.018 made by the county for the previous year; and

Explanation: The change is necessary to counties applying for grants under Subchapter C, Chapter 256, Transportation Code, to submit only the county's road condition report for the previous year.

(2) Senate Rule 12.03(1) is suspended to permit the committee to change, alter, or amend text not in disagreement in proposed SECTION 1 of the bill, in added Section 256.105, Transportation Code, to read as follows:

Sec. 256.105. MATCHING FUNDS. (a) Except as provided by Subsection (b), to be eligible to receive a grant under the program, matching funds must be provided, from any source, in an amount equal to at least 20 percent of the amount of the grant.

(b) A county that the department determines to be economically disadvantaged must provide matching funds in an amount equal to at least 10 percent of the amount of the grant.

(c) County funds spent for road and bridge purposes under the county budget must be credited as matching funds under this section.

Explanation: The change is necessary to counties applying for grants under Subchapter C, Chapter 256, Transportation Code, to provide matching funds in certain amounts.

(3) Senate Rule 12.03(1) is suspended to permit the committee to change, alter, or amend text not in disagreement in proposed SECTION 1 of the bill, in added Section 256.106(a)(1), Transportation Code, to read as follows:

(1) provide the department with a copy of a report filed under Section 251.018;

Explanation: The change is necessary to a county making a second or subsequent grant application under Subchapter C, Chapter 256, Transportation Code, to provide a report under Section 251.018, Transportation Code.

(4) Senate Rule 12.03(1) is suspended to permit the committee to change, alter, or amend text not in disagreement in proposed SECTION 2 of the bill, in added Section 222.1071(b), Transportation Code, to read as follows:

(b) A county, after determining that an area is affected because of oil and gas exploration and production activities and would benefit from funding under Chapter 256, by order or resolution of the commissioners court:

(1) may designate a contiguous geographic area in the jurisdiction of the county to be a county energy transportation reinvestment zone to promote one or more transportation infrastructure projects, as that term is defined by Section 256.101, located in the zone; and

(2) may jointly administer a county energy transportation reinvestment zone with a contiguous county energy transportation reinvestment zone formed by another county.

Explanation: The change is necessary to provide that counties must determine that an area is affected because of oil and gas exploration before designating a county energy transportation reinvestment zone.

(5) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text to SECTION 2 of the bill, in added Section 222.1071(i), Transportation Code:

(5) pledge money in the tax increment account to a road utility district formed as provided by Subsection (n).

Explanation: This addition is necessary to authorize a county to pledge money in the tax increment account to a road utility district.

(6) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text to SECTION 2 of the bill, in added Section 222.1071, Transportation Code:

(n) In the alternative, to assist the county in developing a transportation infrastructure project, if authorized by the commission under Chapter 441, a road utility district may be formed under that chapter that has the same boundaries as a county energy transportation reinvestment zone created under this section. The road utility district may issue bonds to pay all or part of the cost of a transportation infrastructure project and may pledge and assign all or a specified amount of money in the tax increment account to secure those bonds if the county:

(1) collects a tax increment; and

(2) pledges all or a specified amount of the tax increment to the road utility district.

(o) A road utility district formed as provided by Subsection (n) may enter into an agreement to fund development of a transportation infrastructure project or to repay funds owed to the department. Any amount paid for this purpose is considered to be an operating expense of the district. Any taxes collected by the district that are not paid for this purpose may be used for any district purpose.

Explanation: This addition is necessary to authorize the formation of a road utility district to assist a county in developing a transportation infrastructure project.

(7) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text as SECTION 7 of the bill:

SECTION 7. The amendment adding Sections 222.1071 and 222.1072 to Subchapter E, Chapter 222, Transportation Code, made by this Act prevails over the amendment adding those sections to Subchapter E, Chapter 222, Transportation Code, made by Section 1, H.B. 2300, 83rd Legislature, Regular Session, 2013, and the amendment made by Section 1, H.B. 2300, 83rd Legislature, Regular Session, 2013, has no effect.

Explanation: This addition is necessary to provide that the amendment adding Sections 222.1071 and 222.1072, Transportation Code, prevails over other amendments made by the 83rd Legislature adding those sections.

SR 1093 was read and was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1747 ADOPTED**

Senator Uresti called from the President's table the Conference Committee Report on **SB 1747**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Uresti, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

SENATE CONCURRENT RESOLUTION 45

The President laid before the Senate the following resolution:

WHEREAS, Senate Bill No. 1747 has been adopted by the senate and the house of representatives and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the senate be instructed to correct Senate Bill No. 1747 in SECTION 1 of the bill by striking added Section 256.105(c), Transportation Code.

URESTI

SCR 45 was read.

On motion of Senator Uresti, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

SENATE CONCURRENT RESOLUTION 39

The President laid before the Senate the following resolution:

WHEREAS, Senate Bill No. 1116 has been adopted by the house of representatives and the senate; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the senate be instructed to make the following corrections:

(1) In SECTION 4 of the bill as added by item (8) of House Floor Amendment No. 1 by Kuempel, on page 25, line 10 of the amendment, strike "East" and substitute "West".

(2) In SECTION 4 of the bill as added by item (8) of House Floor Amendment No. 1 by Kuempel, on page 25, line 13 of the amendment, strike "East" and substitute "West".

ZAFFIRINI

SCR 39 was read.

On motion of Senator Zaffirini, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

SENATE RESOLUTION 1081

Senator Patrick offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 83rd Legislature, Regular Session, 2013, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 5 (public school accountability, including assessment, and curriculum requirements; providing a criminal penalty) to consider and take action on the following matters:

(1) Senate Rule 12.03(1) is suspended to permit the committee to amend text not in disagreement in SECTION 13 of the bill, in amended Section 28.0212(a), Education Code, to read as follows:

(a) A principal of a junior high or middle school shall designate a school ~~[guidance]~~ counselor, teacher, or other appropriate individual to develop and administer a personal graduation plan for each student enrolled in the [a] junior high or [s] middle[~~, or high~~] school who:

(1) does not perform satisfactorily on an assessment instrument administered under Subchapter B, Chapter 39; or

(2) is not likely to receive a high school diploma before the fifth school year following the student's enrollment in grade level nine, as determined by the district.

Explanation: The change is necessary to conform to other references to school counselor in the Education Code.

(2) Senate Rule 12.03(3) is suspended to permit the committee to add text on a matter not in disagreement in SECTION 14 of the bill, in added Section 28.02121(b), Education Code, to read as follows:

(b) A school district shall publish the information provided to the district under Subsection (a) on the Internet website of the district and ensure that the information is available to students in grades nine and above and the parents or legal guardians of those students in the language in which the parents or legal guardians are most proficient. A district is required to provide information under this subsection in the language in which the parents or legal guardians are most proficient only if at least 20 students in a grade level primarily speak that language.

Explanation: The change is necessary to establish procedures for providing information to parents or legal guardians of students in the language in which the parent or legal guardian is most proficient.

(3) Senate Rule 12.03(1) is suspended to permit the committee to change text not in disagreement in SECTION 14 of the bill, in added Section 28.02121(c), Education Code, to read as follows:

(c) A principal of a high school shall designate a school counselor or school administrator to review personal graduation plan options with each student entering grade nine together with that student's parent or guardian. The personal graduation plan options reviewed must include the distinguished level of achievement described by Section 28.025(b-15) and the endorsements described by Section 28.025(c-1). Before the conclusion of the school year, the student and the student's parent or guardian must confirm and sign a personal graduation plan for the student.

Explanation: The change is necessary to conform to other references to school counselor in the Education Code.

(4) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding the following text in SECTION 16 of the bill, in amended Section 28.025, Education Code, to read as follows:

(c-3) In adopting rules under Subsection (c-1), the State Board of Education shall adopt criteria to allow a student participating in the arts and humanities endorsement under Subsection (c-1)(4), with the written permission of the student's parent or a person standing in parental relation to the student, to comply with the curriculum requirements for science required under Subsection (c-2)(1)(B) by substituting for an advanced course requirement a course related to that endorsement.

Explanation: The addition is necessary to parental permission to substitute certain curriculum requirements.

(5) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding the following text in SECTION 16 of the bill, in amended Section 28.025, Education Code, to read as follows:

(h-2) This subsection applies only to a student participating in the minimum, recommended, or advanced high school program who is completing the fourth year of high school during the 2013-2014 school year. The commissioner by rule shall permit a student who does not satisfy the curriculum requirements of the high school program in which the student is participating to graduate if the student satisfies the curriculum requirements established for the foundation high school program under this section as amended by H.B. No. 5, 83rd Legislature, Regular Session, 2013, and any other requirement required for graduation. This subsection expires September 1, 2015.

Explanation: The addition is necessary to provide flexibility in implementation of changes to curriculum requirements.

(6) Senate Rules 12.03(1) and (3) are suspended to permit the committee to change and add text on a matter not in disagreement in SECTION 16 of the bill to read as follows:

(b) Except as provided by Subsection (c) of this section, this section applies beginning with the 2014-2015 school year.

(c) Section 28.025(h-2), Education Code, as added by this section, applies during the 2013-2014 school year.

Explanation: The change is necessary to provide flexibility in implementation of changes to curriculum requirements.

(7) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text to SECTION 20 of the bill, in amended Section 29.081, Education Code, to read as follows:

(d) For purposes of this section, "student at risk of dropping out of school" includes each student who is under 26 [~~24~~] years of age and who:

(1) was not advanced from one grade level to the next for one or more school years;

(2) if the student is in grade 7, 8, 9, 10, 11, or 12, did not maintain an average equivalent to 70 on a scale of 100 in two or more subjects in the foundation curriculum during a semester in the preceding or current school year or is not maintaining such an average in two or more subjects in the foundation curriculum in the current semester;

(3) did not perform satisfactorily on an assessment instrument administered to the student under Subchapter B, Chapter 39, and who has not in the previous or current school year subsequently performed on that instrument or another appropriate instrument at a level equal to at least 110 percent of the level of satisfactory performance on that instrument;

(4) if the student is in prekindergarten, kindergarten, or grade 1, 2, or 3, did not perform satisfactorily on a readiness test or assessment instrument administered during the current school year;

(5) is pregnant or is a parent;

(6) has been placed in an alternative education program in accordance with Section 37.006 during the preceding or current school year;

(7) has been expelled in accordance with Section 37.007 during the preceding or current school year;

(8) is currently on parole, probation, deferred prosecution, or other conditional release;

(9) was previously reported through the Public Education Information Management System (PEIMS) to have dropped out of school;

(10) is a student of limited English proficiency, as defined by Section 29.052;

(11) is in the custody or care of the Department of Protective and Regulatory Services or has, during the current school year, been referred to the department by a school official, officer of the juvenile court, or law enforcement official;

(12) is homeless, as defined by 42 U.S.C. Section 11302, and its subsequent amendments; or

(13) resided in the preceding school year or resides in the current school year in a residential placement facility in the district, including a detention facility, substance abuse treatment facility, emergency shelter, psychiatric hospital, halfway house, or foster group home.

Explanation: This addition is necessary to expand the definition of "student at risk of dropping out of school" to include a student who is at least 21 years of age and under 26 years of age.

(8) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text to SECTION 31 of the bill, in amended Section 39.023, Education Code, to read as follows:

(a-2) Except as required by federal law, a [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.

Explanation: This addition is necessary to ensure compliance with federal law.

(9) Senate Rule 12.03(2) is suspended to permit the committee to omit text not in disagreement in amended Section 39.025, Education Code, which reads as follows:

(a-2) This subsection applies only to a student who, before entering the ninth grade in the 2011-2012 or 2012-2013 school year, completed a course before the 2011-2012 school year in a subject for which the student received high school credit and for which an end-of-course assessment instrument under Section 39.023 is required during the 2013-2014 school year or a later school year, such as Algebra I. The commissioner shall determine a method by which a student's satisfactory performance on an end-of-course assessment instrument for a course in the same general subject area in which the student is enrolled during or after the ninth grade, such as geometry, shall be used to satisfy the requirements for the end-of-course assessment instrument for the course completed before entering the ninth grade and before the 2011-2012 school year. The commissioner shall adopt rules as necessary for the administration of this section. This subsection expires September 1, 2016 [In addition to the cumulative score requirements under Subsection (a), a student must achieve a score that meets or exceeds the score determined by the commissioner under Section 39.0241(a) for English III and Algebra II end-of-course assessment instruments to graduate under the recommended high school program].

Explanation: This omission of text is necessary to provide flexibility in implementation of changes to end-of-course assessment instrument requirements.

(10) Senate Rule 12.03(1) is suspended to permit the committee to change text not in disagreement in SECTION 40 of the bill, in added Section 39.038, Education Code, to read as follows:

Sec. 39.038. RESTRICTION ON APPOINTMENTS TO ADVISORY COMMITTEES. The commissioner may not appoint a person to a committee or panel that advises the commissioner or agency regarding state accountability systems under this title or the content or administration of an assessment instrument if the person is retained or employed by an assessment instrument vendor.

Explanation: The change is necessary to allow persons reimbursed by an assessment instrument vendor to be appointed to a committee or panel described by Section 39.038, Education Code.

(11) Senate Rule 12.03(1) is suspended to permit the committee to change text not in disagreement in SECTION 51 of the bill, in added Section 39.0824(a), Education Code, to read as follows:

(a) A school district or open-enrollment charter school assigned the lowest rating under Section 39.082 shall submit to the commissioner a corrective action plan to address the financial weaknesses of the district or school. A corrective action plan must identify the specific areas of financial weaknesses, such as financial weaknesses in transportation, curriculum, or teacher development, and include strategies for improvement.

Explanation: The change is necessary to conform to financial accountability rating references.

(12) Senate Rules 12.03(1) and (3) are suspended to permit the committee to change and add text on a matter not in disagreement in SECTION 56 of the bill, in amended Section 39.235(b), Education Code, to read as follows:

(b) Before awarding a grant under this section, the commissioner may a campus or school district to:

(1) obtain local matching funds; or

(2) meet other conditions, including developing a personal graduation plan under Section 28.0212 or 28.02121, as applicable, for each student enrolled at the campus or in a district middle, junior high, or high school.

Explanation: The change is necessary to conform to appropriately reference a high school personal graduation plan.

(13) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following text to SECTION 77 of the bill, in amended Section 130.008, Education Code, to read as follows:

(f) A student described by Subsection (a) may enroll in not more than three courses each school year offered as provided by this section.

Explanation: The change is necessary to establish a limit on the number of dual enrollment courses a student may enroll in each school year.

(14) Senate Rule 12.03(3) is suspended to permit the committee to add text on a matter which is not in disagreement by adding text in SECTIONS 78(a)(1) and (5) of the bill to read as follows:

(a) Effective September 1, 2013, the following sections of the Education Code are repealed:

(1) Sections 29.190(b), (d), and (e);

(2) Sections 39.024(b), (c), (d), (e), (f), (g), and (h);

(3) Section 39.0241(a-2);

(4) Section 39.0242;

(5) Sections 39.025(a-2) and (a-3); and

(6) Section 130.008(d-1).

Explanation: The changes are necessary to repeal:

(1) Section 29.190(d), a provision granting the commissioner of education authority to adopt rules to implement the existing law; and

(2) Section 39.025(a-2), a provision relating to Algebra II and English III end-of-course assessment instruments.

(15) Senate Rules 12.03(1) and (3) are suspended to permit the committee to change and add text on a matter not in disagreement in SECTIONS 79(b) and (c) of the bill to read as follows:

(b) Students who have entered the ninth grade during or after the 2011-2012 school year and before the 2013-2014 school year may be administered only those end-of-course assessment instruments that would have been administered to those students under Section 39.025, Education Code, as amended by Section 35 of this Act, and Section 39.025, Education Code, as amended by Section 35 of this Act, is continued in effect for purposes of satisfying those end-of-course testing requirements.

(c) The commissioner of education may by rule adopt a transition plan to implement the amendments made by this Act relating to end-of-course testing requirements during the 2013-2014 and 2014-2015 school years.

Explanation: The change is necessary to provide flexibility in implementation of changes to end-of-course assessment instrument requirements.

(16) Senate Rule 12.03(1) is suspended to permit the committee to change text not in disagreement in SECTION 80 of the bill to read as follows:

SECTION 80. Not later than October 1, 2013, the commissioner of education shall adopt rules to administer Section 39.025(a-1), Education Code, as amended by this Act.

Explanation: The change is necessary to omit a reference to adopting rules to administer amended Section 39.025(a-2), Education Code, which the committee omitted.

(17) Senate Rule 12.03(1) is suspended to permit the committee to change text not in disagreement in SECTION 84 of the bill to read as follows:

SECTION 84. Except as otherwise provided by this Act:

(1) 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; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Explanation: The change is necessary to clarify the effective dates of the bill.

SR 1081 was read and was adopted by the following vote: Yeas 31, Nays 0.

REMARKS ORDERED PRINTED

On motion of Senator Patrick and by unanimous consent, the remarks regarding **SR 1081** were ordered reduced to writing and printed in the *Senate Journal* as follows:

Senator Van de Putte: Thank you, Mr. President, and thank you, Chairman Patrick. First, I really want to commend you and the entire body for the work that you've done pulling back on the high stakes nature of the end-of-course exams but also making sure that there is rigor in the curriculum. There are a few things that I wanted to get clear because in this Senate Resolution we really outline the transition that happens going from the graduation plans and the curriculum that is currently in place to what we have envisioned. So, I want to just ask a few questions, just to make sure that we understand this. Regarding the class of 2015, so it's this year's sophomore class, even though the districts are not required to implement the foundation endorsement diplomas until 2014 and 15, those that are able may do so now, and if they do, then this class of 2015 may go ahead next year and take the classes consistent with the new diploma plan and endorsements?

Senator Patrick: Yes.

Senator Van de Putte: And for students in the class of 2015 who took Algebra I before an end-of-course exam was available, these are, we had some eighth graders that took Algebra I before the EOC was available.

Senator Patrick: Sure.

Senator Van de Putte: And they have already taken Geometry and, in fact, they've already taken Algebra II EOCs this year and passed. Would they need to go back and take Algebra I end-of-

Senator Patrick: No.

Senator Van de Putte: -course exams? That's great for those eighth graders that wanted to start early.

Senator Patrick: Correct.

Senator Van de Putte: And since House Bill 5 is modifying the English end-of-course exam so that one assessment will include both the reading and the writing as a single exam, will the students who have failed only the writing exam currently have to retake the, an EOC, the writing test?

Senator Patrick: No, it is the legislative intent, and I will ask to have our remarks recorded to the Journal as we conclude, that is not the intent and the intent of the Legislature is for the commissioner to grant a waiver.

Senator Van de Putte: Thank you very much, Chairman Patrick. I know that we have had many parents that have children in this transition-

Senator Patrick: Yes.

Senator Van de Putte: -and they are so worried that they will be caught in something and it would be an unintended consequence.

Senator Patrick: Yes.

Senator Van de Putte: I think in your timing and with the, certainly with the commissioner, we're able to quell any fears that they have that these sets of students would be required to do more than what we are requiring under this new plan. Thank you-

Senator Patrick: Right.

Senator Van de Putte: -very much.

Senator Patrick: Thank you.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 5 ADOPTED

Senator Patrick called from the President's table the Conference Committee Report on **HB 5**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Patrick, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

REMARKS ORDERED PRINTED

On motion of Senator Patrick and by unanimous consent, the remarks by Senator Lucio regarding **HB 5** were ordered reduced to writing and printed in the *Senate Journal* as follows:

Thank you, Mr. President. Members, in the last 26 years, I need to say that of all the public education bills that I have seen go before the body in the House and Senate, this is truly one of the most important ones that I have had a chance to work with, and in this case, directly with our Chairman, having a bird's eye view of his actions and his leadership on this important committee. But I rise to support the Senate passage of House Bill 5, to congratulate the Members of the conference committee, to congratulate the Members of the public education committee, Senator Van de Putte, West, Duncan, Seliger, Campbell, Taylor, Paxton, the Chairman, and myself. It's been a pleasure working with all of you on this particular bill, especially. When we as a Legislature first instituted the current high school testing regime several years ago, we did so with the best intentions. We wanted to ensure that students left Texas public high schools fully equipped to enter postsecondary education. Texas has not stepped back from that commitment. However, we needed, this session, to take a hard look at whether we were honoring that commitment under a current testing regime. I was privileged to serve as Vice-chairman of the Senate Committee on Education this session and in committee we heard from parents, students, and teachers from across the state about the effect our high stakes testing regime had had on students. It was quite an experience. We heard from teachers that teaching to an exam interferes with their lesson planning. We heard from thousands of students unable to pass one or more end-of-course exams and putting their dreams of graduating and going to college at risk. Even for those that passed all exams, we heard about students having their chances at getting into the college of their choice hampered by the requirement that an end-of-course exam count as 15 percent of their final grade. And we heard about students fearing the exams and dreading going to school. Taken together, we couldn't help but conclude the elements of our current regime were putting unnecessary obstacles in the way of our students achieving their goals of going to college. Surely, something needed to be done. For these reasons, I was proud to sign on as a joint author to Senate Bill 3 and Senate Bill 1724, this Chamber's bills to revamp our testing and graduating plan requirements. I'm happy to see that elements of these bills have made it into House Bill 5. I was then, and I am now, convinced that we are not retreating from the academic rigor, but instead we are forging a plan that will ensure our students are college and career ready, while also not overburdening our teachers with teaching into a high stakes test in almost every core subject. It was already laid out by Chairman Patrick, Members, under this plan, students would take an end-of-course exams in critical subjects, Algebra I, English I and II, Biology, and U.S. History. School districts can additionally choose to use Algebra II and English III. I thank the Members of the Chamber and the Members of the

House for standing firm on keeping down the number of high stakes tests. I also want to thank Lieutenant Governor David Dewhurst for supporting a reduction in testing. This decision took real courage, Members. All session we heard from dissenting voices that said, quote, If we don't a high stakes test, students won't learn the material and teachers won't teach it. I disagree. I have more faith in our Texas teachers than that. We, as a Legislature, set high curriculum standards. Under this bill, we set high standards in our course requirements for high school graduation. Students must still choose a degree plan which includes four courses in English language arts, four math, and four science, as well as two foreign languages. Under the bill, students have greater options when it comes to taking advance math and science courses. As many of you know, I have for years been an advocate for effective counseling in Texas public schools. I appreciate that this bill requires graduation planning, and, even more importantly, this bill requires graduation, requires that students by default are put into a graduation plan that will put them on the path toward postsecondary education. The series of endorsements students may take under House Bill 5 gives students greater ownership over their own academic career and lets them choose their own path toward postsecondary education or the workforce. At the end of the day, Mr. President and Members, I believe the goal of the Legislature should be to ensure that every child in Texas has the resources they need to get the best education available and forge their own path in life. Certainly, no bill is perfect, but I think House Bill 5 serves to achieve this goal. For this reason, I congratulate Chairman Patrick, the Members of the conference committee for their hard work, and join them in supporting this bill. Thank you very much for this opportunity, and I hope that we can continue to make a difference to the children of our state in the years to come. Thank you, Senator.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Sunday, May 26, 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 ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 5 (147 Yeas, 0 Nays, 1 Present, not voting)

HB 6 (143 Yeas, 4 Nays, 1 Present, not voting)

HB 3447 (114 Yeas, 26 Nays, 6 Present, not voting)

HB 3569 (147 Yeas, 0 Nays, 1 Present, not voting)

HB 3648 (146 Yeas, 0 Nays, 1 Present, not voting)

HB 3793 (113 Yeas, 26 Nays, 2 Present, not voting)

SB 2 (105 Yeas, 41 Nays, 1 Present, not voting)

SB 1596 (147 Yeas, 1 Nays, 1 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

SENATE CONCURRENT RESOLUTION 42

The President laid before the Senate the following resolution:

WHEREAS, Senate Bill No. 217 has been adopted by the senate and the house of representatives; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the senate be instructed to make the following corrections:

(1) In SECTION 12 of the bill, in amended Section 659.148(b), Government Code, between "campaign expenses" and "to the participating", insert "in an amount authorized by the state policy committee".

(2) In SECTION 12 of the bill, in added Section 659.148(b-1), Government Code, between "necessary fee" and "in the same manner", insert "in an amount authorized by the state policy committee".

(3) In SECTION 12 of the bill, in amended Section 659.148(c), Government Code, strike "unless the state policy committee approves a higher amount to accommodate reasonable documented costs" and substitute "~~unless the state policy committee approves a higher amount to accommodate reasonable documented costs~~".

PATRICK

SCR 42 was read.

On motion of Senator Patrick, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

SENATE RULE 12.09(a) SUSPENDED (Printing and Notice of Conference Committee Reports)

Senator Hegar again moved to suspend Senate Rule 12.09(a) as it relates to the Conference Committee Report on **HB 500**.

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, Uresti, Van de Putte, West, Whitmire, Williams, Zaffirini.

Nays: Ellis, Garcia, Rodríguez, Watson.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 500 ADOPTED**

Senator Hegar called from the President's table the Conference Committee Report on **HB 500**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Hegar, the Conference Committee Report was adopted 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, Uresti, Van de Putte, West, Whitmire, Williams, Zaffirini.

Nays: Ellis, Garcia, Rodriguez, Watson.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 2836 ADOPTED**

Senator Patrick called from the President's table the Conference Committee Report on **HB 2836**. The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Patrick, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER
Austin, Texas
Sunday, May 26, 2013 - 6

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 ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 12 (143 Yeas, 0 Nays, 2 Present, not voting)

HB 29 (147 Yeas, 0 Nays, 1 Present, not voting)

HB 912 (140 Yeas, 4 Nays, 2 Present, not voting)

SB 7 (146 Yeas, 1 Nays, 1 Present, not voting)

SB 8 (105 Yeas, 38 Nays, 1 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

PERSONAL PRIVILEGE STATEMENT ORDERED PRINTED

The personal privilege statement by Senator Williams was ordered printed in the *Senate Journal* as follows:

Mr. President and Members, one of the most influential men in my life passed away this morning, and I want to share some memories of Jay Brouthers. Jay was born to a lower middle-class Jewish family in Cleveland, Ohio, 86 years ago. Jay played minor league baseball in the Cleveland Indians organization and continued his lifelong passion for sports until becoming incapacitated later in life. He joined the United States Coast Guard after graduating from high school and later graduated from Miami University, Ohio. He went on to build a remarkable business career, while also coaching high school basketball and teaching math, physics, and chemistry in Cleveland. During the 1960s civil rights era, Jay became a victim of what we would today call a hate crime when he was severely beaten by a group of youth. He ended up in the hospital for an extended stay. His injuries resulted in trauma-induced glaucoma, which would take away his eyesight later in life. Jay never uttered a harsh word or harbored an ounce of prejudice or ill will anywhere in his body. He affected the life of dozens and dozens of families as he developed one of the most successful insurance agencies in the country in a career topping 60 years. His business provided a decent, middle-class life for his employees and provided security for literally thousands of policyholders. He was friends with Ben Feldman, a prolific insurance salesman who set world-class records in the insurance business while at New York Life. Jay and Ben frequently traveled together to give motivational speeches and to talk about the integrity that one must possess to do his job well. Jay loved all sports, but he especially loved basketball and golf. While building his successful insurance company, Jay also started a sporting goods store in Cleveland that specialized in golf equipment. He married his college sweetheart, Carolyn, who later would develop a rare form of cancer. So devoted was he to Carolyn that he sold everything he had and moved to Houston where Carolyn could get treatment at MD Anderson. Eventually, she lost the battle. Our lives would intersect later when Jay married Marsha's mother, Betty. Jay became an integral and special part of our family. He loved his four sons and their families, and he loved Betty's four children and their families unconditionally. He also was known to all of the children, young and old, as Mister Santa Claus. It was a role that he relished playing. I worked with Jay for four and a half years after I left the public accounting profession. He taught me the art of salesmanship and had a big influence on my life. He was the person who recruited me into the financial services business, and we worked together until I left to start what is now Woodforest Financial Services. Jay is an example of what someone can do in this country if they set their mind to it. He had a number of successful businesses. He never let any misfortune set him back. He always made the best of any situation, and his life was an example for all of us. He was the kindest, the most generous person that I have ever known in my life.

RESOLUTIONS OF RECOGNITION

The following resolutions were adopted by the Senate:

Memorial Resolutions

SR 1086 by Davis, Birdwell, Hancock, and Nelson, In memory of Harvey Lavan "Van" Cliburn, Jr.

SR 1088 by Davis, In memory of Ruby Jo Halden.

Congratulatory Resolutions

SCR 46 by Hinojosa, Commending the City of Pharr, South Texas College, the Pharr Police Department, and the Pharr-San Juan-Alamo Independent School District for their collaborative efforts to develop the Regional Center for Public Safety Excellence.

SR 1077 by Uresti, Recognizing Berkeley Sol Capelo on the occasion of her high school graduation.

SR 1078 by Uresti, Recognizing Amanda Rios Arizpe for her achievements.

SR 1082 by Carona, Recognizing Russell Ramsland for his advocacy efforts.

SR 1083 by Carona, Recognizing Ken Emanuelson for his political activism.

SR 1087 by Davis, Recognizing the occasion of the groundbreaking at the Texas Rangers Miracle League Field in Southlake.

ADJOURNMENT

On motion of Senator Whitmire, the Senate at 10:38 p.m. adjourned, in memory of Rose Campbell Lancaster and Jay Brouthers, until 10:30 a.m. tomorrow.

APPENDIX

BILLS AND RESOLUTIONS ENROLLED

May 25, 2013

SB 59, SB 66, SB 146, SB 148, SB 1255, SR 1055, SR 1056, SR 1059, SR 1060, SR 1064, SR 1065, SR 1067, SR 1069, SR 1070, SR 1071, SR 1072

SENT TO GOVERNOR

May 26, 2013

SB 17, SB 123, SB 141, SB 209, SB 220, SB 247, SB 289, SB 351, SB 357, SB 369, SB 485, SB 495, SB 499, SB 503, SB 514, SB 553, SB 562, SB 605, SB 606, SB 628, SB 697, SB 701, SB 736, SB 893, SB 913, SB 939, SB 946, SB 948, SB 958, SB 976, SB 987, SB 1035, SB 1044, SB 1053, SB 1063, SB 1066, SB 1200, SB 1221, SB 1224, SB 1237, SB 1367, SB 1386, SB 1406, SB 1437, SB 1451,

SB 1459, SB 1475, SB 1484, SB 1542, SB 1556, SB 1567, SB 1672, SB 1705, SB 1759, SB 1769, SB 1803, SB 1812, SB 1821, SB 1832, SB 1835, SB 1838, SB 1841, SB 1846, SB 1861, SB 1864, SCR 36

SENATE JOURNAL

EIGHTY-THIRD LEGISLATURE — REGULAR SESSION

AUSTIN, TEXAS

PROCEEDINGS

SIXTY-EIGHTH DAY

(Monday, May 27, 2013)

The Senate met at 11:02 a.m. pursuant to adjournment and was called to order by the President.

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 President announced that a quorum of the Senate was present.

Pastor Bernard Buhl, One Way Baptist Church, Round Rock, offered the invocation as follows:

Dear heavenly Father, I come to Thee invoking the power of Your presence and spirit upon this 83rd Legislature session. I pray for each Senate representative that is present and ask that Your sovereign wisdom rest upon their minds and hearts and that their ears be attentive to Your godly counsel. I pray that You allow every statewide leader, both woman and man, to conduct this session with Your integrity for Your glory. I believe and trust that as Your power and presence illuminate this meeting with Your spirit, that skillfulness and godly wisdom would reign supreme. I pray that You navigate their hearts that every word, every decision, and every action will represent unity and be designed to administer positive change throughout the State of Texas. We give You thanks in advance for what will come as a result of this session, their time and their fellowship one with another. In Your holy name, I 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.

PHYSICIAN OF THE DAY

Senator Schwertner was recognized and presented Dr. Lamia Kadir of Austin as the Physician of the Day.

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

SENATE RESOLUTION 1096
(Caucus Report)

Senator Whitmire offered the following resolution:

BE IT RESOLVED BY THE SENATE OF THE STATE OF TEXAS:

SECTION 1. CAUCUS REPORT. At a caucus held on May 27, 2013, and attended by 30 members of the senate, the caucus made the recommendations for the operation of the senate contained in this resolution.

SECTION 2. EMPLOYEES. (a) The lieutenant governor may employ the employees necessary for the operation of the office of the lieutenant governor from the closing of this session and until the convening of the next session. The lieutenant governor and the secretary of the senate shall be furnished postage, telegraph, telephone, express, and all other expenses incident to their respective offices.

(b) The secretary of the senate is the chief executive administrator and shall be retained during the interval between adjournment of this session and the convening of the next session of the legislature. The secretary of the senate may employ the employees necessary for the operation of the senate and to perform duties as may be required in connection with the business of the state from the closing of this session and until the convening of the next session.

(c) Each senator may employ secretarial and other office staff for the senator's office.

(d) The chairman of the administration committee is authorized to retain a sufficient number of staff employees to conclude the work of the enrolling clerk, calendar clerk, journal clerk, and sergeant-at-arms. The administration committee shall establish the salaries for the senate staff.

SECTION 3. SENATE OFFICERS. (a) The following elected officers of the 83rd Legislature shall serve for the interval between adjournment of this session and the convening of the next session of the legislature:

- (1) Secretary of the Senate—Patsy Spaw;
- (2) Calendar Clerk—Linda Tubbs;
- (3) Doorkeeper—Austin Osborn;
- (4) Enrolling Clerk—Patience Worrel;
- (5) Journal Clerk—Polly Emerson; and
- (6) Sergeant-at-Arms—Rick DeLeon.

(b) All employees and elected officers of the senate shall operate under the direct supervision of the secretary of the senate during the interim.

(c) Officers named in this section serve at the will of the senate.

SECTION 4. DUTIES OF CHAIRMAN OF ADMINISTRATION COMMITTEE. (a) The chairman of the administration committee shall place the senate chamber in order and purchase supplies and make all necessary repairs and improvements between the adjournment of this session and the convening of the next session of the legislature.

(b) The chairman shall make an inventory of all furniture and fixtures in the senate chamber and in the private offices of the members, as well as of the supplies and equipment on hand in the purchasing and supply department and shall close the books for the Regular Session of the 83rd Legislature.

(c) The chairman shall not acquire any equipment on a rental/purchase plan unless the equipment is placed on the senate inventory at the termination of the plan.

(d) The chairman shall examine records and accounts payable out of the contingent expense fund as necessary to approve all claims and accounts against the senate, and no claim or account shall be paid without the consent and approval of the chairman.

(e) The chairman and any member of the administration committee shall be entitled to receive actual and necessary expenses incurred during the interim.

(f) In addition to the duties of the administration committee expressly imposed by this resolution, the committee shall take actions necessary to ensure that the administrative operations of the senate comply with applicable law and are conducted effectively and efficiently.

SECTION 5. JOURNAL. (a) The secretary of the senate shall have 225 volumes of the Senate Journal of the Regular Session of the 83rd Legislature printed. Two hundred and twenty-five copies shall be bound in buckram and delivered to the secretary of the senate who shall forward one volume to each member of the senate, the lieutenant governor, and each member of the house of representatives on request.

(b) The printing of the journals shall be done in accordance with the provisions of this resolution under the supervision of the chairman of the administration committee. The chairman shall refuse to receive or receipt for the journals until corrected and published in accordance with the preexisting law as finally approved by the chairman of the administration committee. When the accounts have been certified by the chairman of the administration committee, the accounts shall be paid out of the contingent expense fund of the 83rd Legislature.

SECTION 6. PAYMENT OF SALARIES AND EXPENSES. (a) Salaries and expenses authorized by this resolution shall be paid out of the per diem and contingent expense fund of the 83rd Legislature as provided by this section.

(b) The senate shall request the comptroller of public accounts to issue general revenue warrants for:

(1) payment of the employees of the lieutenant governor's office, the lieutenant governor, members of the senate, employees of the senate committees, and employees of the senate, except as provided by Subchapter H, Chapter 660, Government Code, upon presentation of the payroll account signed by the chairman of the administration committee and the secretary of the senate; and

(2) the payment of materials, supplies, and expenses of the senate, including travel expenses for members and employees, upon vouchers signed by the chairman of the administration committee and the secretary of the senate.

SECTION 7. EXPENSE REIMBURSEMENT AND PER DIEM. (a) In furtherance of the legislative duties and responsibilities of the senate, the administration committee shall charge to the individual member's office budget:

(1) the reimbursement of all actual expenses incurred by the members when traveling in performance of legislative duties and responsibilities or incident to those duties; and

(2) the payment of all other reasonable and necessary expenses for the operation of the office of the individual senator during any period the legislature is not in session. Expenditures for these services by the administration committee are authorized as an expense of the senate and shall not be restricted to Austin but may be incurred in individual senatorial districts. Such expenses shall be paid from funds appropriated for the use of the senate on vouchers approved by the chairman of the administration committee and the secretary of the senate in accordance with regulations governing such expenditures.

(b) Each senator shall be permitted a payroll of \$38,000 per month to employ secretarial and other office staff and for intrastate travel expenses for staff employees. This payroll amount accrues on the first day of the month and may not be expended prior to the month in which it accrues, but any unexpended portion for a month may be carried forward from month to month until the end of the fiscal year. An unexpended amount remaining at the end of each fiscal year, not to exceed \$10,000, may be carried forward to the next fiscal year. Other expenses, including travel expenses or other reasonable and necessary expenses incurred in the furtherance and performance of legislative duties or in operation of the member's office or incident thereto, shall be provided in addition to the maximum salary authorized.

(c) The secretary of the senate may order reimbursement for legislative expenses consistent with this resolution and the establishment by the Texas Ethics Commission of per diem rates.

(d) Any member of the senate and the lieutenant governor are eligible to receive such reimbursement on application of the member or the lieutenant governor to the secretary of the senate.

(e) On the application of a member of the senate or the lieutenant governor, the applicant shall be entitled to reimbursement for legislative expenses for each legislative day.

(f) For purposes of this section, a legislative day includes each day of a regular or special session of the legislature, including any day the legislature is not in session for a period of four consecutive days or less, and all days the legislature is not in session if the senator or lieutenant governor attends a meeting of a joint, special, or legislative committee as evidenced by the official record of the body, and each day, limited to 12 days per month for non-chairs or 16 days per month for chairs and the lieutenant governor, the senator or the lieutenant governor, including those living within a 50-mile radius, is otherwise engaged in legislative business as evidenced by claims submitted to the chairman of the administration committee.

SECTION 8. MEMBER'S EMPLOYEE LEAVE POLICY. (a) An employee of a senator accrues vacation leave, compensatory leave, or sick leave in accordance with policies adopted by the senator consistent with the requirements of this section.

(b) An employee may accrue vacation leave, compensatory leave, or sick leave only if the employee files a monthly time record with the senate human resources office. Time records are due not later than the 10th day of the following month.

(c) Compensatory time must be used not later than the last day of the 12th month following the month in which the time was accrued.

(d) An employee is not entitled to compensation for accrued but unused compensatory time.

SECTION 9. DESIGNATION FOR ATTENDANCE AT MEETINGS AND FUNCTIONS. (a) The lieutenant governor may appoint any member of the senate, the secretary of the senate, or any other senate employee to attend meetings of the National Conference of State Legislatures and other similar meetings. Necessary and actual expenses are authorized upon the approval of the chairman of the administration committee and the secretary of the senate.

(b) The lieutenant governor may designate a member of the senate to represent the senate at ceremonies and ceremonial functions. The necessary expenses of the senator and necessary staff for this purpose shall be paid pursuant to a budget approved by the administration committee.

SECTION 10. MEETINGS DURING INTERIM. (a) Each of the standing committees and subcommittees of the senate of the 83rd Legislature may continue to meet at such times and places during the interim as determined by such committees and subcommittees and to hold hearings, recommend legislation, and perform research on matters directed either by resolution, the lieutenant governor, or as determined by majority vote of each committee.

(b) Each continuing committee and subcommittee shall continue to function under the rules adopted during the legislative session where applicable.

(c) Expenses for the operation of these committees and subcommittees shall be paid pursuant to a budget prepared by each committee and approved by the administration committee.

(d) The operating expenses of these committees shall be paid from the contingent expense fund of the senate, and committee members shall be reimbursed for their actual expenses incurred in carrying out the duties of the committees.

SECTION 11. SENATE OFFICES. Members not returning for the 84th Legislature shall vacate their senate offices by December 1, 2014.

SECTION 12. FURNISHING OF INFORMATION BY SENATE EMPLOYEE. An employee of the senate may not furnish any information to any person, firm, or corporation other than general information pertaining to the senate and routinely furnished to the public.

SECTION 13. OUTSIDE EMPLOYMENT. An employee of the senate may not be employed by and receive compensation from any other person, firm, or corporation during the employee's senate employment without the permission of the employee's senate employer.

SECTION 14. REMOVAL OF SENATE PROPERTY. The secretary of the senate is specifically directed not to permit the removal of any of the property of the senate from the senate chamber or the rooms of the senate except as authorized by the chairman of the administration committee.

SR 1096 was read and was adopted by the following vote: Yeas 31, Nays 0.

ELECTION OF PRESIDENT PRO TEMPORE AD INTERIM EIGHTY-THIRD LEGISLATURE

The President announced that the time had arrived for the election of President Pro Tempore Ad Interim of the 83rd Legislature.

Senator Whitmire placed in nomination the name of Senator Craig Estes for the office of President Pro Tempore Ad Interim of the 83rd Legislature.

On motion of Senator Ellis and by unanimous consent, the nominating speech by Senator Whitmire and the remarks made to second the nomination were ordered reduced to writing and printed in the *Senate Journal* as follows:

President: Members, the next order of business is the election of the President Pro Tempore. Chair recognizes Senator Whitmire.

Senator Whitmire: Thank you, Mr. President and Members and guests. Senator Estes has asked me to place his name in nomination as President Pro Tempore of the State Senate for the period in which we leave today and for the important matters of whether it be a special or the management of the state in the absence of the Governor and Lieutenant Governor, being out of the state. We want to, on behalf of all Senators, welcome his wife, Jennifer, his three children, Abby, Andrew, and Mark, and their grandchildren, which I'm certain we'll hear more description of by Senator Estes later this morning. I rise, Members, very aware that today is Memorial Day where we honor our fallen heroes of our Armed Services, the men and women who have given the ultimate sacrifice to our country so that we can have this process today. And as we recognize one of our colleagues with a very special recognition, I would like to, Craig, recognize you for two facets, for being our colleague. Obviously, I will get to your legislative accomplishments, your protection of property rights, and other legislative matters, but, Members, I want to make this nomination in the context of 31 Senators having what I believe, in my 30 years of service in this body, is the best environment, the most respectful working relationship of any session I've seen in 30 years. It hasn't always been as respectful as we enjoy today. In years past, Senator Nelson, there have been bullies that we had to deal with. I could name them. In years past, as a freshman, I was expected to be seen and not heard. And if you stood up to introduce a bill, senior Members would point out that you had not fully considered your entire bill. They would ask you for a line on a distant page. Those days are long gone. As I said, this is as good a climate of respect and accomplishment of any in my 30 years of service. Many reasons I could describe, as been pointed out previously, we have excellent freshmen Members that their chemistry, experience, and knowledge has blended in with all of us. I would suggest the two-thirds rule has required us to keep working and talking and building consensus. Senator Patrick, your accomplishments with charter schools, testing, would not have been possible but for that rule. And I could give other examples. But as I recognize our colleague and place his name in nomination, Craig, you are right up at the top of one of the elements and the reasons why we do so well and respect each other so much, why we are truly a family. If someone was to tell me they heard Craig Estes raise his voice in a committee room or in a back meeting, I wouldn't believe it. Craig sets the tone. He regularly comes by my desk and says, Senator so-and-so is not having a good day. He regularly tries to

make each and every one of us be a better Senator and better represent our district. He is a gentleman. He is a colleague. He regularly invokes his faith when we are in deliberations and we hit an impasse. I cannot more state how I want Craig Estes to be recognized, not only for his legislation and his statutes but what he does for this legislative body. We are all better Senators, we are better people because of Craig Estes. You know what I'm talking about. He knows what I'm talking about. He brings us together, he sets the example. I literally look forward, Senator Carona, to go in to Business and Commerce, because every Tuesday morning I get to start my day sitting next to Craig. He will share his concerns about this body, about me, about the committee, and we all benefit from that. And, in fact, as I move into his legislative accomplishments, he is a part of all of our legislation that becomes law, because he helps us have such a good environment to work. He regularly gets us together to share our faith. He lives his Senate service, recognizing, honoring his God, his family, his country. He makes us a better body. He also has shown leadership. Let me digress for a moment, one of the pleasures of being the Dean of the Senate is, I have had the honor and the pleasure of watching each and every one of you get here. I recall when Craig got here in 2001. He was elected in a special election. He got here, he has developed into an outstanding Senator, a Chairman of Agriculture and Homeland Security during a most challenging time for our state and our country in terms of security. I can remember session before last, he passed legislation protecting property rights to control the abuses of eminent domain. That was a challenge that he met and accomplished, almost got the Houston port commission out of the eminent domain business. And he was a very tough adversary, along with Senator Duncan. He is an outstanding protector of the Second Amendment, as we all are. He is very effective in his committee. Senators, I could go on and on describing the legislative accomplishments. I could talk about how this man never lets us forget who we represent, how we got here, what our purpose is. Craig, I'm honored that you would allow me to publicly call you a colleague, a friend, and to let you know that your service has made me a better Senator and probably more importantly, a better person. You have allowed me to learn about my faith through your leadership and your mentoring, as you have so many other Senators. Members, it is a great honor to yield the floor but to not only recognize Craig Estes as an outstanding Senator but an outstanding human being, who actually on a daily basis makes this Senate a more collegiate, a more outstanding body of lawmakers working together for the common good. And I hope we will continue to look to Senator Estes for leadership in that regard. When we get into a stalemate or controversy, Craig can show us the pathway to building a consensus. Thank you, Mr. President.

President: Dean, thank you, I think all of us agree. Chair recognizes Senator Fraser to second the nomination.

Senator Fraser: Thank you, Mr. President. Members, I am both pleased and extremely honored to rise to second the nomination of my extremely good friend, Craig Estes, for President Pro Tempore of the Texas Senate. Craig, as we know, was elected in a special election in 2001, and since then he's continued to make a lasting impression on every Member of the body that has served with him. As a former Rotarian, Craig embodies the Rotarian motto of service above self but actually takes a step further. With those of you that are Rotarians, you know that Rotarians live by

what we call the Rotarians' four-way test. And at the start of every meeting, you stand up and you quote the four-way test. Is it the truth? Is it fair to all concerned? Will it build goodwill and better friendships? And will it be beneficial to all concerned? Craig Estes embodies the four-way test, and I have to say as a former Rotarian, as a young businessman come to the Legislature, that must have made a big impression on your life, because if I was describing the way you govern, that would be, I think, the way that I would describe Craig Estes. Any time we have a crisis, those of you that have been here for a while, things get a little testy. We end up going back trying to work it out, things will get a little off-center, and Craig is always the first one to stand up and say, Guys, can't we just get along? You know, we are in this together. And I don't know how many times I've heard you say that statement that He is the ultimate peacemaker among us. I remember very clearly my first conversation with Craig Estes. I had heard about this businessman from Wichita Falls. I knew that he was in the agricultural business, so it was going to be a good agriculture vote. I'd heard that he was likely to be a strong conservative, and so I called him, picked up the phone, called. We exchanged some words, I was asking a few questions about himself, and 30 seconds into the conversation, he asked me for money. He said, Senator, I know you got a lot of money in your campaign account, I'd really appreciate it if you write me a good check. I said at that point I knew he was likely to get elected. This guy understood the drill, and that first conversation, but I also recognized at that point that we had a lot in common. We are both business people. We, there was going to have a loyalty to the agriculture community because where we are from. We had married way over our head and had a wonderful wife. We both had three children, one of which children, both of us have an Andrew. Today, Craig has four grandchildren, one girl, three boys, exactly the same as us, has one in the oven, a girl on the way, same as us. So, it's not uncommon or it's not unusual that you and I would've chosen through our most entire career, that we have sat next to each other on the Senate floor. In Business and Commerce, you served because I chaired that. You're my Vice-chair of Natural Resources, sitting beside me. Craig Estes has been a friend, an ally, a true conservative. I've watched him vote for his whole time here. And those 811,000 people that he represents, he has done a wonderful job voting the interest of the people in his district. Craig has a lot of legislation that he can be proud of. But, I think, probably the first, the thing that you'd be most proud of is legislation which, I think, was Senate Bill 18, landmark legislation last year that was to address eminent domain and the personal property rights legislation. I watched you shepherd that through, and even today the impact of that still ripples through the Legislature. Craig, outside the Legislature, he, all of you see him here, sitting here, but outside, you don't realize that he is an avid outdoorsman. He was a mountain climber prior to, in a prior life, I guess, before coming to the Legislature. He told me he could snow ski. I challenged him on that, and the big guy can snow ski. He can get down the mountain. He is a world-class fly fisherman. You think that's stretching? The other thing I think a lot of you all recognize, you probably wouldn't realize it unless you've sat next to him in a committee for years, but Craig Estes is a world-class doodler. Little did he realize that in my committee as he was sitting or listening, that he's always doodling, I would pick up his doodles. This one is particularly good. I believe this is the day we were doing the shark fin legislation. This was his doodle that day. This one, I'm not

sure what that one was. And this one, I think he may have been troubled the day that he did this one, that he, every day as he sits there, he continues to do it. Craig, I'm extremely honored that you've allowed me to do this. And if you let me, I'll wrap up with a quote by Albert Schweitzer that maybe best described Craig. You must give some time to your fellow men, even if it's just a little thing, do something for others. All of us recognize the fact that Craig is an extremely religious person. Through your career here, you have just become the honorary chaplain of this group. And even though you are deeply religious, you don't wear it on your sleeves, but you have a way that when we have a crisis, losing another Senator, losing a parent, a friend, or even this year, losing a grandchild, you are always the one that steps forward and helps us move forward and leads us in prayer. And we both understand and respect and thank you for that. As your friend, as a fellow conservative, as a committee, working together, and as your deskmate, I am extremely honored that you would allow me to place your name in nomination for President Pro Tempore. Thank you, Craig.

President: Thank you, Senator Fraser, well said. Chair recognizes Senator Lucio to second the nomination.

Senator Lucio: Thank you, Mr. President. Members, it is my privilege to rise today and second the nomination of my dear friend, Senator Craig Estes, as President Pro Tempore. I fondly remember Senator Estes' first session, 2001, and I was very happy to help a freshman legislator support his district and hometown of Wichita Falls. It was a great session for him, and it was a wonderful opportunity for me to meet someone that I knew God wanted me to meet. Today, he is a seasoned veteran, a skilled legislator, a man of incredible faith, and I'll repeat that, because that is important to me, and I know it's important to each one of us. He is a man of incredible faith, conviction, and, most of all, a trusted friend. The Texans of District 30 have elected wisely in Senator Craig Estes, and I applaud them for the good sense to continue to send to this distinguished body a man of integrity and outstanding character. Congratulations to you, Senator. I proudly nominate you to lead our body and to do so with the providence of our Lord, the faith of Abraham, the forgiveness of Joseph, the leadership of Moses, the confidence of Joshua, the strength of Samson, the fidelity of Ruth, the courage of David, the wisdom of Solomon, the patience of Job, and, most of all, the resilience of Craig. I hope that we can continue to come together as you have always advocated, Senator, come together as one people, a body of Senators that, and look at what the needs of our great state are, and then work hard to achieve those needs. I know that God gave you a big frame of a body because He knew you were going to have a big heart. And you've shown that continuously over the last 12 years. To this, Senator, for that reason, I proudly rise to second your nomination as President Pro Tempore. And now, I want to ask God to bless you. I want to ask God to bless Texas. And I want to ask you to keep Texas great and strong. Thank you.

President: Thank you, Senator Lucio. Members, if I may, sometimes, as we are selecting our Pro, our President Pro Tempore, a number of people stand, five, 10, 15. But Senator Estes didn't want this to be about him and just asked that two people

could second it, an insight, he wants to focus on the job. Members, the question is on the election of the Senator from Wichita County, Senator Craig Estes, to the office of President Pro Tempore of the Texas Senate during the interim 83rd Legislature.

On motion of Senator Whitmire, Senator Estes was elected President Pro Tempore Ad Interim.

The President declared that the Honorable Craig Estes had been duly elected President Pro Tempore Ad Interim of the 83rd Legislature by acclamation.

The President appointed the following committee to escort Senator Estes and his family to the President's Rostrum: Senators Nelson, Zaffirini, and Patrick.

Senator Estes and his party were then escorted to the President's Rostrum by the committee.

OATH OF OFFICE ADMINISTERED

The President administered the Oath of Office to Senator Estes as follows:

I, Craig Estes, do solemnly swear, that I will faithfully execute the duties of the office of President Pro Tempore Ad Interim of the Senate of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this state, so help me God.

ADDRESS BY PRESIDENT PRO TEMPORE AD INTERIM

President Pro Tempore Ad Interim Estes addressed the Senate as follows:

Thank all of you for your kind words. Wow, it's a great feeling to be up here addressing all of you after what I think has been a very successful session. It's been enjoyable and productive one, I think, and I'm proud to have had the privilege to be a part of this distinguished body. When I first got here, I didn't even know what a President Pro Tempore was, now, I'm it. A few days ago, I was reading Colonel Travis' letter from the Alamo at Senator Van de Putte's festivities for Governor for a Day. And as I got finished doing that, I went back to my office, and I just thought, what kind of mighty men were these that laid the foundations of this great state. And here we are today, we are custodians of what they bled and died to create. What an awesome responsibility we have, Senators. But, first of all, I want to thank my family, all of whom are here today except my dad and his wife, Willie Mae, and Emily and her husband, Roy, in Connecticut. So, I just want to give a shout out. Hi, Dad and Willie Mae, Emily and Roy. Maybe one of these days, I'll get home to see you and visit with you again. And to my wonderful wife, Jennifer, I would not be here without your love and support. Why, I remember your prayers years ago about me finding an exciting challenge in my line of work. And the good Lord really answered that one, didn't He? My three children, Abby, Andrew, and Mark are here in the back. And Robert and Summer, my son-in-law, my daughter-in-law, my four and a half grandchildren are here. I say one-half, because Summer is expecting. I love you all. Thanks for being here. And let me mention the Sheltons, Jennifer's sister, Lacey, my nephew, Ben. Thank you, too. I know

you, my colleagues, want to hear me opine for an hour or so on the issues of the day, but we got little ones in the back, and they might, they're going to get fidgety after a while, in fact, they probably already are. So, let me be brief. First thing I want to do is also thank my staff. In my opinion, I've got the best staff under the pink dome, starting with Noe Barrios, my chief of staff. And my staff back home is top notch also. Really want to thank y'all. You know, I've always tried to hire people that were smarter than myself, and for some reason, it's never been a problem. I don't know why. But all of you endeavor to make me look good every day, and I know that's no easy task. But I really do admire your dedication and your professionalism. When I was first sworn in back in December of 2001, I was more than a little bit nervous. I was really wondering if I had the right stuff to do this job. And I was a little bit intimidated by the incredible group of talented people who occupied this Chamber. Well, most of them have left by now, and I feel right at home with all the rest of you that remain. But seriously, I did discover that Senators do just put on their pants one leg at a time, like everyone else. And the day I was sworn in, I quoted from the Hebrew scriptures, from Micah, and it goes, To do justice and love mercy and walk humbly with your God. And I really thought I was bringing some new thinking to the body politic. But after a few years in public service, I realize that reading that scripture out of Micah was akin to reading I Corinthians 13, the love chapter, at a wedding, almost everybody seems to do it. But I still do maintain that the part of, about walking humbly, can be a real challenge for those of us in the Texas Senate. But one of the things I love about this place is that we come together most of the time for the common good of Texas. I've often wondered what makes us so much less partisan in this great deliberative body than our counterparts in Washington, D.C. We're all as passionate about our beliefs as they are, and we all more or less love our political parties. But I would suggest to you, there's three things that are different about us in the Texas Senate and, really, these three things are absurdly simple. Number one, we sit together, intermingled on the Senate floor. So, that term that you hear all the time, across the aisle, has no meaning here. Secondly, we eat lunch together. In Washington, I'm told lunchrooms are separated by party. Thirdly, we fellowship together. Now, whether it's an evening dinner out on the town, usually organized by Senator Eltife, or just getting together early on Thursday mornings in the Dean's office for a cup of coffee, you know people that sit together and eat together and fellowship together usually don't stay mad at each other for very long. And I'm convinced that we all care for each other personally and professionally. And I hope we never lose that mutual respect because it helps us to do a better job for all Texans. You know, a lot has been said in this last decade about the recent history of our state, about our huge population growth, and our impressive economic growth. I won't recite the statistics because you all know them too well. But I do just want to say that during that time period, it's been my privilege to play a small part in that. And I also want to acknowledge the leadership during this period of time of

Governor Perry, Lieutenant Governor Dewhurst, Speakers Craddick and Straus. If you think about it, it's been a remarkably few number of people in leadership during this time of extraordinary growth. And I know that's much to the chagrin of those who feel politically upward, upwardly mobile. But one wonders what the next 10 years will bring. Time will only tell, but I predict that our state will continue to lead the nation in job growth and economic vitality. Incidentally, I do want to take a moment to honor the men and women who have made the ultimate sacrifice for our nation, on this Memorial Day. They are the true reason we have the safety and the security to prosper. But I do want to briefly share my thoughts on a couple of public policy matters that I feel are vitally important to our future. First, we all know that we have made some great strides on water issues this session. And I will promise you I will do my best in the months ahead to convince voters to approve the constitutional amendment that will be on the ballot to draw some of the money from the state's rainy day fund to build out our water infrastructure. But being mindful of the old Chinese proverb, The journey of a thousand miles begins with the first step, let us firmly commit to building one new reservoir in this state. Just one to start out with within the next five years. Now, which one will it be? That's really a hard question. It's not easy, but let me try to offer a suggestion. This new reservoir should be the one that, first, is the most politically feasible, that in turn has the largest amount of water storage in recharge rate, and, preferably, it should be uphill from the greatest number of people, for the obvious reasons. So, I say, let's figure it out, and let's generate the political will to do it. Secondly, I was disappointed that we were not able to pass SJR 1 as it came out of the Senate this session. We all know a vote of 31 to nothing is a very strong indication of our seriousness on these three issues. So, in the future, let's find the best way to fund our transportation needs. And there's already some interesting ideas to, one or two ideas out there, already percolating. Folks, it doesn't have to be that hard. Our vibrant state will not continue to thrive without this critical investment in our transportation infrastructure. So, in conclusion, I do thank you for the incredible honor of being your President Pro Tempore. I will fulfill the duties of this high office to the best of my ability. What a great country we live in, the United States of America. What a great state we live in, Texas. What great shoulders we are standing upon, Travis, Crockett, Bowie, Houston, Whitmire, Lamar. Wait a minute. Who put that in my speech? It is my privilege to serve her people, Texas, one state, under God, one and indivisible. I want to thank you all. That's about all I have to say. See you tomorrow. God bless Texas.

VIDEO RELEASE POLICY WAIVED
(Motion In Writing)

Senator Eltife submitted the following Motion In Writing:

Mr. President:

I move that the policy governing the release of videotapes of Senate proceedings be waived in order to allow Senator Estes to have a videotape of today's session.

ELTIFE

The Motion In Writing prevailed without objection.

BILLS SIGNED

The President announced the signing of the following enrolled bills in the presence of the Senate after the captions had been read: **SB 163, HB 97.**

SENATE RULE 7.25 SUSPENDED (Limitation on Vote)

Senator Seliger moved to suspend Senate Rule 7.25 that prohibits a vote on a bill during the last 24 hours of a session in order to consider the Conference Committee Report on **HB 29.**

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

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 29 ADOPTED

Senator Seliger called from the President's table the Conference Committee Report on **HB 29.** The Conference Committee Report was filed with the Senate on Saturday, May 25, 2013.

On motion of Senator Seliger, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

RECESS

On motion of Senator Whitmire, the Senate at 11:51 a.m. recessed until 1:30 p.m. today.

AFTER RECESS

The Senate met at 1:50 p.m. and was called to order by Senator Eltife.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER
Austin, Texas
Monday, May 27, 2013 - 1
(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 PASSED THE FOLLOWING MEASURES:

HCR 198 Farney
Directing the governor of the State of Texas to posthumously award the Texas Legislative Medal of Honor to Second Lieutenant Darryn Deen Andrews.

HCR 212 Frullo
Instructing the enrolling clerk of the house to make corrections in H.B. 2268.

HCR 215 Naishtat
Instructing the enrolling clerk of the house to make corrections in H.B. No. 1741.

HCR 217 Gooden
Instructing the enrolling clerk of the house to make corrections to H.B. No. 912.

HCR 218 Flynn
Instructing the enrolling clerk of the house to make corrections in H.B. No. 12.

SCR 38 Rodríguez
Instructing the enrolling clerk of the house to make corrections in H.B. No. 2975.

SCR 39 Zaffirini
Instructing the enrolling clerk of the senate to make corrections in S.B. No. 1116.

SCR 43 Williams
Instructing the enrolling clerk of the senate to make corrections in S.J.R. No. 1.

SCR 44 Hinojosa
Instructing the enrolling clerk of the senate to make corrections to S.B. No. 8.

SCR 46 Hinojosa Sponsor: Muñoz, Jr.
Commending the City of Pharr, South Texas College, the Pharr Police Department, and the Pharr-San Juan-Alamo Independent School District for their collaborative efforts to develop the Regional Center for Public Safety Excellence.

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 500 (131 Yeas, 14 Nays, 1 Present, not voting)

HB 680 (146 Yeas, 1 Nays, 2 Present, not voting)

HB 1675 (145 Yeas, 0 Nays, 2 Present, not voting)

HB 2741 (135 Yeas, 9 Nays, 3 Present, not voting)

HB 2836 (142 Yeas, 0 Nays, 2 Present, not voting)

HB 3169 (143 Yeas, 0 Nays, 2 Present, not voting)

HB 3390 (138 Yeas, 6 Nays, 2 Present, not voting)

SB 211 (144 Yeas, 0 Nays, 3 Present, not voting)

SB 1017 (145 Yeas, 0 Nays, 2 Present, not voting)

SB 1158 (146 Yeas, 1 Nays, 2 Present, not voting)

SB 1747 (133 Yeas, 10 Nays, 2 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

**MOTION TO ADOPT
SENATE CONCURRENT RESOLUTION 47**

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Senate Bill No. 2 has been adopted by the senate and the house of representatives and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the senate be instructed to correct Senate Bill No. 2 as follows:

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

SECTION _____. 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.

(2) Strike SECTION 48 of the bill (page 46, lines 16-23), repealing provisions of the Education Code, and substitute the following appropriately numbered SECTION:

SECTION _____. The following provisions of the Education Code are repealed:

(1) Subsection (b), Section 12.1055;

(2) Subsection (b), Section 12.113; and

(3) Subsection (b), Section 12.1161.

PATRICK

SCR 47 was read.

Senator Patrick withdrew further consideration of SCR 47.

SENATE CONCURRENT RESOLUTION 48

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Senate Bill No. 1678 has been adopted by the senate and the house of representatives and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the senate be instructed to make the following correction:

Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 5A(a)(5), Chapter 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to read as follows:

(5) "Site selection organization" means:

(A) the National Football League, the National Collegiate Athletic Association, the National Basketball Association, ESPN or an affiliate, the National Hockey League, Major League Baseball, the Federation Internationale de Football Association (FIFA), the International World Games Association, the National Association for Stock Car Auto Racing (NASCAR), or the United States Olympic Committee;

(B) the national governing body of a sport that is recognized by the United States Olympic Committee, the National Thoroughbred Racing Association, Formula One Management Limited, or the Federation Internationale de l'Automobile;

(C) the Academy of Country Music;

(D) the National Cutting Horse Association; or

(E) the Republican National Committee or the Democratic National Committee.

DEUELL

SCR 48 was read.

On motion of Senator Deuell, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

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 21, SB 44, SB 59, SB 64, SB 66, SB 107, SB 126, SB 146, SB 148, SB 149, SB 176, SB 200, SB 227, SB 268, SB 320, SB 321, SB 345, SB 392, SB 396, SB 414, SB 421, SB 429, SB 454, SB 492, SB 511, SB 534, SB 549, SB 578, SB 644, SB 1214, SB 1216, SB 1226, SB 1234, SB 1265, SB 1285, SB 1289, SB 1292, SB 1317, SB 1356, SB 1365, SB 1368, SB 1388, SB 1390, SB 1398, SB 1411, SB 1419, SB 1430, SB 1512, SB 1525, SB 1536, SB 1546, SB 1599, SB 1601, SB 1606, SB 1610, SB 1620, SB 1623, SB 1630, SB 1643, SB 1702, SB 1720, SB 1729, SB 1730.

HOUSE CONCURRENT RESOLUTION 212

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, House Bill No. 2268 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to correct House Bill No. 2268, in the SECTION of the bill added by Senate Amendment No. 1 by Carona, in amended Subsection (b), Section 4, Article 18.21, Code of Criminal Procedure, by striking "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;" and substituting the following:
only electronic customer data that is information revealing the identity of customers of the applicable service or information about a customer's use of the applicable service,

WATSON

HCR 212 was read.

On motion of Senator Watson, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

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 646, SB 652, SB 656, SB 692, SB 700, SB 709, SB 745, SB 839, SB 841, SB 872, SB 894, SB 918, SB 950, SB 971, SB 993, SB 997, SB 1023, SB 1031, SB 1058, SB 1090, SB 1106, SB 1150, SB 1159, SB 1192, SB 1210, HB 232, HB 315, HB 431, HB 585, HB 866, HB 894, HB 1050, HB 1090, HB 1193, HB 1206, HB 1357, HB 1366, HB 1372, HB 1678, HB 1726, HB 1790, HB 1803, HB 1847, HB 2000, HB 2080, HB 2388, HB 2550, HB 2562, HB 2612, HB 2825, HB 2859, HB 2912, HB 2978, HB 3103, HB 3188 (signed subject to Sec. 49-a, Art. III, Texas Constitution), **HB 3357, HB 3433, HB 3511, HB 3556.**

HOUSE CONCURRENT RESOLUTION 215

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, House Bill No. 1741 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to correct House Bill No. 1741 by striking SECTION 2 of the bill and renumbering subsequent SECTIONS of the bill as appropriate.

WEST

HCR 215 was read.

On motion of Senator West, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

HOUSE CONCURRENT RESOLUTION 218

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, House Bill No. 12 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to correct House Bill No. 12 (conference committee report) as follows:

(1) On page 2, line 10, between "agency" and "is" insert "for the purpose of a salary supplement".

(2) On page 2, line 27, strike "to identify" and substitute "to identify".

ZAFFIRINI

HCR 218 was read.

On motion of Senator Zaffirini, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

SENATE RESOLUTION 1061

Senator West offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to pay tribute to a beloved and highly regarded longtime staff member, Myrtis Evans Griffin, who is retiring after 20 years of loyal service in the office of Senator Royce West; and

WHEREAS, Myrtis Griffin joined the staff of Senator West on January 12, 1993, and she is now retiring from her position as the lead constituent caseworker in his office; in that capacity, Mrs. Griffin has long held a reputation for carrying out her duties in a flawless manner and for always demonstrating an eagerness to help constituents in whatever way possible; and

WHEREAS, She has also been noted for her cheerful disposition, her warmth, and her graciousness and for managing her responsibilities with enthusiasm and professionalism; and

WHEREAS, As the lead constituent caseworker, she has played a major role in helping to meet the needs and addressing the concerns of the people of District 23; her valuable assistance has included answering the many questions that came her way regarding governmental processes and such programs and initiatives as social security, Medicare, and Medicaid; and

WHEREAS, Prior to joining the Senate staff, Mrs. Griffin worked for Dallas County Judge Gary Weber, Congressman Martin Frost, and Representative Jerald Larry, and over the course of her lengthy career in public service, she has had an impact on numerous matters of social import; her service has involved work related to nursing home family councils, mental health programs, child support and senior citizens issues, and a variety of other social concerns and initiatives; and

WHEREAS, Active for many years in community affairs, Mrs. Griffin has served as a precinct chair and an election judge and has attended many county, state, and national conventions; she is an honorary life member of the Texas Parent-Teacher

Association and a member of the Dallas Chapter of the Coalition of Black Democrats; she is devoted to her family and has been blessed with three children and several grandchildren and great-grandchildren, and she looks forward to spending more time with them upon her retirement; and

WHEREAS, An exemplary Senate employee, Mrs. Griffin has been an invaluable team member in the office of Senator West, where her high standards and commitment to excellence have long been appreciated; she is beloved and respected by her co-workers and legislative colleagues, and her presence in the Texas Capitol will be greatly missed; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 83rd Legislature, hereby commend Myrtis Evans Griffin on her exceptional career and on her loyal service as an employee in the office of Senator Royce West and extend to her best wishes for the retirement years ahead; and, be it further

RESOLVED, That a copy of this Resolution be prepared for her as an expression of esteem from the Texas Senate.

SR 1061 was read and was adopted without objection.

GUEST PRESENTED

Senator West was recognized and introduced to the Senate Myrtis Evans Griffin, his longtime staff member.

The Senate welcomed its guest.

SENATE CONCURRENT RESOLUTION 49

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Senate Bill No. 2 has been adopted by the senate and the house of representatives and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the senate be instructed to correct Senate Bill No. 2 as follows:

Strike SECTION 48 of the bill (page 46, lines 16-23), repealing provisions of the Education Code, and substitute the following appropriately numbered SECTION:

SECTION _____. The following provisions of the Education Code are repealed:

- (1) Subsection (b), Section 12.1055;
- (2) Subsection (b), Section 12.113; and
- (3) Subsection (b), Section 12.1161.

PATRICK

SCR 49 was read.

On motion of Senator Patrick, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER
Austin, Texas
Monday, May 27, 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 211 Miller, Doug
Instructing the enrolling clerk of the house to make corrections in H.B. No. 3941.

HCR 221 Hilderbran
Instructing the enrolling clerk of the house to make corrections in H.B. No. 500.

SCR 40 Seliger
Instructing the enrolling clerk of the senate to make corrections in S.B. No. 347.

SCR 41 Deuell
Instructing the enrolling clerk of the senate to make corrections in S.B. No. 1727.

SCR 45 Uresti
Instructing the enrolling clerk of the senate to make corrections to S.B. No. 1747.

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

HOUSE CONCURRENT RESOLUTION 217

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, House Bill No. 912 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to correct House Bill No. 912, in SECTION 2 of the bill, as follows:

(1) In added Section 423.002(a), Government Code, strike "It is lawful to capture an image by an unmanned aircraft" and substitute "It is lawful to capture an image using an unmanned aircraft".

(2) In added Section 423.002(a)(4), Government Code, between "(4)" and "by", insert "if the image is captured".

(3) In added Section 423.002(a)(5), Government Code, between "(5)" and "by", insert "if the image is captured".

(4) In added Section 423.002(a)(8), Government Code, between "(8)" and "by", insert "if the image is captured".

(5) In added Section 423.002(a)(9), Government Code, between "(9)" and "by", insert "if the image is captured".

(6) In added Section 423.002(a)(13), Government Code, between "(13)" and "by", insert "if the image is captured".

(7) In added Section 423.002(a)(17), Government Code, between "(17)" and "by", insert "if the image is captured".

(8) In added Section 423.002(a)(17), Government Code, immediately following "related facilities,", strike "if the image" and substitute "and".

(9) In added Section 423.002(a)(18), Government Code, following the underlined semicolon, insert "or".

(10) In added Section 423.002(a)(19), Government Code, strike the underlined semicolon and substitute an underlined period.

(11) Strike added Section 423.008, Government Code, and substitute the following:

Sec. 423.008. REPORTING BY LAW ENFORCEMENT AGENCY. (a) Not earlier than January 1 and not later than January 15 of each odd-numbered year, each state law enforcement agency and each county or municipal law enforcement agency located in a county or municipality, as applicable, with a population greater than 150,000, that used or operated an unmanned aircraft during the preceding 24 months shall issue a written report to the governor, the lieutenant governor, and each member of the legislature and shall:

(1) retain the report for public viewing; and

(2) post the report on the law enforcement agency's publicly accessible website, if one exists.

(b) The report must include:

(1) the number of times an unmanned aircraft was used, organized by date, time, location, and the types of incidents and types of justification for the use;

(2) the number of criminal investigations aided by the use of an unmanned aircraft and a description of how the unmanned aircraft aided each investigation;

(3) the number of times an unmanned aircraft was used for a law enforcement operation other than a criminal investigation, the dates and locations of those operations, and a description of how the unmanned aircraft aided each operation;

(4) the type of information collected on an individual, residence, property, or area that was not the subject of a law enforcement operation and the frequency of the collection of this information; and

(5) the total cost of acquiring, maintaining, repairing, and operating or otherwise using each unmanned aircraft for the preceding 24 months.

ESTES

HCR 217 was read.

On motion of Senator Estes, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

(President in Chair)

SENATE RESOLUTION 1094

Senator Eltife offered the following resolution:

WHEREAS, It is with great pride that the Texas Senate honors one of its most loyal and respected staff members, Linda Tubbs, by naming her the 2013 administrative recipient of the Betty King Public Service Award; and

WHEREAS, During her long and productive tenure as a legislative employee and as an officer of the Texas Senate, Linda has exemplified the best in Senate service, and she has earned the enduring admiration and affection of the senators and her Capitol colleagues; and

WHEREAS, Linda began her Senate employment in 1993 when she became an administrative aide for Senator Florence Shapiro; she joined the Senate Calendar Clerk's office in 1994 as a bill clerk, became Assistant Calendar Clerk in 1996, and was elected to the position of Calendar Clerk in 2005; and

WHEREAS, As Calendar Clerk, Linda has been the custodian of all legislative documents awaiting action in the Senate, and she has been in charge of the accurate endorsement of all legislation that passes through the Senate in the course of the legislative process; she has also been responsible for preparing the Notice of Intent Calendar and the Senate Agenda for each legislative day; and

WHEREAS, A trusted employee who is known for her high standards and attention to detail, she has deftly handled the many responsibilities of her position, and she has a long-established reputation for carrying out her duties with dedication and proficiency; and

WHEREAS, Throughout her tenure, Linda has demonstrated remarkable composure and perseverance while facing long hours and demanding deadlines; she has distinguished herself as an effective team leader who is known for her convivial personality, as well as for her many organizational and professional strengths; and

WHEREAS, Linda is a much-cherished and highly regarded Senate staff member, and she is most deserving of her selection for the prestigious Betty King Public Service Award; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 83rd Legislature, hereby express appreciation to Linda Tubbs for her valuable contributions to the Texas Senate and extend congratulations to her on earning a 2013 Betty King Public Service Award; and, be it further

RESOLVED, That a copy of this Resolution be prepared as a tribute to Linda Tubbs.

SR 1094 was read and was adopted by a rising vote of the Senate.

GUEST PRESENTED

Senator Eltife was recognized and introduced to the Senate Linda Tubbs, Senate Calendar Clerk and 2013 administrative recipient of the Betty King Public Service Award.

The Senate welcomed its guest.

SENATE RESOLUTION 1095

Senator Eltife offered the following resolution:

WHEREAS, It is a pleasure for the Texas Senate to honor a respected and longtime staff member, Lara Wendler, by naming her the 2013 legislative recipient of the Betty King Public Service Award; and

WHEREAS, The chief of staff for Senator John Whitmire, Lara is noted for handling her wide-ranging responsibilities with the utmost professionalism; she is highly regarded by the legislators and the many Capitol staff members with whom she works, and she is an indispensable member of the senator's staff; and

WHEREAS, Lara joined the Senate in 1992 as a legislative assistant for Senator Steve Carriker and went on to serve for five years in the office of Senator Gonzalo Barrientos; she transferred to Redistricting as a policy analyst in 2000, and later that same year, she began working as a policy analyst for Senator Whitmire; and

WHEREAS, She became Senator Whitmire's chief of staff in 2005, and due to her superior organizational skills and her thorough understanding of policy issues and the legislative process, she has become an invaluable asset to the senator's office; and

WHEREAS, Lara is noted for the dedication with which she approaches her work and the enthusiasm with which she faces challenging tasks, no matter how daunting they may be; she is a team leader whose ability to maintain composure in any given situation is inspiring to all who know and work with her; and

WHEREAS, Lara Wendler is a role model for anyone in public service, and through her high standards and commitment to excellence, she exemplifies the legislature's finest traditions; she is an exceptional Senate employee who is respected for her unparalleled work ethic, and the Texas Senate takes pride in honoring her with a 2013 Betty King Public Service Award; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 83rd Legislature, hereby commend Lara Wendler for her outstanding service to the Texas Senate and extend to her congratulations on earning a 2013 Betty King Public Service Award; and, be it further

RESOLVED, That a copy of this Resolution be prepared for her as an expression of esteem from the Texas Senate.

SR 1095 was read and was adopted by a rising vote of the Senate.

GUEST PRESENTED

Senator Eltife was recognized and introduced to the Senate Lara Wendler, Chief of Staff for Senator John Whitmire and 2013 legislative recipient of the Betty King Public Service Award.

The Senate welcomed its guest.

HOUSE CONCURRENT RESOLUTION 221

The President laid before the Senate the following resolution:

WHEREAS, House Bill No. 500 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains a technical error that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to correct House Bill No. 500, in SECTION 2 of the bill, by striking added Section 171.0023(d), Tax Code, and substituting the following:

(d) A taxable entity may elect to compute the tax at the rate provided by Subsection (a) or (b), as applicable, on a report specified by Subsection (c) only if the comptroller certifies, on or after September 1, 2014, that probable revenue for the state fiscal biennium ending August 31, 2015, is estimated to exceed probable revenue as stated in the comptroller's Biennial Revenue Estimate for the 2014-2015 fiscal biennium, as adjusted for estimates of revenue and disbursements associated with legislation enacted by the 83rd Legislature, including any contingent appropriations certified before September 1, 2014, by an amount sufficient to offset the loss in probable revenue that will result if taxable entities elect to compute the tax at the rates provided by Subsections (a) and (b). If the comptroller does not make the certification described by this subsection, a taxable entity may not elect to pay the tax at the rate provided by Subsection (a) or (b) and shall pay the tax at the rates provided by Section 171.002.

HEGAR

HCR 221 was read.

On motion of Senator Hegar, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

HOUSE CONCURRENT RESOLUTION 211

The President laid before the Senate the following resolution:

WHEREAS, House Bill No. 3941 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED, by the 83rd Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to correct the enrolled version of House Bill No. 3941 as follows:

- (1) On page 29, line 19, strike "East" and substitute "West".
- (2) On page 29, line 22, strike "East" and substitute "West".

CAMPBELL

HCR 211 was read.

On motion of Senator Campbell, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

RECESS

On motion of Senator Whitmire, the Senate at 2:48 p.m. recessed until 3:00 p.m. today.

AFTER RECESS

The Senate met at 3:38 p.m. and was called to order by Senator Eltife.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Monday, May 27, 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:

HCR 222 Patrick, Diane

Instructing the enrolling clerk of the senate to make corrections in S.B. No. 1159.

SCR 42 Patrick

Instructing the enrolling clerk of the senate to make corrections to S.B. No. 217.

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

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 58, SB 213, SB 270, SB 281, SB 358, SB 359, SB 460, SB 484, SB 690, SB 901, SB 910, SB 949, SB 1003, SB 1173, SB 1373, SB 1458, SB 1681, SB 1773, SB 1795, SB 1853, SB 1871, SB 1877, SB 1906, SB 1907, SB 1908, SB 1910, SB 1914, SB 1916, SB 1921, HB 6, HB 7 (signed subject to Sec. 49-a, Art. III, Texas Constitution), **HB 194, HB 396, HB 429, HB 489, HB 586, HB 630, HB 680, HB 752, HB 773, HB 870, HB 1534, HB 1675, HB 1768, HB 1897, HB 1926, HB 1951, HB 2012, HB 2152, HB 2305, HB 2741, HB 2818, HB 2935, HB 2982, HB 3093, HB 3106, HB 3142, HB 3153, HB 3169, HB 3361, HB 3390, HB 3447, HB 3459, HB 3520, HB 3569, HB 3572, HB 3648, HB 3903.**

HOUSE CONCURRENT RESOLUTION 222

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Senate Bill No. 1159 has been adopted by the senate and the house of representatives and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the senate be instructed to make the following correction:

Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. This Act shall be known as Andrew's Law.

VAN DE PUTTTE

HCR 222 was read.

On motion of Senator Van de Putte, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER
Austin, Texas
Monday, May 27, 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:

HCR 219 Muñoz, Jr.

Commending the City of Pharr, South Texas College, the Pharr Police Department, and the Pharr-San Juan-Alamo Independent School District for collaborative efforts to develop the Regional Center for Public Safety Excellence.

HCR 223 Coleman

Instructing the enrolling clerk of the house to make corrections in H.B. No. 3793.

SCR 49 Patrick

Instructing the enrolling clerk of the senate to make corrections to S.B. No. 2.

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

(President in Chair)

BILL SIGNED

The President announced the signing of the following enrolled bill in the presence of the Senate after the caption had been read: **HB 1025** (signed subject to Sec. 49-a, Art. III, Texas Constitution).

HOUSE CONCURRENT RESOLUTION 223

The President laid before the Senate the following resolution:

WHEREAS, House Bill No. 3793 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to correct House Bill No. 3793, in the SECTION of the bill that adds Section 533.051, Health and Safety Code, by inserting a new Subdivision (8) to Section 533.051(c) to read as follows and renumbering subdivisions accordingly:

(8) two representatives designated by the Texas Hospital Association, including one representative who is a physician;

HINOJOSA

HCR 223 was read.

On motion of Senator Hinojosa, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

SENATE RESOLUTIONS

Senator Zaffirini offered the following resolution:

SR 1097, In memory of Rex Neal Van de Putte.

ZAFFIRINI
WHITMIRE

The resolution was read.

Senator Nelson offered the following resolution:

SR 1098, In memory of Remarcus Larry West.

NELSON
WHITMIRE

The resolution was read.

Senator Eltife offered the following resolution:

SR 1099, In memory of Gregory Steven Spaw.

ELTIFE
WHITMIRE

The resolution was read.

On motion of Senator Whitmire and by unanimous consent, the names of the Lieutenant Governor and Senators were added to the resolutions as signers thereof.

On motion of Senator Whitmire, **SR 1097**, **SR 1098**, and **SR 1099** were adopted by a rising vote of the Senate.

In honor of the memory of Rex Neal Van de Putte, Remarcus Larry West, and Gregory Steven Spaw, the resolutions are printed at the end of today's *Senate Journal*.

AT EASE

The President at 4:49 p.m. announced the Senate would stand At Ease subject to the call of the Chair.

IN LEGISLATIVE SESSION

The President at 5:04 p.m. called the Senate to order as In Legislative Session.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Monday, May 27, 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:

HCR 224 Aycock

Instructing the enrolling clerk of the house of representatives to make corrections in H.B. No. 5.

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:

SB 1 (signed subject to Sec. 49-a, Art. III, Texas Constitution), **SB 7**, **SB 215**, **SB 219**, **SB 347**, **SB 1596**, **SJR 1**, **SB 2**, **SB 8**, **SB 211**, **SB 217**, **SB 1017**, **SB 1116**, **SB 1158**, **SB 1678**, **SB 1727**, **SB 1747**, **SCR 38**, **SCR 39**, **SCR 40**, **SCR 41**, **SCR 42**, **SCR 43**, **SCR 44**, **SCR 45**, **SCR 46**, **SCR 49**.

HOUSE CONCURRENT RESOLUTION 224

The President laid before the Senate the following resolution:

House Bill No. 5 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 83rd Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to correct House Bill No. 5 as follows:

(1) In SECTION 16 of the bill, in amended Section 28.025(c-3), Education Code, strike "(c-2)(1)(B)" and substitute "(c-2)(1)(B)(ii)".

(2) In SECTION 77 of the bill, strike added Section 130.008(f) and substitute the following:

(f) Except as provided by this section, a student may not enroll in more than three courses under this section at a junior college if the junior college does not have a service area that includes the student's high school. A student enrolled at an early college high school may enroll in a greater number of courses to the extent approved by the commissioner of education.

PATRICK

HCR 224 was read.

On motion of Senator Patrick, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

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 5, HB 12, HB 29, HB 500, HB 912, HB 1741, HB 2268, HB 2836, HB 2975, HB 3509, HB 3605, HB 3793, HCR 198, HCR 212, HCR 215, HCR 217, HCR 218, HCR 219, HCR 221, HCR 222, HCR 223, HCR 224.

SPECIAL COMMITTEE APPOINTED

The President announced the appointment of the following committee:

REDISTRICTING, SELECT

Seliger, Chair; Uresti, Vice-chair; Carona, Duncan, Eltife, Estes, Fraser, Garcia, Hinojosa, Huffman, Lucio, Patrick, West, Williams, Zaffirini.

MOTION TO ADJOURN SINE DIE

On motion of Senator Whitmire, the Senate of the 83rd Legislature, Regular Session, at 5:17 p.m. agreed to adjourn sine die, in memory of Rex Neal Van de Putte, Remarcus Larry West, Gregory Steven Spaw, and the men and women who have served in the U.S. Armed Forces and given the ultimate sacrifice, pending the completion of administrative duties and the receipt of Messages from the House.

CO-SPONSOR OF HOUSE CONCURRENT RESOLUTION 219

On motion of Senator Lucio, Senator Hinojosa will be shown as Co-sponsor of **HCR 219**.

RESOLUTIONS OF RECOGNITION

The following resolutions were adopted by the Senate:

Memorial Resolution

SR 1101 by Paxton, In memory of Elizabeth Ojerholm Roberts.

Congratulatory Resolutions

SR 1100 by Hinojosa and Lucio, Recognizing Guadalupe Treviño for his public service.

HCR 219 (Lucio), Commending the City of Pharr, South Texas College, the Pharr Police Department, and the Pharr-San Juan-Alamo Independent School District for collaborative efforts to develop the Regional Center for Public Safety Excellence.

Official Designation Resolution

SR 378 by West, Recognizing March 6, 2013, as Cedar Hill Day.

Legislative Policy Resolution

HCR 198 (Schwertner), Directing the governor of the State of Texas to posthumously award the Texas Legislative Medal of Honor to Second Lieutenant Darryn Deen Andrews.

ADJOURNMENT SINE DIE

The President announced that the hour for final adjournment of the Regular Session of the 83rd Legislature had arrived and, in accordance with a previously adopted motion, declared the Regular Session of the 83rd Legislature adjourned sine die at 5:18 p.m., in memory of Rex Neal Van de Putte, Remarcus Larry West, Gregory Steven Spaw, and the men and women who have served in the U.S. Armed Forces and given the ultimate sacrifice.

APPENDIX

BILLS AND RESOLUTIONS ENROLLED

May 26, 2013

SB 21, SB 44, SB 58, SB 64, SB 107, SB 126, SB 149, SB 163, SB 176, SB 200, SB 227, SB 268, SB 270, SB 320, SB 321, SB 345, SB 392, SB 396, SB 414, SB 421, SB 429, SB 454, SB 492, SB 511, SB 534, SB 549, SB 578, SB 644, SB 646, SB 652, SB 656, SB 692, SB 700, SB 709, SB 745, SB 839, SB 841, SB 872, SB 894, SB 918, SB 950, SB 971, SB 993, SB 997, SB 1023, SB 1031, SB 1058, SB 1090, SB 1106, SB 1150, SB 1192, SB 1210, SB 1214, SB 1216, SB 1226, SB 1234, SB 1265, SB 1285, SB 1289, SB 1292, SB 1317, SB 1356, SB 1365, SB 1368, SB 1388, SB 1390, SB 1398, SB 1411, SB 1419, SB 1430, SB 1512, SB 1525, SB 1536, SB 1546, SB 1599, SB 1601, SB 1606, SB 1610, SB 1620, SB 1623, SB 1630, SB 1643, SB 1702, SB 1720, SB 1729, SB 1730, SB 1773, SB 1795, SB 1853, SB 1871, SB 1877, SB 1906, SB 1908, SB 1910, SB 1914, SB 1916, SB 1921, SR 1063, SR 1066, SR 1068, SR 1073, SR 1074, SR 1075, SR 1076, SR 1077, SR 1078, SR 1079, SR 1080, SR 1081, SR 1082, SR 1083, SR 1084, SR 1085, SR 1086, SR 1087, SR 1088, SR 1089, SR 1090, SR 1091, SR 1092, SR 1093

May 27, 2013

SB 1, SB 2, SB 7, SB 8, SB 211, SB 213, SB 215, SB 217, SB 219, SB 281, SB 347, SB 358, SB 359, SB 460, SB 484, SB 690, SB 901, SB 910, SB 949, SB 1003, SB 1017, SB 1116, SB 1158, SB 1159, SB 1173, SB 1373, SB 1458, SB 1596, SB 1678, SB 1681, SB 1727, SB 1747, SB 1907, SCR 38, SCR 39, SCR 40, SCR 41, SCR 42, SCR 43, SCR 44, SCR 45, SCR 46, SCR 49, SJR 1, SR 378,

SR 1061, SR 1094, SR 1095, SR 1096, SR 1097, SR 1098, SR 1099, SR 1100, SR 1101

SENT TO GOVERNOR

May 27, 2013

SB 39, SB 67, SB 124, SB 163, SB 168, SB 221, SB 251, SB 306, SB 316, SB 393, SB 404, SB 443, SB 453, SB 475, SB 482, SB 490, SB 497, SB 498, SB 512, SB 519, SB 555, SB 585, SB 597, SB 615, SB 624, SB 637, SB 659, SB 662, SB 680, SB 718, SB 722, SB 724, SB 725, SB 751, SB 752, SB 757, SB 763, SB 778, SB 809, SB 831, SB 832, SB 837, SB 854, SB 869, SB 906, SB 1009, SB 1029, SB 1040, SB 1074, SB 1080, SB 1083, SB 1086, SB 1098, SB 1100, SB 1145, SB 1175, SB 1195, SB 1255, SB 1256, SB 1266, SB 1268, SB 1297, SB 1313, SB 1322, SB 1376, SB 1393, SB 1394, SB 1400, SB 1404, SB 1413, SB 1457, SB 1508, SB 1533, SB 1553, SB 1557, SB 1585, SB 1590, SB 1597, SB 1604, SB 1609, SB 1635, SB 1658, SB 1771, SB 1806, SB 1810, SB 1827, SB 1833, SB 1842, SB 1863, SB 1867, SB 1873, SB 1879, SB 1891, SB 1899, SB 1913, SB 1917, SCR 27

SIGNED BY GOVERNOR

May 27, 2013

SB 163

SENT TO COMPTROLLER

May 28, 2013

SB 1

SENT TO GOVERNOR

May 28, 2013

SB 2, SB 7, SB 8, SB 21, SB 44, SB 58, SB 59, SB 64, SB 66, SB 107, SB 126, SB 146, SB 148, SB 149, SB 176, SB 200, SB 211, SB 213, SB 215, SB 217, SB 219, SB 227, SB 268, SB 270, SB 281, SB 320, SB 321, SB 345, SB 347, SB 358, SB 359, SB 392, SB 396, SB 414, SB 421, SB 429, SB 454, SB 460, SB 484, SB 492, SB 511, SB 534, SB 549, SB 578, SB 644, SB 646, SB 652, SB 656, SB 690, SB 692, SB 700, SB 709, SB 745, SB 839, SB 841, SB 872, SB 894, SB 901, SB 910, SB 918, SB 949, SB 950, SB 971, SB 993, SB 997, SB 1003, SB 1017, SB 1023, SB 1031, SB 1058, SB 1090, SB 1106, SB 1116, SB 1150, SB 1158, SB 1159, SB 1173, SB 1192, SB 1210, SB 1214, SB 1216, SB 1226, SB 1234, SB 1265, SB 1285, SB 1289, SB 1292, SB 1317, SB 1356, SB 1365, SB 1368, SB 1373, SB 1388, SB 1390, SB 1398, SB 1411, SB 1419, SB 1430, SB 1458, SB 1512, SB 1525, SB 1536, SB 1546, SB 1596, SB 1599, SB 1601, SB 1606, SB 1610, SB 1620, SB 1623, SB 1630, SB 1643, SB 1678, SB 1681, SB 1702, SB 1720, SB 1727, SB 1729, SB 1730, SB 1747, SB 1773, SB 1795, SB 1853, SB 1871, SB 1877, SB 1906, SB 1907, SB 1908, SB 1910, SB 1914, SB 1916, SB 1921, SCR 38, SCR 39, SCR 40, SCR 41, SCR 42, SCR 43, SCR 44, SCR 45, SCR 46, SCR 49

SIGNED BY GOVERNORMay 28, 2013**SB 259**May 29, 2013**SB 247****SENT TO SECRETARY OF STATE**May 30, 2013**SJR 1****SENT TO GOVERNOR**June 5, 2013**SB 1****SIGNED BY GOVERNOR**June 10, 2013**SB 441**June 14, 2013

SB 1 (line item veto), **SB 2**, **SB 7**, **SB 8**, **SB 12**, **SB 21**, **SB 24**, **SB 31**, **SB 34**, **SB 39**, **SB 44**, **SB 45**, **SB 49**, **SB 50**, **SB 58**, **SB 59**, **SB 62**, **SB 63**, **SB 64**, **SB 66**, **SB 67**, **SB 107**, **SB 109**, **SB 111**, **SB 112**, **SB 119**, **SB 122**, **SB 123**, **SB 124**, **SB 126**, **SB 127**, **SB 128**, **SB 129**, **SB 130**, **SB 131**, **SB 138**, **SB 141**, **SB 146**, **SB 147**, **SB 148**, **SB 149**, **SB 152**, **SB 164**, **SB 165**, **SB 168**, **SB 171**, **SB 172**, **SB 176**, **SB 183**, **SB 193**, **SB 194**, **SB 198**, **SB 200**, **SB 201**, **SB 204**, **SB 209**, **SB 211**, **SB 213**, **SB 215**, **SB 217**, **SB 220**, **SB 221**, **SB 222**, **SB 232**, **SB 242**, **SB 246**, **SB 251**, **SB 260**, **SB 268**, **SB 270**, **SB 273**, **SB 279**, **SB 281**, **SB 284**, **SB 286**, **SB 289**, **SB 306**, **SB 316**, **SB 320**, **SB 321**, **SB 322**, **SB 323**, **SB 324**, **SB 328**, **SB 344**, **SB 345**, **SB 347**, **SB 351**, **SB 355**, **SB 356**, **SB 357**, **SB 358**, **SB 359**, **SB 362**, **SB 369**, **SB 377**, **SB 381**, **SB 382**, **SB 383**, **SB 385**, **SB 389**, **SB 390**, **SB 391**, **SB 392**, **SB 393**, **SB 394**, **SB 395**, **SB 396**, **SB 404**, **SB 406**, **SB 409**, **SB 414**, **SB 421**, **SB 423**, **SB 426**, **SB 427**, **SB 428**, **SB 430**, **SB 435**, **SB 443**, **SB 453**, **SB 454**, **SB 460**, **SB 462**, **SB 464**, **SB 474**, **SB 475**, **SB 479**, **SB 482**, **SB 484**, **SB 485**, **SB 490**, **SB 492**, **SB 495**, **SB 497**, **SB 498**, **SB 499**, **SB 502**, **SB 503**, **SB 511**, **SB 512**, **SB 514**, **SB 515**, **SB 516**, **SB 517**, **SB 518**, **SB 519**, **SB 529**, **SB 531**, **SB 533**, **SB 534**, **SB 540**, **SB 542**, **SB 545**, **SB 546**, **SB 549**, **SB 551**, **SB 552**, **SB 553**, **SB 555**, **SB 559**, **SB 562**, **SB 563**, **SB 564**, **SB 566**, **SB 569**, **SB 578**, **SB 581**, **SB 583**, **SB 585**, **SB 597**, **SB 603**, **SB 604**, **SB 605**, **SB 606**, **SB 607**, **SB 608**, **SB 609**, **SB 615**, **SB 623**, **SB 624**, **SB 628**, **SB 630**, **SB 631**, **SB 632**, **SB 634**, **SB 637**, **SB 639**, **SB 644**, **SB 646**, **SB 652**, **SB 656**, **SB 658**, **SB 659**, **SB 660**, **SB 662**, **SB 673**, **SB 677**, **SB 679**, **SB 680**, **SB 690**, **SB 692**, **SB 697**, **SB 699**, **SB 700**, **SB 701**, **SB 702**, **SB 703**, **SB 704**, **SB 705**, **SB 706**, **SB 709**, **SB 715**, **SB 717**, **SB 718**, **SB 724**, **SB 725**, **SB 734**, **SB 736**, **SB 742**, **SB 745**, **SB 746**, **SB 747**, **SB 751**, **SB 752**, **SB 757**, **SB 758**, **SB 763**, **SB 769**, **SB 771**, **SB 772**, **SB 778**, **SB 793**, **SB 801**, **SB 804**, **SB 809**, **SB 816**,

SB 817, SB 818, SB 819, SB 825, SB 828, SB 831, SB 832, SB 833, SB 836, SB 837, SB 839, SB 841, SB 845, SB 848, SB 853, SB 854, SB 856, SB 863, SB 869, SB 872, SB 874, SB 875, SB 877, SB 886, SB 890, SB 893, SB 894, SB 895, SB 901, SB 904, SB 906, SB 910, SB 913, SB 914, SB 916, SB 918, SB 939, SB 944, SB 946, SB 948, SB 949, SB 950, SB 951, SB 958, SB 967, SB 971, SB 976, SB 978, SB 981, SB 983, SB 985, SB 987, SB 993, SB 997, SB 1003, SB 1006, SB 1008, SB 1009, SB 1010, SB 1012, SB 1017, SB 1023, SB 1029, SB 1031, SB 1033, SB 1035, SB 1040, SB 1044, SB 1053, SB 1057, SB 1058, SB 1060, SB 1061, SB 1063, SB 1064, SB 1065, SB 1066, SB 1067, SB 1068, SB 1069, SB 1071, SB 1072, SB 1073, SB 1074, SB 1075, SB 1080, SB 1083, SB 1086, SB 1090, SB 1095, SB 1096, SB 1098, SB 1099, SB 1100, SB 1106, SB 1114, SB 1116, SB 1120, SB 1125, SB 1134, SB 1142, SB 1150, SB 1151, SB 1158, SB 1159, SB 1167, SB 1173, SB 1175, SB 1185, SB 1189, SB 1192, SB 1195, SB 1200, SB 1210, SB 1214, SB 1216, SB 1221, SB 1224, SB 1226, SB 1235, SB 1237, SB 1238, SB 1240, SB 1241, SB 1251, SB 1255, SB 1256, SB 1265, SB 1266, SB 1268, SB 1282, SB 1285, SB 1289, SB 1292, SB 1297, SB 1299, SB 1312, SB 1313, SB 1317, SB 1322, SB 1356, SB 1364, SB 1365, SB 1367, SB 1368, SB 1372, SB 1373, SB 1376, SB 1386, SB 1388, SB 1390, SB 1393, SB 1394, SB 1398, SB 1400, SB 1401, SB 1404, SB 1406, SB 1411, SB 1413, SB 1415, SB 1419, SB 1422, SB 1423, SB 1425, SB 1430, SB 1432, SB 1437, SB 1451, SB 1457, SB 1458, SB 1459, SB 1461, SB 1473, SB 1474, SB 1475, SB 1476, SB 1479, SB 1480, SB 1481, SB 1484, SB 1487, SB 1508, SB 1510, SB 1512, SB 1525, SB 1531, SB 1532, SB 1533, SB 1536, SB 1541, SB 1542, SB 1546, SB 1548, SB 1553, SB 1556, SB 1557, SB 1567, SB 1584, SB 1585, SB 1590, SB 1596, SB 1597, SB 1599, SB 1601, SB 1604, SB 1609, SB 1610, SB 1620, SB 1623, SB 1630, SB 1635, SB 1643, SB 1658, SB 1662, SB 1665, SB 1672, SB 1678, SB 1681, SB 1702, SB 1705, SB 1708, SB 1719, SB 1720, SB 1727, SB 1729, SB 1730, SB 1747, SB 1756, SB 1757, SB 1759, SB 1769, SB 1771, SB 1773, SB 1792, SB 1795, SB 1803, SB 1806, SB 1812, SB 1820, SB 1821, SB 1822, SB 1823, SB 1824, SB 1827, SB 1828, SB 1829, SB 1830, SB 1831, SB 1832, SB 1833, SB 1835, SB 1836, SB 1838, SB 1840, SB 1841, SB 1842, SB 1843, SB 1845, SB 1846, SB 1847, SB 1852, SB 1853, SB 1854, SB 1855, SB 1857, SB 1861, SB 1862, SB 1863, SB 1864, SB 1868, SB 1869, SB 1870, SB 1871, SB 1872, SB 1873, SB 1876, SB 1877, SB 1878, SB 1879, SB 1884, SB 1891, SB 1892, SB 1893, SB 1899, SB 1900, SB 1901, SB 1902, SB 1903, SB 1906, SB 1907, SB 1908, SB 1910, SB 1913, SB 1914, SB 1916, SB 1917, SB 1921, SCR 1, SCR 10, SCR 12, SCR 13, SCR 17, SCR 18, SCR 20, SCR 26, SCR 27, SCR 30, SCR 36, SCR 38, SCR 39, SCR 40, SCR 41, SCR 42, SCR 43, SCR 44, SCR 45, SCR 46, SCR 49

FILED WITHOUT SIGNATURE OF GOVERNOR

June 14, 2013

SB 329, SB 691, SB 1145, SB 1810, SB 1867

VETOED BY GOVERNORJune 14, 2013**SB 1** (line item veto), **SB 15**, **SB 17**, **SB 219**, **SB 227**, **SB 429**, **SB 504**, **SB 722**, **SB 889**, **SB 1234**, **SB 1606****VETO PROCLAMATIONS**

The following Veto Proclamations by the Governor were filed in the Office of the Secretary of State:

PROCLAMATION**BY THE****GOVERNOR OF THE STATE OF TEXAS****TO ALL TO WHOM THESE PRESENTS SHALL COME:**

Senate Bill No. 1, having been duly certified by the Comptroller of Public Accounts pursuant to Article III, Section 49a of the Texas Constitution, has been presented to me for review and action. I hereby object to and disapprove the following items from Senate Bill No. 1, and include a statement of my objections to each of those items.

Article I – General GovernmentBond Review Board

3. Contingency for Legislation Related to a Local Annual Debt Report. ~~Contingent on enactment of legislation by the Eighty third Legislature, Regular Session, 2013, requiring the Bond Review Board to produce an annual Local Debt Report, included in the amounts appropriated above in Strategy B.1.1, Local Bond Debt, is \$125,573 from General Revenue and 1.5 full time equivalents each fiscal year of the 2014-15 biennium to implement the provisions of the legislation.~~

This veto deletes a contingent rider for a bill that did not pass.

Article II – Health And Human ServicesDepartment of Family and Protective Services

37. Contingency for House Bill 969. ~~Included in the amounts above, and contingent on passage of House Bill 969, or similar legislation relating to a student loan repayment assistance program for certain child protective services workers, by the 83rd Legislature, Regular Session, the Department of Family and Protective Services is appropriated \$500,000 in fiscal year 2014 in General Revenue Funds and \$500,000 in fiscal year 2015 in General Revenue Funds to transfer to the Higher Education Coordinating Board for implementing the provisions of the legislation.~~

This veto deletes a contingent rider for a bill that did not pass.

Article III – EducationTexas Education Agency

~~75. Contingency for SB 1718. Contingent on passage and enactment of Senate Bill 1718, or similar legislation relating to state interventions and sanctions against public school campuses with unacceptable performance and the establishment of the Texas Achievement School District for educating students at certain low performing campuses, by the Eighty-third Legislature, Regular Session, 2013, the Texas Education Agency is hereby appropriated \$250,000 in General Revenue funds in each fiscal year to implement the provisions of the legislation. In addition, the "Number of Full-Time Equivalents (FTE)" indicated in the agency's bill pattern is hereby increased by 2 FTEs in each fiscal year.~~

This veto deletes a contingent rider for a bill that did not pass.

Higher Education Coordinating Board

~~C.1.3. Strategy: WATER-AQUIFER RESEARCH \$1,500,000 \$1,500,000
Houston Area Research Council Water Aquifer Research.~~

~~60. Aquifer Research. Out of funds appropriated above in Strategy C.1.3, Water Aquifer Research, \$1,500,000 in general revenue for fiscal year 2014 and \$1,500,000 in general revenue for fiscal year 2015 shall be transferred to the Houston Area Research Council.~~

Legislation and appropriations passed by the Eighty-third Legislature, Regular Session, enhance the structure of the Texas Water Development Board and its programs, and provide funding to the agency for demonstration projects related to water reuse, aquifer storage and recovery, and other innovative water storage approaches. Now, as always, the Water Development Board is the appropriate entity to maintain centralized, long-term water planning for Texas, and the best place to devote taxpayer dollars used for this purpose. I therefore object to and disapprove of this appropriation.

Article IV – The Judiciary

Judiciary Section, Comptroller's Department

~~D.1.4 Strategy: PUBLIC INTEGRITY UNIT, \$3,742,829 \$3,830,597
TRAVIS CO _____ & UB
Public Integrity Unit, 53rd Judicial District.~~

Despite the otherwise good work the Public Integrity Unit's employees, I cannot in good conscience support continued State funding for an office with statewide jurisdiction at a time when the person charged with ultimate responsibility of that unit has lost the public's confidence. This unit is in no other way held accountable to state taxpayers, except through the State budgetary process. I therefore object to and disapprove of this appropriation.

Article V – Public Safety And Criminal Justice

Department Of Criminal Justice

67. Contingency for SB___/HB___ : Windham School District Appropriations and Funding Oversight Transfer. ~~Contingent on enactment of SB___ or HB___, or similar legislation relating to the transfer of the Windham School District's (WSD) appropriations and funding oversight from the Texas Education Agency (TEA) to the Texas Department of Criminal Justice (TDCJ), by the Eighty third Legislature, Regular Session:~~

- ~~a. reduce TEA's Foundation School Fund No. 193 General Revenue Funds by \$52,500,000 in fiscal year 2014 and \$50,500,000 in fiscal year 2015;~~
- ~~b. eliminate TEA's Strategy B.2.4, Windham School District;~~
- ~~e. move all WSD performance measures referenced in TEA's rider number 1 entitled "Performance Measures Targets" to TDCJ's rider number 1 entitled "Performance Measures Targets";~~
- ~~d. delete the following TEA riders:

 - ~~— "6. Windham Schools."~~
 - ~~— "55. Windham School District: Pilot Programs."~~~~
- ~~e. add a funding strategy entitled "C.2.6, Windham School District" within TDCJ's Goal C, Incarcerate Felons;~~
- ~~f. appropriate Foundation School Fund No. 193 General Revenue Funds to TDCJ in Strategy C.2.6, Windham School District in the amounts of \$52,500,000 in fiscal year 2014 and \$50,500,000 in fiscal year 2015;~~
- ~~g. delete the following rider from TDCJ's bill pattern:

 - ~~— "29. Expenditure Limitation Windham School District."~~~~
- ~~h. add the following new rider to TDCJ's bill pattern:~~

~~— **Windham School District.** The use of appropriated funds to the Texas Department of Criminal Justice (TDCJ) for the Windham School District (WSD) shall be governed by the specific limitations included in this rider.~~

- ~~a. None of the funds provided to WSD through TDCJ shall be expended unless the Texas Board of Criminal Justice has approved an annual operating budget for WSD prior to the expenditure of any funds. The TDCJ shall file a copy of the WSD's operating budget with the Governor, the Legislative Budget Board, and the appropriate legislative oversight committees at the beginning of each fiscal year.~~

- b. ~~The funds appropriated above in Strategy C.2.6, Windham School District, are to be expended only for academic and vocational educational programs approved by the Texas Education Agency. TDCJ shall allocate funds to WSD based on contact hours for the best 180 of 210 school days in each year of the biennium. The contact hour rates for the 2014-15 biennium are the following: \$4,47826 for academic education; \$3,67445 for vocational education. WSD shall use funds appropriated above to serve those students whose participation will help achieve the goals of reduced recidivism and the increased success of former inmates in obtaining and maintaining employment. To achieve these goals, younger offenders with the lowest educational levels and the earliest projected release or parole eligibility dates should receive high priority. This policy shall not preclude WSD from serving other populations according to needs and resources. For students who successfully complete WSD's program during the 2012-13 biennium, the WSD shall report to the Eighty fourth Legislature on the following: recidivism rates, employment rates, and attainment of GEDs, high school diplomas, professional certifications, associate's degrees, and adult education literacy levels.~~
- e. ~~From funds appropriated above in Strategy C.2.6, Windham School District, TDCJ shall identify amounts to be set aside by WSD and expended for a pilot in computer adaptive intensive math and reading intervention programs that address individual needs and develop skills from elementary levels through high school, and a pilot in virtual learning options that allow a student to earn a high school diploma, high school equivalent certification, certification and/or college credit. WSD shall produce a final report for the Eighty fourth Legislature on the implementation and effectiveness of these pilot programs.~~

This veto deletes a contingent rider for a bill that did not pass.

Article IX – General Provisions

Sec. 18.25. Contingency for HB 2824. ~~Contingent on the enactment of House Bill 2824, or similar legislation relating to the Texas High Performance Schools Consortium, by the Eighty third Legislature, Regular Session, 2013, the Texas Education Agency is hereby appropriated \$1,137,761 for fiscal year 2014 and \$1,137,761 for fiscal year 2015 from the General Revenue Fund to implement the provisions of the legislation. In addition, the "Number of Full Time Equivalents (FTE)" indicated in the agency's bill pattern is hereby increased by 9.0 FTEs in each fiscal year.~~

~~The Texas Education Agency shall cover, at a minimum, the costs of the appropriations made in this rider, as well as the "other direct and indirect costs" associated with those functions appropriated elsewhere in this Act. The Texas Education Agency is hereby appropriated all fees generated by~~

~~the Texas High Performance Schools Consortium above the sum of: (1) the amount appropriated by the first paragraph of this rider and, (2) the "other direct and indirect costs" of the agency related to the Texas High Performance Schools Consortium, to implement the provisions of the legislation. In the event that the actual and/or projected fee revenue collections are insufficient to offset program costs, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided herein to be within the amount of fee revenue expected to be available.~~

This veto deletes a contingent rider for a bill that I vetoed.

Sec. 18.49. Contingency for SB 1340.

- a. ~~Contingent on the enactment of Senate Bill 1340, or similar legislation relating to the temporary operation of a race track extension location, by the Eighty third Legislature, Regular Session, 2013, the Racing Commission is appropriated \$17,500 in GR Dedicated Texas Racing Account No. 597 funds during each fiscal year of the 2014-15 biennium for each new race track that begins the temporary operation of an extension location for the first time during the biennium (estimated to be two race tracks in fiscal year 2014 and two additional race tracks in fiscal year 2015) to implement the provisions of the legislation. This appropriation is also contingent on the Racing Commission assessing or increasing fees sufficient to generate, in addition to revenue requirements elsewhere in this Act, during the 2014-15 biennium, \$21,411 for fiscal year 2014 and \$21,411 for fiscal year 2015 for each new race track that begins temporary operation of an extension location during the 2014-15 biennium in excess of \$7,965,000 in fiscal year 2014 and \$7,979,000 in fiscal year 2015 (Object Codes 3188, 3189, 3190, 3193, 3194, and 3197) contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2014 and 2015. Also, the "Number of Full-Time Equivalents(FTEs)" indicated in the agency's bill pattern shall be increased by 0.3 FTEs in each fiscal year for each new race track that begins temporary operation of an extension location during the biennium, contingent upon the agency meeting the above revenue target. The Racing Commission, upon completion of necessary action to assess or increase such additional fees, shall furnish a copy of the Racing Commission's minutes and other information supporting the estimated revenues to be generated for the 2014-15 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriations shall be made available for the intended purposes. For informational purposes, the amount of increased revenue identified above reflects amounts sufficient to cover direct appropriations of \$35,000 and other direct and indirect costs (estimated to be \$7,822) for the 2014-15 biennium.~~

- ~~b. Contingent on the enactment of Senate Bill 1340, or similar legislation relating to the temporary operation of a race track extension location, by the Eighty third Legislature, Regular Session, the Racing Commission is appropriated in Strategy A.2.1, Texas Bred Incentive Program, revenue set aside by the Texas Racing Act pursuant to VTCS, Article 179e §6.08 (j) for the Texas Bred Incentive Program that is collected by the agency from each additional race track that begins temporary operation of an extension location during the 2014-15 biennium in an amount not to exceed \$92,000 from the GR Dedicated Texas Racing Commission Account No. 597 each year for each new race track that begins temporary operation of an extension location. Any appropriations from revenue collected by the agency from new race tracks temporarily operating extension locations for the Texas Bred Incentive Program during the 2014-15 biennium may be used only for that purpose and are not transferable to any other strategy.~~

This veto deletes a contingent rider for a bill that did not pass.

Sec. 18.54. Contingency for SB 1554. ~~Contingent on the enactment of SB 1554, or similar legislation relating to the establishment of a matching grant program for community development in certain municipalities and counties by the Eighty third Legislature, Regular Session, there is hereby appropriated to the Texas Department of Agriculture out of the General Revenue Fund in Strategy F.1.1, Rural Community and Economic Development, \$1,071,514 in fiscal year 2014 and \$1,071,513 in fiscal year 2015 to administer a Community Development Matching Grant Program to fund public infrastructure for economic development objectives in certain municipalities and counties. Additionally, the "Number of Full Time Equivalents (FTE)" is increased by 1.0 FTE in each fiscal year of the 2014-15 biennium.~~

This veto deletes a contingent rider for a bill that did not pass.

Sec. 18.55. Contingency for SB 1680. ~~Contingent on enactment of SB 1680, or similar legislation relating to new requirements related to state agency contracting, by the Eighty third Legislature, Regular Session, 2013, the Comptroller of Public Accounts is appropriated \$60,000 in General Revenue for each fiscal year of the 2014-15 biennium to implement the provisions of the legislation. In addition, the "Number of Full Time Equivalents (FTE)" is increased by 1.0 in each fiscal year of the 2014-15 biennium.~~

This veto deletes a contingent rider for a bill that did not pass.

I have signed Senate Bill No. 1 together with this proclamation stating my objections in accordance with Article IV, Section 14 of the Texas Constitution.

Since the Legislature by its adjournment of the Regular Session has prevented the return of this bill, I am filing this bill and these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 14th day of June, 2013.

(Seal)

/s/Rick Perry
Governor of Texas

ATTESTED BY:

/s/John Steen
Secretary of State

PROCLAMATION
BY THE
GOVERNOR OF THE STATE OF TEXAS

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 15 as passed by the Eighty-Third Texas Legislature, Regular Session, because of the following objections:

As governor, I have focused on making higher education more affordable, accountable and accessible, and I will continue to support innovative ideas that will improve the quality of our universities.

Limiting oversight authority of a board of regents, however, is a step in the wrong direction. History has taught us that the lack of board oversight in both the corporate and university settings diminishes accountability and provides fertile ground for organizational malfeasance.

I am committed to improving higher education and making sure students and taxpayers receive the greatest value for the investment they make in higher education. We have achieved great success to that end, and must continue to build upon it.

Strengthening our institutions is crucial to keeping Texas competitive and a magnet for business relocation, expansion and start-ups, which provide jobs and allow our citizens to prosper and build better lives for themselves and their families. Texas institutions of higher education have the opportunity to make our state even greater than it is today, and we must insist on finding ways to utilize innovative techniques and technology to make college more attainable for all. By implementing efficiencies designed to improve access and lower the cost to students, including reducing tuition, and providing an accountable and quality education we can prepare our students for a successful future.

Since the Eighty-Third Texas Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 14th day of June, 2013.

(Seal)

/s/Rick Perry
Governor of Texas

ATTESTED BY:

/s/John Steen
Secretary of State

PROCLAMATION
BY THE
GOVERNOR OF THE STATE OF TEXAS

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 17 as passed by the Eighty-Third Texas Legislature, Regular Session, because of the following objections:

A safe, secure learning environment is essential to all Texas students. To provide adequate security, we must ensure school safety planning and preparation for all levels of emergencies and threats.

SB 17 falls short of clearly expressing the role armed school employees would play during times of crisis and emergencies and the qualifications and standards they would have to meet, fails to address secure weapon storage, and carries a \$10 million fiscal note.

I have signed HB 1009 and SB 1857, which take a far more measured approach to school safety, and do not impose a large fiscal burden on taxpayers.

Since the Eighty-Third Texas Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 14th day of June, 2013.

(Seal)

/s/Rick Perry
Governor of Texas

ATTESTED BY:

/s/John Steen
Secretary of State

PROCLAMATION
BY THE
GOVERNOR OF THE STATE OF TEXAS

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 219 as passed by the Eighty-Third Texas Legislature, Regular Session, because of the following objections:

SB 219 contains several important changes to the state's ethics laws, especially those relating to the sworn complaint process. However, these positive changes are outweighed by several provisions added late in the legislative process without an open and honest discussion.

The last-minute addition of a resign-to-run requirement for members of the Railroad Commission would change the structure of a constitutional agency without the consent of Texas voters. Any effort to amend a constitutional office should go to a vote of the people.

This bill would also strip a journalist's testimonial privilege if the journalist has made direct political expenditures, or is affiliated with entities that make such expenditures.

SB 219 also allows the Ethics Commission to set an annual document filing fee for candidates and groups who file campaign finance reports. Candidates should not be charged for participating in a process intended to be transparent, to pay for a state agency. The legislature should continue to set the fee to run for office in a transparent and open way, rather than leave that to a state agency.

The Legislature had an opportunity, through the Sunset review process, to make needed changes to our campaign finance, lobby and financial disclosure laws - changes that are needed to modernize laws while still protecting our rights and providing for transparency. I urge the Legislature to look closely at our ethics laws during the interim in an open, deliberative and transparent way, so that all voices are heard and all proposals are thoroughly discussed.

Since the Eighty-Third Texas Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 14th day of June, 2013.

(Seal)

/s/Rick Perry
Governor of Texas

ATTESTED BY:

/s/John Steen
Secretary of State

PROCLAMATION
BY THE
GOVERNOR OF THE STATE OF TEXAS

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 227 as passed by the Eighty-Third Texas Legislature, Regular Session, because of the following objections:

SB 227 would circumvent existing safeguards for the dispensing of certain prescription cosmetic drugs by allowing physicians and optometrists to sell these medications directly. It is the role of pharmacists - who are trained specifically in drug interactions, side effects and allergies - to dispense the medications. Additionally, the State Board of Pharmacy has the authority to inspect pharmacies to ensure drugs are stored securely and at safe temperatures.

I share concerns from within the health care community that though these drugs are used for aesthetic purposes, they are still prescription-strength drugs with potentially dangerous side effects and interactions, and therefore should remain subject to existing safety protocols and oversight.

Since the Eighty-Third Texas Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 14th day of June, 2013.

(Seal)

/s/Rick Perry
Governor of Texas

ATTESTED BY:

/s/John Steen
Secretary of State

PROCLAMATION
BY THE
GOVERNOR OF THE STATE OF TEXAS

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 429 as passed by the Eighty-Third Texas Legislature, Regular Session, because of the following objections:

SB 429 would create another law to address an issue judges already have the ability to address. The Texas Family Code already authorizes judges in suits affecting the parent-child relationship to consider whether a child custody or child support order is appropriate to protect the child's best interest.

Since the Eighty-Third Texas Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 14th day of June, 2013.

(Seal)

/s/Rick Perry
Governor of Texas

ATTESTED BY:

/s/John Steen
Secretary of State

PROCLAMATION
BY THE
GOVERNOR OF THE STATE OF TEXAS

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 504 as passed by the Eighty-Third Texas Legislature, Regular Session, because of the following objections:

SB 504 would remove the state's requirement that schools screen all students in the 6th and 9th grades for spinal abnormalities.

This screening detects spinal curvatures, helping avoid extensive surgery, scoliosis or abnormal curvatures later in life.

To ensure children receive the attention and treatment they need for abnormal curvatures, Texas must remain vigilant and retain this required screening.

Since the Eighty-Third Texas Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 14th day of June, 2013.

(Seal)

/s/Rick Perry
Governor of Texas

ATTESTED BY:

/s/John Steen
Secretary of State

PROCLAMATION
BY THE
GOVERNOR OF THE STATE OF TEXAS

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 722 as passed by the Eighty-Third Texas Legislature, Regular Session, because of the following objections:

Ensuring the integrity of our state's election process is a key component of providing a system of fair, open and honest elections. Under current law, if a voter cannot communicate with poll workers in a common language, the voter is entitled to use an interpreter of the voter's choice who is a registered voter in that county. Often, this is a family member or other person in whom the voter personally has confidence.

SB 722 would allow the authority conducting the election to select the interpreter, thus subjecting the voter to someone with whom they are not familiar. While an interpreter selected by the voter could not be the voter's employer, agent of the employer or agent of the voter's labor union, there would be no such bar on interpreters appointed by the entity conducting the election. In an election where the entity is an employer of many voters, such as a school bond election, this could lead to the perception of undue influence, as an administrator or other person with authority over likely voters is allowed to be present at the polls.

Moreover, the elimination of the requirement that an interpreter selected by the voter be from the county will lead to the likelihood of undue influence being placed on the voter to agree to "select" activists from outside the area with whom the voter is not familiar.

The current system provides appropriate safeguards and ensures the integrity of our election system. This system should be retained.

Since the Eighty-Third Texas Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 14th day of June, 2013.

(Seal)

/s/Rick Perry
Governor of Texas

ATTESTED BY:

/s/John Steen
Secretary of State

PROCLAMATION
BY THE
GOVERNOR OF THE STATE OF TEXAS

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 889 as passed by the Eighty-Third Texas Legislature, Regular Session, because of the following objections:

SB 889 would increase the size of the Texas Physician Assistant Board from nine members to 13, representing an unnecessary expansion of government.

The board currently has three physician assistant members, three physician members, and three public members. Though most regulatory boards consist of a majority of members from the occupation they oversee, this board does not afford that advantage to physician assistants. However, physician assistants could be given a majority on their own board by amending the makeup of the existing, nine-member board. Expansion of board membership is not needed.

Since the Eighty-Third Texas Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 14th day of June, 2013.

(Seal)

/s/Rick Perry
Governor of Texas

ATTESTED BY:

/s/John Steen
Secretary of State

PROCLAMATION
BY THE
GOVERNOR OF THE STATE OF TEXAS

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 1234 as passed by the Eighty-Third Texas Legislature, Regular Session, because of the following objections:

Senate Bill 1234 attempts to change how truancy is handled by placing progressive sanctions on students based on recommendations established in a behavioral improvement plan. While these plans are meant to hold students accountable for attendance and behavior management, they do not track the child from district to district and are lost as a student transfers from one school to another, which is common for chronically truant students.

Senate Bill 1234 will hurt established local programs and prevent schools from identifying and helping address the issues students are facing. Additionally, SB 1234 conflicts with other legislation, such as SB 393, concerning which trancies are considered a ticketable offense.

Since the Eighty-Third Texas Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 14th day of June, 2013.

(Seal)

/s/Rick Perry
Governor of Texas

ATTESTED BY:

/s/John Steen
Secretary of State

PROCLAMATION
BY THE
GOVERNOR OF THE STATE OF TEXAS

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 1606 as passed by the Eighty-Third Texas Legislature, Regular Session, because of the following objections:

Senate Bill 1606 would provide that a taxing authority has a annual lien that automatically attaches to all business personal property that the business owns in the state, including property outside the taxing authority's jurisdiction. Current law gives taxing units authority to deal with taxpayers who move property around the state in an attempt to avoid taxation, while also protecting taxpayers from overly aggressive taxing authorities. By providing taxing authorities with an automatic lien on property they do not have the authority to tax, this bill could lead to abusive taxing authorities overextending their reach, to the detriment of smaller taxing units and taxpayers.

Since the Eighty-Third Texas Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 14th day of June, 2013.

(Seal)

/s/Rick Perry
Governor of Texas

ATTESTED BY:

/s/John Steen
Secretary of State

In Memory
of
Rex Neal Van de Putte
Senate Resolution 1097

WHEREAS, The Senate of the State of Texas joins citizens across the state in mourning the untimely loss of Rex Neal Van de Putte, who passed away on May 7, 2013, at the age of five and one-half months; and

WHEREAS, Rex Van de Putte was born on November 16, 2012, to Samantha Isaacs and Gregory Rex Van de Putte; he was heartily welcomed into this world by his parents and his brothers, Elliot and Asher, and by his grandparents and many other relatives and friends; and

WHEREAS, Even before his birth, Rex was special and deeply loved, so his arrival was an occasion for great joy on the part of his entire family; and

WHEREAS, An adorable baby boy with beautiful blue eyes and a winsome smile, Rex was a charmer; he had a sweet chuckle and an easy disposition and his own distinctive and engaging personality; and

WHEREAS, Rex was blessed to have the love of two wonderful dedicated and caring parents, and although his time on this earth was tragically short, his love for them and the joy he brought them are gifts they will treasure forever; and

WHEREAS, Rex was an endearing, cherished, special little person, and his brief presence among us reminds us to embrace life's most precious moments and hold them close to our hearts; and

WHEREAS, While he graced this world for only a few months, Rex Van de Putte was beloved by many, and he leaves behind memories that will continue to live in the hearts and minds of all who were blessed to know him; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 83rd Legislature, hereby extend sincerest condolences to our bereaved colleague, Senator Leticia Van de Putte, and the entire family of Rex Neal Van de Putte; and, be it further

RESOLVED, That a copy of this Resolution be prepared for his family as an expression of deepest sympathy from the Texas Senate, and that when the Senate of the 83rd Legislature adjourns sine die this day, it do so in memory of Rex Neal Van de Putte.

ZAFFIRINI
WHITMIRE

In Memory
of
Remarcus Larry West
Senate Resolution 1098

WHEREAS, The Senate of the State of Texas joins the citizens of Dallas and Texans across the state in paying tribute to the life of Remarcus Larry West, who died December 26, 2011, at the age of 33; and

WHEREAS, Born in Houston on October 3, 1978, Remarcus West spent his childhood years in Dallas, where he attended Good Street Baptist Church and became a devout Christian at a young age; and

WHEREAS, Remarcus graduated from Duncanville High School in 1997 and went on to pursue his studies at the University of North Texas and at Prairie View A&M University; he was employed for a time at Southwest Airlines, and he took pleasure in his work and was well-liked by his co-workers, who enjoyed his cheerful nature and his sense of humor; and

WHEREAS, Remarcus dreamed of furthering his education by studying photography in New York, but he battled a longtime illness that prevented him from achieving his goal; he nevertheless took time to shadow several well-known photographers as a means of pursuing his interest and cultivating his own talent; and

WHEREAS, Remarcus was beloved by his peers and admired for his talent as a coalition builder who had the ability to bring people together regardless of their differences; he was also noted for his strength and optimism, and his steadfast courage in the face of his illness was inspirational to all who knew him; and

WHEREAS, In spite of the challenges in his life, Remarcus remained undaunted; he was an adventurous, free-spirited man who was quick to laugh, was a bit of a daredevil, and loved to travel; he was also a warm, caring, kindhearted person who was devoted to his parents, siblings, and friends; and

WHEREAS, Remarcus West lived his life to the fullest and never gave up hope; an extraordinarily brave person with high standards and a generous spirit, he will long be remembered with affection and appreciation by all who were privileged to know him; and

WHEREAS, In memory of Remarcus West, the Remarcus L. West Memorial Scholarship Fund has been established at the University of North Texas at Dallas; the scholarship is intended to help students surmount their own obstacles and attain their dreams and educational goals, and it will serve in the years to come as a reminder to all of the exemplary life of Remarcus L. West; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 83rd Legislature, hereby extend sincere condolences to our bereaved colleague, Senator Royce West, and the entire family of Remarcus Larry West; and, be it further

RESOLVED, That a copy of this Resolution be prepared for the family as an expression of deepest sympathy from the Texas Senate, and that when the Senate of the 83rd Legislature adjourns sine die this day, it do so in memory of Remarcus West.

NELSON
WHITMIRE

In Memory
of
Gregory Steven Spaw
Senate Resolution 1099

WHEREAS, The Senate of the State of Texas mourns the untimely passing on November 5, 2012, of Gregory Steven Spaw, the beloved youngest child of Steve Spaw and Secretary of the Senate Patsy Spaw; and

WHEREAS, The death of a child is an unfathomable tragedy that forever alters the family and loved ones left behind; whether the child is four or 40, their premature passing leaves a void in the lives of those near and dear to them that cannot be filled; yet their death can also cause us to remember and reflect—on the cherished memories they created, on the lessons they taught us, and on the influence they still have on our daily lives despite their physical absence; and

WHEREAS, Greg Spaw was born in Austin on April 4, 1972, and when he was five, the family moved to Elgin; he attended Elgin schools and, later, Tarleton State University and Texas A&M University; at Elgin High School, he was a noted all-around athlete, and in his senior year, he was named to the all-state baseball team; and

WHEREAS, For Greg, baseball was a game not just to play but to study and to teach; one of his greatest passions was coaching his children, and he used the game to teach his players life lessons and to instill in them the benefits of teamwork, sacrifice, and camaraderie; Greg was unfailingly positive with his players, preferring to build them up with words of encouragement rather than tear them down with criticism; and

WHEREAS, Greg took the same loving approach with his family, to whom he was steadfastly devoted; in all the things he did, he sought to make his home a safe and joyous one for his family; they were the center of his life, and the happiness he brought them and the memories they shared will live forever in the hearts of his beloved wife, Becky, and their seven children, Tyler, Taylor, Jackie, Caleb, Trinity, Gregory, and Cadie; and

WHEREAS, Greg was a special person, and people were easily drawn to him due to his natural charisma; the twinkle in his eye, his disarmingly quick grin, and his firm handshake and warm "howdy" endeared him to everyone he met; and

WHEREAS, Beloved by his friends and respected by his co-workers, he was a genuine and kindhearted person who truly loved helping others and always made time for them; a true Aggie, he was a man of deep conviction whose word was his bond, and he worked hard to teach his children the value of honesty; and

WHEREAS, Greg had a strong appreciation for the simple things in life; a bear of a man with incredible strength, he enjoyed the outdoors and found great beauty in the natural world—he loved animals, flowers and trees, hay meadows, and the spring rain; and

WHEREAS, Though Greg's time on this earth was too short, he left an imprint on the world that will not be forgotten by his parents, by his wife, children, and grandchildren, by his three siblings and their spouses, and by all those who were blessed to know him and to share in his life; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 83rd Legislature, hereby extend sincerest condolences to our bereaved Secretary of the Senate, Patsy Spaw, and the entire family and other loved ones of Gregory Steven Spaw and join them in grieving his absence and in celebrating his life and legacy; and, be it further

RESOLVED, That a copy of this Resolution be prepared for them as an expression of deepest sympathy from the Texas Senate, and that when the Senate of the 83rd Legislature adjourns sine die this day, it do so in memory of Greg Spaw.

ELTIFE
WHITMIRE



